

City of Birmingham Symphony Orchestra
ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended
31 March 2017



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City of Birmingham Symphony Orchestra

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City of Birmingham Symphony Orchestra

CHAIR'S REPORT

It is with great pleasure that I am able to present to you the 2016-17 annual report of the City of Birmingham Symphony Orchestra, my fifth year as Chair of the Trustees. It is clear from the pages that follow that this has once again been a year of exceptional achievement, both on and off the world's concert stages. The appointment of Mirga Gražinytė-Tyla as Music Director, after our extensive world-wide search, is already paying off handsomely in memorable performances, great reviews and touring invitations. It is also helping us to attract some significant new donations, a vital priority for the Orchestra if we are to maintain and enhance our artistic quality and reputation as one of the best in the world.

Indeed our fundraising for the year just ended was yet again the highest in the CBSO's history at nearly £1.3m. It included some especially generous multi-year gifts, such as that from the Clive & Sylvia Richards Charity towards our work with young people, as well as an increased draw from the endowment which is managed by the CBSO Development Trust. I would like to thank all of our donors, funders and sponsors, including the CBSO Development Trust and its chair Chris Loughran, for their continued support for the Orchestra and its varied activities, and also to thank Simon Fairclough and his Development team for their valuable contribution.

Ticket income from our concerts in Birmingham also reached an all-time high of nearly £2.4m, which is testament to the excellent work of our Marketing team under Abby Corfan's direction as well as to the impact of Mirga's arrival. The work of our choruses and education teams, under Lucy Galliard's expert guidance, has also seen the CBSO bring great music – and the chance to make music – to many more people in our schools and communities who would not otherwise be able to attend our concerts.

All of this excellent work can only happen, and at this level of excellence, if we keep our finances under control, and at a time when public money continues to be under great pressure this remains a significant challenge. Birmingham City Council's financial difficulties have been widely reported and are well understood by all of us, but it remains disappointing that their grant towards the work of the CBSO – which they have supported since the Orchestra's foundation in 1920 – is now, after further cuts of 25% in each of 2016 and 2017, back at levels last seen in the 1980s. The Council's financial contribution is now well below 10% of our total income, which is very low even by UK standards, never mind international ones. We have been working hard with the Council and other local partners, through the new Culture Central organisation, to come up with a better way of supporting culture in this city and region. It may be that the new political landscape, with West Midlands Mayor Andy Street, can help find some new solutions here.

On a national level, we are pleased to have been retained in Arts Council England's National Portfolio, albeit at the standstill level which means that our ACE funding will have been essentially flat (and thus significantly cut in real terms) for more than a decade. Like everyone else we await with interest and no little anxiety the outcome of the government's Brexit negotiations: the orchestral world is international (and specifically European) by its very nature and any major limitations on our ability to connect with artists and audiences from outside the UK will have a big impact on our work.

Fortunately the new Orchestra Tax Relief scheme, introduced in 2016 by HMRC, is helping us balance the books in the meantime. Thanks to the tireless work of Annmarie Wallis and her Finance colleagues, we have kept a tight grip on our budgets, enabling us to fulfil the artistic and educational mission of the charity while ensuring that we can hand the CBSO on to future generations – and enjoy our upcoming centenary in 2020 – in the best possible shape.

I would like to thank my fellow trustees, the musicians, staff and choruses, and everyone else involved with the CBSO on your commitment and passion for this organisation. I am extremely grateful to all of you for your support for everything that we do. In particular this year I would like to pay tribute to Stephen Maddock's exceptional 18 years of service as our Chief Executive, which received much-deserved recognition when he was awarded an OBE in the New Year's Honours. The CBSO owes its current success in no small measure to Stephen's leadership.

Bridget Blow CBE
Chair of Trustees

City of Birmingham Symphony Orchestra

CHIEF EXECUTIVE'S REPORT

During the 12 months covered by the report which follows, there were a number of new beginnings to be celebrated at the CBSO: our first tour to China; the arrival of a number of players to key positions in the Orchestra; our first concerts at the splendidly redeveloped New Street Station; enthralling premieres of new music by Hans Abrahamsen, John Luther Adams, Daniel Kidane and others; and most significantly of all, the first concerts with our new Music Director Mirga Gražinytė-Tyla.

Mirga's first concerts in her new role could hardly have been more high profile: two sold out performances in August at home in Symphony Hall, then in London at the BBC Proms, with live radio and a TV broadcast the next week. These concerts, an entirely characteristic mix of Mozart (the overture to *The Magic Flute*), a new work (the London premiere of Hans Abrahamsen's *let me tell you*) and a big symphony (Tchaikovsky's fourth) had the national critics reaching for their superlatives, and featured on most people's highlights list from last year's Proms. Together with Mirga's next concert in November (Haydn, Serkowski and Mahler), they announced the arrival of a major conducting talent, and led to her being shortlisted for Royal Philharmonic Society Music Awards in two categories.

The global interest in this new conductor-orchestra relationship – which has further cemented the CBSO's near-legendary status in identifying and nurturing young talent – shows no sign of abating any time soon. We have recently returned from our first international tour together – four concerts at major German festivals – and I am currently working on plans for a further twelve tours with Mirga over the next three years. A Radio 4 documentary about her first year in the job was broadcast in July, and a TV documentary is also in production. Reaction to plans for her second season as Music Director was also very positive when we announced them in April.

But of course there were a great many other things going on in 2016-17, including our two themed seasons *Our Shakespeare* and *The Spirit of England*. Highlights of the former included a terrific concert of Romeo and Juliet in versions by Tchaikovsky, Bernstein and Prokofiev, as well as a memorable semi-staged account of Verdi's final masterpiece *Falstaff*, conducted by our outgoing Principal Guest Conductor Edward Gardner. Our English theme in 2016-17 included a rare performance of Elgar's sombre choral work that gave the series its title, conducted by Nicholas Collon, and three very varied music theatre works: Handel's *Semele*, Sullivan's *The Yeomen of the Guard* and Holst's *Savitri*. We also welcomed back Mirga's predecessor Andris Nelsons, gave a concert alongside the British Paraorchestra, celebrated the 25th birthday of our beloved Symphony Hall and played along to a live screening of Disney's *Frozen*!

Further afield, CBSO ensembles took part in four concerts at the BBC Proms, and the Orchestra and choruses appeared as usual at concert halls and festivals around the UK on a regular basis. The touring programme was also ambitious: a seven-concert tour of Japan in June 2016 with Kazuki Yamada, and a five-concert tour of China (including two concerts in Birmingham's twin city of Guangzhou as well as visits to Shanghai and Beijing). In addition, the Youth Chorus and their conductor Julian Wilkins flew the flag for Birmingham in July at a special weekend in Albert, northern France to mark the centenary of the Battle of the Somme.

Within the CBSO team there have been a few comings and goings, and we continue to prioritise the filling of vacancies within the Orchestra as fast as we can while also maintaining (and ideally improving) artistic standards. All our musicians have worked tremendously hard last year, and I would like to record my thanks to them, as well as to the equally industrious staff team who have helped us to another excellent year in financial terms as well as artistically. My outstanding colleagues on the Senior Management Team have played a significant part in these achievements, as has the Board under Bridget's watchful eye and our many volunteers. But my final word of thanks must go to the thousands of audience members, donors and sponsors whose enthusiastic support makes the CBSO the great institution that it is, and one which I am immensely proud to lead.

Stephen Maddock OBE
Chief Executive

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2017

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2017, 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 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 72,300 engagements each year, including a successful Youth Orchestra.
- Running three "unpaid professional" choruses, one each for adults, young people and children, and one un-auditioned community choir, all of which perform with both the CBSO and other musical groups.
- Management of the CBSO Centre, which is the orchestra's rehearsal and administrative home, but also functions as a medium-scale performance venue, and stages a series of mainly lunchtime chamber concerts by CBSO players as well as being let out to other arts organisations.

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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 (2016: 120) orchestral concerts during the year, reaching over 190,000 (2016: 183,000) audience members.

Our new music director, Mirga Gražinytė-Tyla took up her position in August 2016 and under her direction and with our many guest artists the orchestra has enjoyed an exceptional year both artistically and financially.

Artistically we received eighteen 5* reviews during the year, with widespread acclaim for the first concerts with our new Music Director Mirga Gražinytė-Tyla, as well as for a range of our other concerts.

Financially we had another year of better than budget achievement. Ticket sales were ahead of budget, helped by our new partnership with Classic FM and Mirga Gražinytė-Tyla's appointment, whilst fundraised income was 19% higher than in the previous year thanks to the continued generosity of the orchestra's many supporters – individuals, companies and charitable trusts – whose annual gifts are vital for the orchestra's ongoing sustainability.

We have benefited from new legislation that came into force on 1 April 2016 which enables orchestras to claim a tax credit on expenditure incurred in putting on concerts both in the UK and overseas. This new relief brings orchestras in line with other performing arts sectors and creative industries, and recognises the significant contribution that they make to the economy.

Key to our artistic strength are our musicians and whilst we said goodbye to long serving members David Russell & Ian Ludford (Cello), Andrew Lane (Piccolo), Tom Millar (Double Bass) and Eugen Popescu (Viola) we also welcomed six new faces; Toby Kearney (Principal Percussion & Timpani), Kate Suthers (Section Leader 2nd violin); Hetty Snell (Principal Cello), Jeremy Bushell (Principal French Horn), Colette Overdijk (Tutti 1st violin) and Anthony Alcock (Section Leader Double Bass).

Away from the platform our longstanding Chief Executive, Stephen Maddock was awarded an OBE in the New Year Honours' list for Services to Music, particularly in the West Midlands. Simon Halsey our Chorus Director was also made a Fellow of the Royal College of Music.

Birmingham Concerts

During the year the Orchestra performed 78 concerts in our orchestral home at Symphony Hall Birmingham, where highlights included:

- Eight concerts with our new Music Director Mirga Gražinytė-Tyla, including symphonies by Tchaikovsky, Haydn, Mahler and Beethoven, new music by Abrahamsen and Serkšnytė, and four sold-out schools concerts for pupils in Key Stage 3.
- A concert to mark the 25th birthday of Symphony Hall, conducted by Birmingham-born conductor Jamie Phillips, and featuring a new commission by Birmingham-trained composer Ryan Latimer
- New music by Hans Abrahamsen (*Left, alone*), John Luther Adams (UK premiere of his Pulitzer-prizewinning *Become Ocean*) and *Breakheat* by Daniel Kidane, played by the CBSO Youth Orchestra.
- Two performances of Disney's *Frozen: In Concert*, presented in partnership with Symphony Hall.

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- The latter stages of *Our Shakespeare*, which reached its climax in a semi-staged performance of Verdi's final opera *Falstaff*, conducted by our outgoing Principal Guest Conductor Edward Gardner, and featuring the great Italian baritone Ambrogio Maestri in the title role.
- The return of our former Music Director Andris Nelsons, for a concert of Peter Maxwell Davies' Trumpet Concerto and Bruckner's Symphony No.4.
- A series of concerts as part of our theme *The Spirit of England*, including orchestral rarities by Walton, Elgar and Britten as well as operas by Handel (*Semele*), Holst (*Savitri*) and Sullivan (*The Yeomen of the Guard*).
- An imaginative collaboration with the British Paraorchestra, featuring a new work by composer Lloyd Coleman for a combined orchestra of musicians with disabilities plus the CBSO.
- Concerts in our popular Friday Night Classics series, including the music of Queen, a screening of the silent movie *Ben-Hur* with live music by Carl Davis, two collaborations with Classic FM, and a night with conductor and comedian Rainer Hersch.

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.
- 18 Centre Stage concerts of chamber music played by CBSO musicians as part of the Osborn Chamber Music Programme.
- 4 sold out Relaxed concerts for special schools pupils with a 10 piece CBSO Ensemble and young learning disabled actors from the Open Theatre Company.

We also gave a farewell concert at the Adrian Boult Hall before its demolition along with the rest of Birmingham Conservatoire, three performances of *Cold Calling: The Arctic Project* (a co-commission with Birmingham Rep) and two free performances at New Street Station with our Assistant Conductor Jonathan Bloxham.

Other UK concerts

The Orchestra performed 13 other concerts in the United Kingdom, which included:

- A televised BBC Proms concert with Mirga Gražinytė-Tyla (marking her London debut) and soprano Barbara Hannigan, including the London premiere of Hans Abrahamsen's *Let me tell you*.
- A late-night Prom with American jazz saxophonist and composer Kamasi Washington, conducted by Jules Buckley.
- A performance of Elgar's *The Dream of Gerontius* at the Brighton Festival, with Edward Gardner and the Brighton Festival Chorus.
- A concert of English music at the Newbury Spring Festival with mezzo Alice Coote and conductor John Wilson.
- Concerts in Nottingham, Cheltenham, Malvern, Stoke, Leeds, Coventry and Reading.

Overseas Touring

The Orchestra made two overseas tours in 2016-17.

In June/July 2016 the Orchestra made a seven concert tour of Japan with conductor Kazuki Yamada and soloists Hisako Kawamura (piano), Pieter Wispelwey (cello) and Kazuhito Yamane (violin). This featured concerts in Kurashiki, Nagoya, Osaka, Yokohama, Yamagata, Niigata and at Tokyo's famous Suntory Hall. This was the orchestra's seventh visit to Japan, and as always the concerts were enthusiastically received by capacity audiences.

The Orchestra also made its long-awaited first tour to China across the New Year period December 2016/January 2017. We gave five concerts with conductor Vassily Sinaisky and soloist James Ehnes, in Birmingham's twin city Guangzhou (two concerts on 30 and 31 December), and in Changsha, Shanghai and Beijing. The final concert, in Beijing's magnificent National Centre for the Performing Arts, was

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sponsored by the University of Birmingham and attended by a large group of UK and Chinese academics invited by the university's China Institute.

The Youth Chorus also made a short visit to Albert in northern France in July 2016, to give a concert (and sing at a church service) as part of the commemorative events to mark the centenary of the Battle of the Somme. They were joined by the Lord Mayor of Birmingham, Deputy Leader of Birmingham City Council, a quartet of CBSO musicians and their conductor Julian Wilkins.

Broadcasting and Recording

Eight CBSO concerts were broadcast on BBC Radio 3 including a live relay of Mirga Gražinytė-Tyla's August 2016 BBC Proms Debut concert (which was also broadcast on BBC 4 TV).

The Orchestra also made its first ever CD recording for Deutsche Grammophon: Paganini's Violin Concerto No. 1 and the rarely-heard Violin Concerto by Wolf-Ferrari (Francesca Dego, violin, Daniele Rustioni, conductor). In addition we worked with Sky Arts on *Animal Symphony*, a film looking at animals' response to music, featuring a new commission from acclaimed British composer Nitin Sawhney.

Our Choruses

Our CBSO Adult Chorus undertook 2 engagements with the BBC Philharmonic, including a performance of Haydn's *Creation* to open their 2016-17 season in Manchester.

The CBSO Youth Chorus had a very busy year, starting with a performance of Stravinsky's *Symphony of Psalms*, and Bernstein's *Chichester Psalms* alongside the Halle Youth Choir and the BBC Philharmonic at the Bridgewater Hall, Manchester.

During August 2016 the CBSO Youth Chorus joined forces with the National Youth Orchestra of Great Britain and Edward Gardner to give three performances of Holst's *The Planets*, at Symphony Hall, Snape Maltings and the Royal Albert Hall as part of the 2016 BBC Proms. This performance was also the first BBC Prom to be streamed live throughout the world. The Youth Chorus recorded the *Planets* at Symphony Hall for Chandos, and this recording was Classic FM's disc of the week in November 2016.

In September 2016 the CBSO's Chorus department again undertook the management of the BBC Proms Youth Choir, with members of our Youth Chorus singing alongside choirs from the University of Birmingham, University of Aberdeen, the National Youth Choir of Wales and a consortium of county ensembles from the South East of England. This choir of over 250 young singers performed Verdi's *Requiem* on the penultimate night of the BBC Proms with the Orchestra of the Age of Enlightenment under the baton of Marin Alsop, a performance that was shown live on BBC television.

Learning & Participation Activities

The CBSO's extensive learning and engagement programme has many strands of activity, including concerts for young audiences, work in primary, secondary and special schools across the region, a dementia programme, projects supporting gifted and talented young musicians including the CBSO Youth Orchestra, a partnership with Birmingham Conservatoire and a 200 strong community choir. Within the year there were around 72,300 engagements with our Learning & Participation programme from across the West Midlands.

Partnerships are key to the expansion of our learning & engagement programme and we will continue to work closely with schools, the Music Education Hubs, higher education institutions and other relevant bodies to develop and deliver projects which meet the needs of the communities we serve.

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Highlights of the learning & engagement programme included:

- Our first Community Choirs Summer Showcase concert featuring CBSO Young Voices, Handsworth Community Choir and our 200 strong SO Vocal choir at Birmingham's Town Hall to a near capacity audience.
- A new partnership with the Ninestiles Academy Trust involving seven schools (4 primary and 3 secondary) working with teams of CBSO musicians, a creative writer and a professional composer to develop a new work combining songs and orchestral movements inspired by Holst's *Planet Suite*, which will be premiered at Symphony Hall in summer 2017.
- A new quartet in residence programme at Cheltenham Preparatory School and College to support the development of young string players.
- We welcomed back CBSO Youth Orchestra alumnus, conductor Jamie Phillips, in February 2017 to give the world premiere of a CBSO Commission, *Breakbeat* by Daniel Kidane, in addition to Britten's *Piano Concerto* with CBSO artist in residence Stephen Osborne and Vaughan Williams' magnificent *Symphony No.2 (A London Symphony)*.
- In January 2017 the CBSO's Music Director, Mirga Gražinytė-Tyla, conducted four sold out concerts for Key Stage 3 pupils (11 – 14 year olds). Free tickets were available for Year 7 pupils from Birmingham state schools thanks to funding from Services for Education as part of their ongoing partnership with the CBSO through the Birmingham Music Education Hub.
- In November 2016 the CBSO was awarded a major grant from Youth Music, a national lottery funder, to enable the development of our residency programme in three special schools in Worcestershire, Birmingham and Solihull. This funding will not only provide ongoing activities for the next 2 years, but will also enable the CBSO to train and support a larger pool of musicians who are able to deliver creative projects for young people with severe learning and physical disabilities.
- Our partnership with the Extra Care Charity continued, with older people living with dementia in three different Extra Care Villages across Birmingham benefitting from regular music making activities with CBSO musicians.
- Throughout the year our schools packages have become increasingly popular, particularly the Musical Storytimes Project for 3 – 5 year olds. We have delivered 40 sessions across 16 different West Midlands Schools benefitting over 1,200 children.
- In September 2016 we began our *Spirit of Birmingham* project supported by Qatar Airways, working with six primary schools, CBSO musicians and music theatre composer Eamonn O'Dwyer. The children will be performing their new piece alongside a 10 piece CBSO ensemble in summer 2018 at Symphony Hall.
- Project Remix, the CBSO's non-auditioned training orchestra, provided opportunities for 80 young instrumentalists from across the West Midlands to rehearse and perform alongside CBSO musicians. This year's ensemble was joined by singers from the Birmingham Ormiston Academy, and conducted by CBSO Assistant Conductor Jonathon Bloxham, to give a performance of orchestral arrangements of pop songs written by Birmingham based bands and artists.

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

Overall financial performance for the year, before the actuarial deficit on the Defined Benefit Pension Scheme, was an operational surplus of £0.4m (2016: operational deficit of £0.1m). This was a good result

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in a year planned largely without a full programme with our new Music Director and in which there were a lower number of both UK and overseas engagements.

The year's performance was significantly improved by the introduction of Orchestra Tax Relief without which there would have been a loss. Whilst this is a very positive initiative, and one which will help the CBSO to continue to deliver on its mission of providing world class performances for the widest possible audiences, it is important to note that Orchestra Tax Relief does not fully make up for the c40% cuts in public funding that the CBSO has experienced over the past 10 years. With further reductions in public funding likely in the future we still need to build our external incomes, with the support of all our audiences, patrons and sponsors, as we look to secure our financial sustainability through the next 100 years.

Income for the year was £9m (2016: £8.6m). The principal funding sources of the charity in the year were:

- revenue grant income from Arts Council England of £2,180,983 (2016: £2,180,983) and from Birmingham City Council of £882,482 (2016: £1,148,283). Whilst our Arts Council Grant was in line with previous awards our City Council grant reflects a 23% reduction on that received in the previous year with a further 25% reduction anticipated in the year ahead;
- almost £1.3m (2016: £1.08m) of sponsorship and donations received from trusts, individuals and corporate supporters. This total included an element of a multi-year pledge from the Clive & Sylvia Richards Charity towards the cost of the CBSO's work with young people;
- £3.3m (2016: £3.6m) in ticket income for Symphony Hall concerts and fees from orchestral touring;
- an estimated £0.8m (2016: £nil) in respect of an initial Orchestra Tax Relief claim;
- other earned income from charitable activities including our learning & engagement programmes, grants from our separately held Endowment Fund and fees for use of our CBSO Centre performance and office facilities.

A full analysis of expenditure on charitable activities is given in note 7. Total expenditure amounted to £8.6m (2016: £8.7m).

There was a significant charge this year for our Defined Benefit Pension Scheme which results from the impact of poor corporate bond yields and higher inflation forecasts on the value attributed to the Scheme's liabilities. The resulting £3.86m actuarial loss (2016: £0.009m actuarial gain), whilst measured at a single point in time, does reflect the ongoing challenge that the orchestra faces in meeting the future costs of this Scheme. The next triennial valuation of the scheme is due in April 2018 and this may have consequences for future contribution levels.

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, reach and financial sustainability.

The current planning cycle covers the period up to 2022 and includes the following key priorities:

- Maximising the benefit, both artistically and financially, from our relationship with our Music Director Mirga Gražinytė-Tyla;
- Planning and delivering a great centenary year in 2020, with special concerts and events around the world, in the community and online;
- Improving our financial position by growing annual income streams and building both our General Reserve and Endowment Funds;
- Making the CBSO and its activities ever more reflective of the diversity of the West Midlands through targeted concert, audience development and learning & engagement activities;
- Advocacy work with our public funders and other government agencies to secure the best deal for the finances of arts organisations in the future.

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

- Tours with Mirga Gražinytė-Tyla to the most prestigious venues and festivals worldwide, including German festivals (July 2017), Dublin (August 2017), Lucerne (September 2017), Germany and Belgium (November 2017), Hungary, Austria and Germany (April 2018), Europe (September and November 2018), with further tours planned for 2019 onwards including Vienna, Spain, USA, China and Japan;
- An exciting 2017-18 concert season which includes a large-scale festival to mark the centenary of the death of Claude Debussy, plus further centenary tributes to Lili Boulanger and Leonard Bernstein;
- Visits to all the major UK festivals including BBC Proms (6 concerts in 2017 involving CBSO forces), Aldeburgh, Cheltenham, Edinburgh, Lichfield, Norfolk & Norwich and Brighton;
- A collaboration with Birmingham Opera Company in 2019 for a large-scale opera production conducted by Mirga Gražinytė-Tyla;
- A series of landmark commissions for our centenary seasons 2019-20 and 2020-21, comprising pieces for the whole CBSO family and across the range of our concert strands;
- Chorus collaborations with choirs, orchestras and festivals in London, Manchester, Paris, Barcelona and Sydney;
- An extension of our work with Birmingham partners including projects with Birmingham Conservatoire (who move into their new purpose-built campus in September 2017), BCMG, Town Hall Symphony Hall, Birmingham Opera, Ex Cathedra and Culture Central.

Fundraising Practices

In the context of reduced reliance on public funding, fundraising from the private sector is an increasingly large element of the charity's income stream, and is vital for the organisation's ongoing sustainability. The fundraising approach taken during the year was to solicit funds from individuals, companies and charitable trusts. The charity is grateful to all those who contributed.

Fundraising was carried out by the charity's in-house development team, with a professional trusts fundraiser retained on a freelance basis to offer cost-effective support in drafting applications and ensuring a high standard of reporting. To monitor his performance, employees of the charity check and send out all applications and reports, and regular meetings and conversations take place.

During the year the charity voluntarily subscribed to the new Fundraising Regulator and our contracts and processes are currently being updated to ensure that all staff adhere to the fundraising standards set out in the Regulator's Code of Fundraising Practice.

During the year the charity received one complaint about its fundraising work, from a retired member of the orchestra who was sent information about the membership scheme in error. The charity apologised and took immediate action to ensure former employees do not receive fundraising information in the future.

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

- Places the value of 'respect' at the heart of its Fundraising Plan which is approved by the board of trustees and informs the day-to-day work of the charity's fundraisers. The plan states: 'in our fundraising work we will treat current and potential donors with respect, being polite and honest, avoiding being overly aggressive, and being especially careful not to take advantage of donors in vulnerable circumstances';
- Ensures procedures and systems are in place to avoid making persistent direct marketing or face-to-face requests of the same individual for support;

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- Excludes individuals who have asked not to receive fundraising information from relevant communications;
- Ensures a high proportion of the money required is in place before each financial year begins – either through donations received or through expected renewals from regular supporters – thus ensuring that communications with potential donors can take place without pressure to secure an immediate gift.

Risk management

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

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

- The 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;
- An increased legislative environment.

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:

- A robust strategic planning and annual budgeting system, which is approved and reviewed by the Trustees.
- Regular reviews by the Trustees of quarterly and annual financial reports which monitor financial performance against approved budget and forecasts.
- Consideration of all financial issues by the Audit & Risk committee and subsequent feedback to the Trustees.
- A formal internal audit programme which covers the key risk areas 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 free 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. For the purposes of this policy the Trustees define free reserves to be the General unrestricted reserve.

At 31 March 2017 total reserves were (£2,813,000) (2016: £613,000) of which £4,028,000 (2016: £4,247,000) were restricted and (£6,841,000) (2016: (£3,634,000)) were unrestricted. Unrestricted reserves are comprised of a General reserve of £1,202,000 (2016: £619,000) and a deficit of £8,043,000 (2016: £4,253,000) on the Pension reserve.

With the introduction of Orchestra Tax Relief the Trustees are pleased to be able to report an increase in the level of General unrestricted reserve during the year, from £0.6m to £1.2m, but remain mindful of the continued financial pressures in the years ahead. The trustees' target for free reserves is to increase these to

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2017

a level which would allow them to withstand any fluctuations in trading conditions or, in extreme circumstances, manage an orderly wind down of the orchestras' activities. On this basis the trustees have set a longer term target for free reserves of between £2m to £2.5m and are committed to setting budgets which will allow, given its current low base, reasonable progress to be achieved by March 2020. The trustees will continue to review progress towards the achievement of its longer term free reserves target on a regular basis.

The recognition of the Defined Benefit Scheme pension liability under FRS102 has this year had a significant effect on the reported unrestricted reserves of the Charity. This liability is updated annually to reflect market conditions and other actuarial assumptions and in the year showed a £3.8m increase to £8.04m (2016: £4.25m). Although this is a very significant change it does not mean that an immediate liability for this amount becomes payable, nor that there will be any short term cashflow impact for the charity.

The most recent actuarial valuation of the Scheme was carried out as at 5 April 2015. This showed a slight increase in the overall scheme deficit (to £4.8m) and a recovery plan, which included only a small increase in the level of annual CBSO contribution whilst maintaining the end period of May 2034, was agreed with the Scheme Trustees. Valuations are undertaken every three years and the next triennial actuarial valuation is due as at 5 April 2018.

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 Trustees of the CBSO have 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 £3,063,465 representing 34% (2016: 39%) of the charity's total income.

Grants from Arts Council England are agreed up to 31 March 2018, at levels consistent with those currently received. In June 2017 CBSO's status as a National Portfolio Organisation (NPO) was confirmed for a further four years, covering the period April 2018 - March 2022, at levels consistent with those currently agreed. Whilst this is a conditional offer, which is subject to the completion of a formal funding agreement and sufficient funds being made available from the National Lottery, it represents continued support for the work of the orchestra and a recognition that it achieves a strong match with the Arts Council England's mission of '*Great arts and culture for everyone*'.

Grants from Birmingham City Council have been agreed up to 31 March 2018 at a level of £0.7m. Whilst this represents a further 25% reduction on the level of grant received in the year to 31 March 2017 this was a better settlement than might have been expected and recognises the strategic importance of the CBSO and its role as a high profile ambassador for the City. Following the establishment of the wider West

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2017

Midlands Combined Authority and the appointment of a regional mayor; Andy Street, the CBSO is working with all parties and through the devolution agenda to improve its local public funding position.

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

As the charity has an improved and positive level of general reserves, a significant cash balance, the benefit of 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.

A key priority is increased diversity and participation in musical activities across Birmingham and the West Midlands, ensuring that everyone in the region has the opportunity to experience our work, regardless of age, background or financial means. This is also informed by the priorities of our key public funders; Birmingham City Council and Arts Council England who have recently chosen Birmingham as the home for a new and important piece of work around diversity in the arts.

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 engagement 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 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

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2017

Our advisers

Auditors	RSM 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)
	Catherine Arlidge MBE	(resigned 25 July 2016)
	Julian Atkinson	(resigned 5 July 2017)
	Clive Bawden *	(Trustee For Finance)
	Cllr Sir Albert Bore	(appointed 18 April 2017)
	Cllr Randal Brew	
	Tony Davis	(appointed 1 April 2016)
	David Gregory	(appointed 5 July 2017)
	Cllr Matthew Gregson	(resigned 13 November 2016)
	Joe Godwin	(appointed 1 April 2016)
	Sir Dexter Hutt	(resigned 17 July 2017)
	Jane Jarvis #	
	John Osborn	
	Roger Pemberton #	
	Graham Sibley *	(appointed 25 July 2016)
	Peter Sinclair	(resigned 30 September 2016)
	Lucy Williams *	(appointed 1 April 2016)
Chief Executive	Stephen Maddock OBE	
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 (until June 2017)	Director of Concerts
	Jenny Chadwick (from September 2017)	Director of Concerts
Senior Music Officers	Mirga Gražinytė-Tyla	Music Director
	Simon Halsey CBE	Chorus Director

Member of Audit & Risk Committee *

Member of Nominations Committee #

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2017

Structure, Management and Governance

Governing Document

City of Birmingham Symphony Orchestra (CBSO) is a company limited by guarantee governed by its Articles of Association dated 23 July 2015. It is registered as a charity with the Charity Commission. Anyone over the age of 18 can become a member, and there are currently 606 members, each of whom agrees to contribute a sum not exceeding £1 in the event of the charity being wound up.

Organisation

The Board of Trustees administers the charity. The board meets around six times a year 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

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 process are subject to ratification by members at the Annual General Meeting

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. They are also encouraged to:

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

Trustee Liability Insurance

The charity holds Trustee Liability insurance on behalf of its Directors and Officers at a cost of £3,863 (2016: £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 19 to the accounts.

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

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2017

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 has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditors

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

Acknowledgements

The Board of the CBSO would like to express its deep appreciation to the large number of people and organisations that support the activities of the 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

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

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2017

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 17 July 2017.

By order of the trustees
Bridget Blow CBE (Chair)

A handwritten signature in black ink, appearing to be 'B. Blow', written in a cursive style.

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

Opinion on financial statements

We have audited the financial statements of City of Birmingham Symphony Orchestra (the 'charitable company') for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Scope of the audit of the financial statements

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

Opinion on other 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 and, based on the work undertaken in the course of our audit, the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 17 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.


MICHAEL HUGGINS (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

17 July 2017

City of Birmingham Symphony Orchestra

STATEMENT OF FINANCIAL ACTIVITIES

(including income and expenditure account)

for the year ended 31 March 2017

	Notes	Unrestricted funds General £'000	Restricted Fund £'000	Total funds 2017 £'000	Total funds 2016 £'000
INCOME FROM:					
Voluntary Income					
- Donations & Legacies	2	836	459	1,295	1,082
- Grant Income	3	3,064	-	3,064	3,390
Charitable Activities	4	4,480	163	4,643	4,160
Investments	5	2	-	2	2
Other	6	2	-	2	-
TOTAL		8,384	622	9,006	8,634
EXPENDITURE ON:					
Raising Funds	7	311	10	321	293
Charitable Activities	7	7,635	612	8,247	8,443
TOTAL		7,946	622	8,568	8,736
NET INCOME/ (EXPENDITURE) FOR THE YEAR	9	438	-	438	(102)
Transfers between funds	15	219	(219)	-	-
Other recognised (losses)/gains:					
Actuarial (loss)/gain on defined benefit pension scheme	14	(3,864)	-	(3,864)	9
NET MOVEMENT IN FUNDS		(3,207)	(219)	(3,426)	(93)
RECONCILIATION OF FUNDS					
Fund balances brought forward		(3,634)	4,247	613	706
FUND BALANCES CARRIED FORWARD		(6,841)	4,028	(2,813)	613

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 2017

Company Registration No. 01262018

	Notes	2017 £'000	2017 £'000	2016 £'000	2016 £'000
FIXED ASSETS					
Tangible assets	11		4,114		4,325
CURRENT ASSETS					
Stocks		1		3	
Debtors	12	1,529		671	
Cash at bank and in hand		941		1,062	
		<u>2,471</u>		<u>1,736</u>	
CREDITORS: Amounts falling due within one year	13	<u>(1,355)</u>		<u>(1,195)</u>	
NET CURRENT ASSETS			<u>1,116</u>		<u>541</u>
NET ASSETS excluding Pension Liability			<u>5,230</u>		<u>4,866</u>
DEFINED BENEFIT PENSION SCHEME LIABILITY	14		<u>(8,043)</u>		<u>(4,253)</u>
TOTAL NET (LIABILITIES) /ASSETS			<u><u>(2,813)</u></u>		<u><u>613</u></u>
THE FUNDS OF THE CHARITY					
RESTRICTED FUNDS	15		4,028		4,247
UNRESTRICTED FUNDS :					
General reserve	16	1,202		619	
Pension reserve	16	(8,043)		(4,253)	
GENERAL RESERVE including Pension reserve			<u>(6,841)</u>		<u>(3,634)</u>
TOTAL FUNDS			<u><u>(2,813)</u></u>		<u><u>613</u></u>

The financial statements on pages 20 to 38 were approved by the board of directors and authorised for issue on 17 July 2017 and are signed on its behalf by:

Bridget Blow
Trustee

Clive Bawden
Trustee

City of Birmingham Symphony Orchestra

STATEMENT OF CASH FLOWS

For the year ended 31 March 2017

	2017 £'000	2016 £'000
Cash flows from operating activities:		
Cash used in operating activities	(87)	(6)
Cash flows from investing activities:		
Interest receivable	2	2
Proceeds from sale of property, plant and equipment	-	5
Purchase of property, plant and equipment	(36)	(95)
Net cash used in investing activities	(34)	(88)
Change in cash and cash equivalents in the year	(121)	(94)
Cash and cash equivalents at the beginning of the year	1,062	1,156
Cash and cash equivalents at the end of the year	941	1,062
 Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net income/(expenditure) income for the year	438	(102)
Interest receivable	(2)	(2)
Depreciation charges	247	253
Defined Benefit Pension Scheme	(74)	(69)
Decrease in stocks	2	23
Increase in debtors	(858)	(19)
Increase/(decrease) in creditors	160	(90)
Net cash used in operating activities	(87)	(6)
 Analysis of cash and cash equivalents		
Total cash and cash equivalents	941	1,062

City of Birmingham Symphony Orchestra

ACCOUNTING POLICIES

For the year ended 31 March 2017

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:

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.
- Orchestra Tax Relief income is recognised based on a prudent estimate of the amount of qualifying expenditure and applying the repayment rates set out in current HMRC legislation.

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.

Expenditure:

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

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

City of Birmingham Symphony Orchestra

ACCOUNTING POLICIES

For the year ended 31 March 2017

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.

STOCKS

Stocks, consisting of 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.

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.

City of Birmingham Symphony Orchestra

ACCOUNTING POLICIES

For the year ended 31 March 2017

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 note 15 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 JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

Defined Benefit Pension Scheme Actuarial assumption

The present value of the defined benefit pension scheme liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 14, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 6 April 2015 has been used by the actuary in valuing

City of Birmingham Symphony Orchestra

ACCOUNTING POLICIES

For the year ended 31 March 2017

the pension's liability at 31 March 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Orchestra Tax Relief

The accrued income in respect of Orchestra Tax Relief depends on a number of factors that are determined by management. The main assumption in this area is the amount of 'qualifying expenditure'.

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

2 DONATIONS AND LEGACIES

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Trusts	405	435
Donations, Membership and Legacies	736	531
Sponsorship	154	116
	<u>1,295</u>	<u>1,082</u>

Income from donations and legacies was £1,295,000 (2016: £1,082,000) of which £836,000 was unrestricted (2016: £741,000) and £459,000 was restricted (2016: £341,000).

3 GRANT INCOME

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Arts Council England grant	2,181	2,181
Birmingham City Council grant	883	1,148
Other: Capital grant	-	61
	<u>3,064</u>	<u>3,390</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 for the refurbishment of the CBSO Centre. Monies received in the financial year to 31 March 2016 represent the final retention payment payable one year after project completion.

4 INCOME FROM CHARITABLE ACTIVITIES

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Birmingham Concerts and promotions	2,390	2,187
Other UK engagements	431	533
Overseas engagements	463	884
Broadcasting and recording	73	103
Learning & Engagement	354	349
CBSO Centre income	132	104
Orchestra Tax Relief	800	-
	<u>4,643</u>	<u>4,160</u>

Income from charitable activities was £4,643,000 (2016: £4,160,000) of which £4,480,000 was unrestricted (2016: £4,045,000) and £163,000 was restricted (2016: £115,000).

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

5 INVESTMENT INCOME

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Interest receivable	2	2

Investment income is wholly unrestricted.

6 OTHER INCOME

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Disposal of fixed assets	2	-

Other income is wholly unrestricted.

7 ANALYSIS OF TOTAL EXPENDITURE

	Direct Costs £'000	Support & governance costs (note 8) £'000	Total 2017 £'000	Total 2016 £'000
RAISING FUNDS:				
Fundraising expenses	82	239	321	293
CHARITABLE ACTIVITIES:				
Birmingham concerts and promotions	4,154	650	4,804	4,573
Other UK engagements	607	133	740	758
Overseas engagements	894	138	1,032	1,439
Concert marketing and advertising	271	406	677	674
Broadcasting and recording	102	37	139	140
Learning & Engagement	398	278	676	687
CBSO Centre	3	176	179	172
SUBTOTAL	6,429	1,818	8,247	8,443
TOTAL	6,511	2,057	8,568	8,736

Expenditure on raising funds was £321,000 (2016: £293,000) of which £311,000 was unrestricted (2016: £278,000) and £10,000 was restricted (2016: £15,000).

Expenditure on charitable activities was £8,247,000 (2016: £8,443,000) of which £7,635,000 was unrestricted (2016: £8,002,000) and £612,000 was restricted (2016: £441,000).

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

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 2017 £'000	Basis of apportionment
Salaries (including pensions)	995	119	1,114	Time spent
Rent, rates & service charge	92	-	92	Income
Maintenance, buildings & equipment	147	-	147	Income
Professional charges	-	87	87	Governance
Depreciation	247	-	247	Income
General expenses	370	-	370	Income
	<u>1,851</u>	<u>206</u>	<u>2,057</u>	

9 NET INCOME/ (EXPENDITURE) FOR THE YEAR

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
This is stated after charging:		
Auditors remuneration		
- for audit services	15	12
- for non-audit services	5	5
Depreciation of tangible fixed assets	247	253
	<u>267</u>	<u>270</u>

10 STAFF COSTS & TRUSTEE REMUNERATION

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Wages and salaries	3,480	3,480
Social security costs	333	322
Pension costs	91	91
	<u>3,904</u>	<u>3,893</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 2017

10 STAFF COSTS & TRUSTEE REMUNERATION (Continued)

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

	Year ended 31 March 2017 No.	Year ended 31 March 2016 No.
Senior Management	6	6
Other Office Staff	29	28
Orchestra	69	69
	<hr/>	<hr/>
	104	103
	<hr/>	<hr/>

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

	2017 No.	2016 No.
£60,001 to £70,000	1	1
£90,001 to £100,000	-	1
£100,001 to £110,000	1	-
	<hr/>	<hr/>

The employers' contribution to the CBSO Group Stakeholder Plan for the above employees was £2,400 (2016: £2,400).

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 £376,308 (2016: £378,212).

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

The Trustees who are members of the orchestra received salaries and other payments/benefits on the same pay scale as those paid to other playing members in respect of their performance with the orchestra. All other charity trustees were not paid or received any other benefits from employment with the charity in the year (2016: £nil) neither were they reimbursed expenses during the year (2016: £nil).

A trustee indemnity insurance premium of £3,863 (2016: £3,740) was paid in the year.

City of Birmingham Symphony Orchestra
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

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 2016	4,717	1,088	784	18	6,607
Additions	23	9	4	-	36
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2017	4,740	1,097	788	18	6,643
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION					
At 1 April 2016	1,519	484	261	18	2,282
Charged in the year	111	51	85	-	247
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2017	1,630	535	346	18	2,529
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE					
At 31 March 2017	3,110	562	442	-	4,114
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2016	3,198	604	523	-	4,325
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

12 DEBTORS

	2017 £'000	2016 £'000
Trade debtors	132	262
Other debtors	149	103
Prepayments and Accrued Income	1,248	306
	<u> </u>	<u> </u>
	1,529	671
	<u> </u>	<u> </u>

Accrued income includes an estimate for an initial claim under the Orchestra Tax Relief legislation of £800,000 (2016: £nil).

City of Birmingham Symphony Orchestra
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

13 CREDITORS: Amounts falling due within one year.

	2017 £'000	2016 £'000
Trade creditors	515	590
Other creditors	37	156
Taxation and social security costs	103	2
Deferred income	351	183
Accruals	349	264
	<u>1,355</u>	<u>1,195</u>

Deferred income:

	2017 £'000	2016 £'000
At 1 April 2016	183	218
Amount deferred in year	351	183
Amount released to income earned from charitable activities	(183)	(218)
At 31 March 2017	<u>351</u>	<u>183</u>

Deferred income consists of project specific amounts in respect of education and other charitable activities, Chorus membership fees and rent invoiced in advance.

Included within other creditors is £28,080 (2016: £27,476) of unpaid pension contributions.

14 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 2017.

The major financial assumptions used by the actuary were:

	2017	2016
Discount rate (% p.a.)	2.70%	3.60%
Salary increase rate (% p.a.)	2.00%	1.40%
Rate of revaluation in deferment (% p.a.)		
- CPI max 5% p.a.	2.00%	1.40%
- CPI max 2.5% p.a.	2.00%	1.40%
Pension increase rate (% p.a.)		
- RPI, capped at 5% p.a.	3.25%	2.90%
- RPI, capped at 3% p.a.	3.00%	2.90%
- RPI, capped at 2.5% p.a.	2.50%	2.50%
- CPI, capped at 2.5% p.a.	2.00%	1.40%
Price inflation rate (% p.a.)	3.25%	2.90%
Consumer inflation rate (% p.a.)	2.00%	1.40%

City of Birmingham Symphony Orchestra
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

14 PENSION AND SIMILAR OBLIGATIONS (Continued)

		2017 Years	2016 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	25	26
Mortality table – pre and post retirement		S2PA with CMI 2016 1.00%	S2PA with CMI 2014 1.00%

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

	2017 £'000	2016 £'000
Target Return Funds	11,597	11,463
Equities	2,034	1,637
Property	3,255	3,226
Bonds – UK index linked gilts	2,441	1,977
Bonds - Corporate	1,017	950
Cash	-	89
Total	<u>20,344</u>	<u>19,342</u>

Balance Sheet:

	2017 £'000	2016 £'000
Present value of Scheme liabilities	(28,387)	(23,595)
Fair value of scheme assets	<u>20,344</u>	<u>19,342</u>
Deficit in Scheme	<u>(8,043)</u>	<u>(4,253)</u>

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

The employer's best estimate of company contributions to be paid in respect of the Scheme during the financial year ending 31 March 2018 is £344,000.

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

City of Birmingham Symphony Orchestra
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

14 PENSION AND SIMILAR OBLIGATIONS (Continued)

Analysis of the amount charged to the Statement of Financial Activities

	2017 £'000	2016 £'000
Interest on Scheme liabilities	834	849
Interest on Scheme assets	(685)	(702)
Administration costs	113	113
Amount charged to operating costs	262	260
Actuarial loss/(gain) on Scheme liabilities	4,824	(1,179)
Actual (gain)/loss on Scheme assets	(960)	1,170
Total expense	4,126	251
Total return on Scheme assets	1,645	(468)

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

	2017 £'000	2016 £'000
Opening defined benefit obligation	23,595	24,610
Interest cost	834	849
Benefit paid	(866)	(685)
Actuarial loss/(gain)	4,824	(1,179)
Closing defined benefit obligation	28,387	23,595

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

	2017 £'000	2016 £'000
Opening scheme assets	19,342	20,279
Expected return on assets	685	702
Employer contributions	336	329
Benefits paid	(866)	(685)
Administration costs	(113)	(113)
Actuarial gain/(loss)	960	(1,170)
Closing scheme assets	20,344	19,342

City of Birmingham Symphony Orchestra
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

14 PENSION AND SIMILAR OBLIGATIONS (Continued)

	2017 £'000	2016 £'000	2015 £'000	2014 £'000	2013 £'000
Experience arising on Scheme liabilities					
Amount	-	(520)	-	-	(800)
% of present value of funded obligations	0%	(2.2%)	0%	0%	(3.7%)
Experience arising on Scheme assets					
Amount	960	(1,170)	1,605	(261)	1,191
% of Scheme assets	4.7%	(6.0%)	7.9%	(1.4%)	6.5%
Total amount recognised in SOFA as Gains & Losses					
Amount	(3,864)	9	(514)	(618)	(622)
% of present value of funded obligations	(13.6%)	0%	(2.1%)	(2.8%)	(2.9%)
Present value of Scheme liabilities	(28,387)	(23,595)	(24,610)	(22,325)	(21,787)
Fair value of Scheme assets	20,344	19,342	20,279	18,480	18,257
Deficit in Scheme	<u>(8,043)</u>	<u>(4,253)</u>	<u>(4,331)</u>	<u>(3,845)</u>	<u>(3,530)</u>

15 RESTRICTED FUNDS

	1 April 2016 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2017 £'000
CBSO Centre reserve	3,123	-	-	(84)	3,039
Arts Council capital grant	1,050	-	-	(115)	935
Youth Orchestra reserve	69	-	-	(16)	53
Capital equipment reserve	5	-	-	(4)	1
Education & Chorus reserve	-	375	(375)	-	-
Charitable activities reserve	-	247	(247)	-	-
	<u>4,247</u>	<u>622</u>	<u>(622)</u>	<u>(219)</u>	<u>4,028</u>
	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)	-	-
	<u>4,418</u>	<u>517</u>	<u>(456)</u>	<u>(232)</u>	<u>4,247</u>

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

15. 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 is equivalent 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 & Engagement work in schools and the wider community.
Charitable activities reserve	The Charitable Activities reserve represents monies from Trusts and individual sponsors to support other charitable activities including large scale concerts and the Music Director and Orchestra Leader positions.

16 UNRESTRICTED FUNDS

	Balance 1 April 2016 £'000	Surplus in year £'000	Actuarial loss on pension scheme £'000	Balance 31 March 2017 £'000
General reserve	619	583	-	1,202
Pension reserve	(4,253)	74	(3,864)	(8,043)
	<u>(3,634)</u>	<u>657</u>	<u>(3,864)</u>	<u>(6,841)</u>

City of Birmingham Symphony Orchestra
NOTES TO THE FINANCIAL STATEMENTS
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16 UNRESTRICTED FUNDS (Continued)

	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>

17 NET ASSETS BY FUND

	Restricted 2017 £'000	Unrestricted 2017 £'000	Total 2017 £'000
Funds are represented by:			
Fixed assets	3,974	140	4,114
Current assets/ (liabilities)	54	1,062	1,116
Defined benefit pension liability	-	(8,043)	(8,043)
	<u>4,028</u>	<u>(6,841)</u>	<u>(2,813)</u>
	Restricted 2016 £'000	Unrestricted 2016 £'000	Total 2016 £'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>

18 CAPITAL COMMITMENTS

Future capital expenditure contracted for, but not provided in the financial statements as at 31 March 2017 was £21,915 (2016: £nil).

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

19 RELATED PARTY TRANSACTIONS

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

20 POST BALANCE SHEET EVENTS

In June 2017 the charity received a substantial legacy of £795,000, which is to be applied equally over a period of eight years, for general charitable purposes.