

City of Birmingham Symphony Orchestra
ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended
31 March 2021



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City of Birmingham Symphony Orchestra

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City of Birmingham Symphony Orchestra

CHAIR'S REPORT

I am delighted to present the CBSO's annual report for 2020-21, while at the same time acknowledging that it has been a year like no other. Even in April 2020, a few weeks into the pandemic, we could not have imagined that the Orchestra would spend only a single day (in November) giving public concerts. This had been the lifeblood of the previous 100 years, and the biggest challenge of the past 12 months has been to make sure that the Covid restrictions did not silence the CBSO altogether. The fact that we still managed to find new ways to connect with our audiences is a testament to the hard work and ingenuity of our staff and musicians.

Having increased our digital activities so significantly during the pandemic, it is clear that this will remain an important way in future for the CBSO to connect with new audiences in the UK and around the world. But just as important to our future are the educational opportunities – such as our music school in Sandwell, opening in 2023 – and other activities aimed at growing and diversifying the Orchestra's audiences. This has been a big focus at Board level over the last year, and we look forward to a number of new initiatives over the coming seasons.

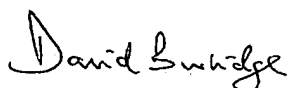
In order for these ambitious plans to come to fruition, the Board also needs of course to keep a very close control over the CBSO's financial health. This has been far from straightforward during a pandemic in which for most of the year we were effectively prevented from earning any commercial income. But we have managed to chart a course through these difficult waters with the help of various government initiatives: the continued core funding from Arts Council England and Birmingham City Council, as well as the temporary Job Retention Scheme (paying salaries when the Orchestra was not able to work) and the Culture Recovery Fund (underwriting our artistic activities when we could work).

Alongside this public sector support, we are also enormously grateful to our very generous donors, who have continued their regular giving and also made exceptional gifts to our *Sound of the Future* campaign for the CBSO's second century. The CBSO has always relied on this mix of public and private investment, and at a time of crisis we are humbled by, and proud of, the many people who have stepped forward to help us survive Covid.

Another priority as we emerge back into a fuller programme of events is the ongoing search for a successor to Mirga Gražinytė-Tyla, who announced at the start of this year that she will relinquish her position as Music Director here in summer 2022. We are delighted that Mirga will then be taking up the role of Principal Guest Conductor, and we hope to keep seeing her here in Birmingham for many years to come.

I would like to extend my thanks to my fellow Board members – we have met more frequently than usual throughout the last year, and Trustees have been very generous and thoughtful in lending their expertise and experience to the challenges the Orchestra has faced. And I would also like to express my sincere thanks to our orchestra members and staff. The repeated lockdowns have been deeply frustrating for everyone and I am much looking forward to enjoying having everyone back in action soon and to listening to the fabulous sounds of the CBSO in person.

Finally, I am sure you will share my hope that we will soon all be released from behind our screens and back interacting with each other at concerts. If the last year – and the first few concerts this spring – has taught us anything, it is that there is nothing quite like live music!



David Burbidge CBE, DL
Chair of Trustees

City of Birmingham Symphony Orchestra

CHIEF EXECUTIVE'S REPORT

It would be the understatement of the century to say that the activities reflected in this Annual Report do not represent how we planned and hoped to celebrate the CBSO's Centenary.

For an organisation that is used to producing and presenting live music all the time, the enforced silence and inactivity of the Covid period has been incredibly difficult and frustrating. Our priority at the start of the pandemic was to keep everyone safe, and even as we have gradually increased our activity over the past year this has been achieved very well: artists and audiences repeatedly tell us that our Covid protocols are among the best they have seen, and that Symphony Hall (whose team have also played an important part) feels an extremely safe environment for the enjoyment of live music.

The slower pace at which everything seemed to be happening last year also gave us a rare chance for a bit of reflection – how should we rebuild orchestral life after the pandemic, and what kind of music, musicians and audiences will be important for success in our next 100 years? This work – reflecting our renewed commitment to Equality, Diversity and Inclusion both on the concert platform and off it – has involved a number of fascinating conversations both inside the organisation and with external partners. Our new partnership with Black Lives in Music, for example, has already got us thinking about the ways in which we might enhance our recruitment, our programming and our marketing as we rebuild our activities post-Covid.

Ultimately the priority here is to find as many ways as possible to connect with audiences and the wider public in ways that are fresh, welcoming and inspiring. Our digital work over the last year has given us a chance to experiment – with the music we play as well as how we present it – and we have carried this spirit through into our concerts this summer at Symphony Hall for socially distanced audiences. Whether it is the new orchestral dress code, the presentation from the stage or the screen behind the orchestra, we are keen to hear from you as to whether these tweaks help make the concert experience more modern and engaging, and whether it would help you to encourage others to give orchestral concerts a go. We do hope so.

Another big change for all who work at CBSO and in our wider industry has been the shift from very long-range planning horizons to much shorter-term decision-making. For now, the most important gift is not being able to predict the future: it is being flexible, adaptable, able to think through problems and adjust your plans almost in real time. Throughout the past year we have had to keep changing our planning, thanks to the combination of Covid restrictions, travel and quarantine rules, and the things we have learned along the way. This has been a real challenge, but one to which our musicians and staff have responded magnificently.

I am very grateful to them for all their hard work, their determination to keep our artistic standards very high, and the very many creative ways in which they have managed to keep connected with audiences. And to you, our loyal audiences, I am also very grateful for your continued support. I know that many of you will have been affected by Covid in all kinds of ways, but I hope you will feel able to join us again next season in the magnificent surroundings of the new Symphony Hall foyers and share a drink and a chat with us and your concert companions before settling down to enjoy some more world-class orchestral music. How we have all missed it!



Stephen Maddock OBE
Chief Executive

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2021

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2021, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

Objectives and activities

Principal Activity

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

Mission and Objects

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

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

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

Key Activities

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

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

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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

2020-21 was a year that no-one saw coming with our activities brought to a virtual standstill by the Covid-19 pandemic which meant that we performed only one pair of orchestral concerts with a live audience. As such 2020-21 was a year with a difference in which we:

- Live streamed our Centenary concert on 5 September which together with subsequent online viewings reached a worldwide audience of 176,000.
- Upskilled our organisation by delivering a high-quality programme of digital concerts.
- Secured strong support from Arts Council England's Culture Recovery Fund.
- Launched our five-year, £12.5m *Sound of the Future* fundraising campaign.
- Participated in the Government's Job Retention Scheme which meant that we were able to retain all our highly skilled musicians and staff.
- Maintained a strong relationship with our members and other donors who continued to support the orchestra at this vital time.
- Seized the opportunity presented by a rare break in concert activities, to reflect on our social purpose, artistic priorities and plan all the ways in which we aim to come back stronger after the pandemic.

Orchestra Activities

During the year, the CBSO family kept playing as often as we could within the ever-changing government restrictions and alongside our need to keep our musicians, staff and audiences safe at all times. These activities included:

- A single pair of orchestral concerts with live audience at Symphony Hall on 4 November, in which Mirga Gražinytė-Tyla conducted works by Ligeti, Mozart and Brahms.
- A Centenary concert conducted by Sir Simon Rattle, with soloists Sheku Kanneh-Mason, Roopa Panesar and presenter Adrian Lester, streamed internationally at the precise anniversary of the Orchestra's very first concert in 1920. This concert, which featured the largest orchestra assembled at that stage in the UK since the start of the pandemic, was performed at the PRG Warehouse in Birmingham, with a huge digital wall displaying images of the Midlands and relating to the CBSO's history. It featured music by Schumann, Elgar, Saint-Saëns, Hannah Kendall, A R Rahman and Stravinsky.
- A series of 7 orchestral concerts filmed for digital release, initially via our own pay-per-view Vimeo channel and subsequently licensed to Marquee TV and for other uses. This began with a special programme performed on the Centenary of the Orchestra's first symphonic concert (10 November 1920, conducted by Sir Edward Elgar), featuring Elgar's Cello Concerto played by Sheku Kanneh-Mason, as well as music by Sibelius and Beethoven, all conducted by Mirga Gražinytė-Tyla. Subsequent programmes were conducted by Mirga, Alpesh Chauhan, Ben Gernon, Michael Seal, Fabien Gabel and John Wilson.
- Two smaller-scale films of Beethoven's *Septet* and *Celebrating Piazzolla: 100 Years of Tango*, also released via Vimeo.

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- CD Recordings with Mirga Gražinytė-Tyla for Deutsche Grammophon included new recordings of English music (Vaughan Williams *Tallis Fantasia*, Holst *The Perfect Fool* ballet music, Elgar *Sospiri*) and two works by Mieczysław Weinberg (Sinfonietta No.1 and Flute Concerto No.1, played by the CBSO's Flute Section Leader Marie-Christine Zupancic). DG also released acclaimed new CBSO recordings of Britten's *Sinfonia da Requiem* and Walton's *Troilus and Cressida Suite*.
- The CBSO's DG recording of Weinberg's Symphony No.21 won the prestigious Recording of the Year at the 2020 Gramophone Awards, the fourth time that a CBSO recording has had this honour (the joint best of any orchestra in the world, alongside the Berlin Philharmonic and London Symphony Orchestra).
- A short series of 4 pairs of ensemble concerts played to live audiences at CBSO Centre in October, featuring rarely-heard repertoire by composers including Bruch, Stravinsky, Ireland, Villa-Lobos, Varèse and Goossens as well as the world premiere of *My Thoughts Fly In At Your Window*, a CBSO Centenary Commission by Grace-Evangeline Mason.
- A daily Advent Calendar throughout December gave a great opportunity to showcase the whole of the CBSO family (including all our choruses) in festive short films created specially and presented by members of the Orchestra. The calendar films were viewed c91,000 times.
- Other short-form digital content included a wide range of short works and extracts, plus two series of educational films aimed at young children. In all, we created and released over 50 short films in this way, with a total reach of c55,600.
- We ran an extensive series of Webinars and Zoom meetings for our donors and members, shining a light on members of the Orchestra as well as our guest artists. This was very effective in retaining donors and generating new donations to our *Sound of the Future* campaign.

Our Choruses

Much like the orchestra, the CBSO Chorus were unable to give any live performances during the year as amateur music was largely prohibited. They did however continue to meet throughout much of the year; in person when rules allowed this and otherwise online, which has helped to maintain engagement and membership.

The CBSO Chorus participated in two online recordings for the CBSO over the summer. A release of *Somewhere Over the Rainbow* in May as a thank you to the key workers, particularly NHS staff, and a recording of Handel's *Hallelujah Chorus* from the *Messiah*, which was released on the day when the CBSO Chorus would have performed the *Messiah* for the first time in its history.

Alongside all our other choirs, the CBSO Chorus contributed to the daily Advent Calendar with a performance of *We Wish You A Merry Christmas*, which was accompanied by the CBSO, and involved the Youth Chorus. With singers all recording at home, and then mixed with the orchestral sound this was quite a technical undertaking but provided an opportunity for the Chorus to 'sing' with the orchestra again – albeit in a digital format.

The CBSO Children's and Youth Choruses have also been impacted by the Covid-19 situation. They stopped rehearsals in March 2020 and were not able to sing together again until April 2021. They have been provided with a combination of resources to keep them singing and vocally active at home, and, from September 2020, weekly online zoom rehearsals. These rehearsals have not only provided opportunities to learn a range of different repertoire, but also to support the singers in their musicianship, sightreading skills, and vocal technique. Both choirs also contributed to the daily Advent Calendar, singing their parts at home before they were combined, with accompaniment by CBSO musicians, for digital release.

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Learning & Participation Activities

The CBSO's extensive Learning and Participation programme has, effectively, been paused for the whole of 2020-21 as far as in-person activities are concerned. With schools shut or focussing on catch up learning, limitations on amateur music making, strict restrictions on the numbers of young people able to work together, and care homes closed to external visitors, our regular programme of activities was impossible to deliver. However, we were able to provide some engagement opportunities utilising a digital approach including:

- In October 2020, producing a series of webinars which explored the workings of each section of the orchestra, and offering an introductory session to conducting. Performed by members of the CBSO and curated and presented by CBSO Associate Conductor Michael Seal, these webinars attracted over 500 people from across the UK – including young musicians and adult amateurs.
- Launching a new series of pre-recorded concerts for care settings in December 2020, *Cuppa Concerts at Home*, providing residents with a specially programmed concert of music performed by a CBSO ensemble with presentation and accompanying resources to help residents and staff get the most out of the concert.
- Replacing our normal in-school activities with a series of short online resources which could be used by parents undertaking home schooling, or teachers wanting to incorporate musical activities into their online teaching.
- Our community choir, SO Vocal, contributing to the CBSO's daily Advent Calendar in December 2020; like our other choirs they have not been able to meet in person since March 2020.

Our volunteers

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

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

Financial Review

The results for the year to 31 March 2021 and the preceding financial year are set out in the Statement of Financial Activities on page 23.

The net financial result for the year was a surplus of £0.6m (2020: £0.4m deficit). Starting the year just as the Covid-19 pandemic hit, this looked like a most unlikely outcome, but as well as the loyal support of its many donors and supporters the charity also benefited from a successful Arts Council England Culture Recovery Fund application and made use of the government's Job Retention Scheme. Helped in part by the CRF grant, which specifically allowed for the rebuilding of reserves, the charity also took steps to improve its financial position with pay and other spending reductions.

Total income for the year was £6.9m (2020: £9.3m). The principal funding sources of the charity in the year were:

- revenue grant income from Arts Council England of £2,221,113 and £607,836 from Birmingham City Council, both of which showed a small % increase compared with the previous year.
- a Culture Recovery Fund grant of £843,000, £670,500 of which was recognised in the year.
- almost £2m of income from the Job Retention Scheme which helped to cover the salaries of all musicians and more than half of the staff whilst activity was at a standstill and/or significantly reduced, meaning that earned income for the year was only £0.2m (2020: £4.5m).

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- £1.2m of sponsorship and donations received from trusts, individuals and corporate supporters. Whilst this was lower than in the previous years (2020: £1.9m), individual giving levels remained high with the reduction coming from activity-related income streams, many of which have been retained for use in future years.

A full analysis of expenditure on charitable activities is given in note 7. With the significant reduction in activity levels, total expenditure for the year was reduced by more than 40% to £6.3m (2020: £10.9m).

The minimal activity levels, in particular the lack of live performances with a paying audience, removed almost completely the significant benefit of Orchestra Tax Relief. As activity restarts the charity continues to rely on the long-term benefit of this relief, which alongside the valuable support of our donors and sponsors helps to sustain the standard and breadth of the CBSO's work.

There was a small increase in the Defined Benefit Pension Scheme liability to £8.6m (2020: £8.5m), with the improvement in Scheme asset values not quite compensating for the increase in Scheme liabilities, which resulted from the reduction in bond yields during the year and higher future inflation assumptions. With a deficit recovery plan that runs to at least April 2034 the ongoing funding of this Scheme will continue to be a significant financial cost for the charity for many years to come.

Plans for future periods

As part of its ongoing sustainability planning, and to support and inform its fundraising activities and public funding grant applications, the CBSO Board maintains a robust strategic business planning cycle. Our business planning work has of necessity been rather short term over most of the last year as we focused on the immediate financial and artistic challenges caused by Covid-19. We restarted the longer-term planning process in January 2021 at which time we confirmed our key priorities as being to:

- Reinvent the concert experience for our second century.
- Develop bigger, younger and more diverse audiences.
- Deliver more music in our communities.
- Strengthen our resilience and sustainability.

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

- Experimenting with our live concert activities and working to achieve an optimal balance between these and the newly created digital work streams.
- Appointing a new Music Director who can support these new initiatives but also ensure the continued artistic excellence of our work and worldwide reputation.
- Showcasing CBSO in our communities with targeted concert, audience development and Learning & Engagement activities to make us more reflective of the diversity and demographics of the West Midlands as a whole.
- Working with Shireland Collegiate Academy Trust to open a free specialist music school in Sandwell in September 2023.
- Improving our financial position by continuing the successful rollout of our *Sound of the Future* fundraising campaign, re-establishing and then growing other annual income streams to help build both our General Reserve and Endowment Fund levels.
- Recruiting and retaining the best possible musicians and Chorus members.
- Advocacy work with our public funders and other government agencies to secure the best deal for the finances of arts organisations in the future.
- Focusing on the environmental impact of our activities, both at home and abroad, and seeking to minimise our carbon footprint.

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The onset of the international lockdown caused by Covid-19 in March 2020 meant that nearly all of our artistic work was cancelled, postponed or changed into much smaller-scale activities with restricted or digital-only audiences. These dramatic changes to our artistic plans – entirely necessary from a public health point of view, and in the best interests of our musicians, staff and audiences – have nevertheless been a huge disappointment given the range and quality of our Centenary plans, put together over the last 5 years.

The details of our future plans are therefore changing all the time, but at the moment they include the following:

- A comprehensive review of the content, timing, presentation and pricing for our Birmingham concerts, with some experiments in summer 2021 helping to inform decisions about the 2021-22 season.
- A renewed commitment to Equality, Diversity and Inclusion strategies to help enlarge the scope of our artistic programme, refine our recruitment practices and expand our audiences.
- The remainder of our series of 20 landmark commissions (plus 20 encores from young composers) comprising pieces for the whole CBSO family and across the range of our concert strands; the 14 major works still to be played include music by Thomas Adès, Roxanna Panufnik, Mark-Anthony Turnage, Brett Dean, Anna Thorvaldsdottir and Debbie Wiseman.
- Tours to the most prestigious venues and festivals worldwide, including: three performances of Janáček's opera *The Cunning Little Vixen* in Dortmund, Hamburg and Paris in November 2021; a residency at the Vienna Musikverein (postponed from 2020) as part of an extensive European tour in March-April 2022; a coast-to-coast US tour (postponed from 2020) in October 2022, including a concert in New York's Carnegie Hall; and a tour to Japan (postponed from 2021) in June 2023.
- A collaboration with Birmingham Opera for a new production by Graham Vick of Wagner's *Rhinegold* in August 2021.
- An involvement in Coventry's year as UK City of Culture 2021.
- Multiple contributions to the Birmingham Commonwealth Games in summer 2022 and the associated festival and culture programme.
- Visits to all the major UK festivals including BBC Proms, Aldeburgh, and Edinburgh.
- Further recordings for Deutsche Grammophon, Chandos and other labels.
- Chorus engagements with choirs, orchestras and festivals in London, Manchester and Sydney.
- Collaborations with Birmingham partners including the University of Birmingham, Royal Birmingham Conservatoire, Keneish Dance, Birmingham Contemporary Music Group, Hockley Social Club, Sampad, Town Hall Symphony Hall, Birmingham Royal Ballet, Birmingham Rep, Ex Cathedra and Culture Central.

Fundraising Practices

In the context of the pandemic, and of steadily reducing reliance on public funding over the last decade, fundraising from the private sector has remained an important element of the charity's income in the current financial year. The fundraising approach taken was to solicit funds from individuals, companies and charitable trusts, including through the launch of a £12.5m fundraising campaign *The Sound of the Future*. The charity is grateful to all those who contributed.

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

The charity voluntarily subscribes to the Fundraising Regulator and continues to ensure adherence to the Regulator's Code of Fundraising Practice. Our full gift acceptance policy is reviewed annually by the Audit & Risk Committee. This policy, which is based on Charity Commission guidelines, sets out the charity's procedure for accepting gifts from donors and the reporting and use of such donations.

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During the year the charity received 2 complaints (2020: 1) about its fundraising work.

- The first complaint was received from a member who had purchased a standard rate membership online in place of a concessionary rate and felt that the wording on our website was not as clear as it might have been. The member requested a refund which was actioned, and the website was updated with clearer information on the criteria for a concessionary rate membership.
- The second complaint was from a donor who had not received a confirmation or thank you for a donation. On investigation it transpired the donor had been sent an email thank you but to an inactive email address which was subsequently deleted, and the donor's record was updated with the new email address.

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

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

Risk management

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

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

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

A focus on the relevant key performance indicators (KPIs) and good relationships with our key funders, DB Pension Scheme trustees and suppliers ensures 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:

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- 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 rotational basis.
- Formal limits on staff members' ability to authorise expenditure.
- Segregation of duties amongst members of staff in so far as it is possible.

Reserves

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

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

Despite the impact of Covid-19 the level of free reserves increased during the year to £2.3m (2020: £1.5m). This was achieved thanks to the support of Arts Council England's Culture Recovery Fund, the Government's Job Retention Scheme and the ongoing support of our public and private funders. Additionally, and with an early appreciation that the impact of Covid-19 would affect the years beyond 2020-21, the charity worked pro-actively to reduce its spending – and so improve the level of free reserves – by implementing pay reductions and a recruitment freeze and by imposing strict controls over all discretionary spending.

In light of the anticipated uncertain trading conditions that the charity continues to face the trustees have accepted that, in the short term, the level of free reserves may fall, but they remain committed to increasing these again when the trading outlook becomes more certain.

With our 2020-21 centenary activities all but postponed there was minimal use of the designated reserve during the year. The balance on this reserve, which remained at £0.38m, will be used to support our future centenary plans, a number of which have now been deferred to the 2022-23 concert season. Any monies not needed for these purposes will be returned to the general unrestricted reserve at the end of this, now extended, centenary period.

The recognition of the Defined Benefit Scheme pension liability under FRS102 continues to have a significant effect on the reported unrestricted reserves of the charity. This liability is updated annually to reflect market conditions and other actuarial assumptions and this year showed a small increase to £8.6m (2020: £8.5m). Although this is a significant figure it does not mean that an immediate liability for this amount becomes payable, nor that there will be any short term cashflow impact for the charity. The level of annual contributions required to support the Scheme is determined by a triennial actuarial valuation. The charity and Pension Scheme trustees are currently working together to complete the April 2021 valuation with the aim of ensuring that the previously agreed recovery period end date of April 2034 can be maintained without any significant increase in the level of annual deficit contributions required from the CBSO.

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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 line with its future business plans and the annual budget that is approved by the trustee Board.

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

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

Public Funding and Going Concern

The charity is supported by grant aiding bodies. Revenue grant income from this source amounted to £2,828,949 representing, in this rather exceptional year, 41% (2020: 30%) of the charity's total income.

Annual revenue grants from Arts Council England are now agreed in principle up to 31 March 2023, (final decision on 2022-23 grant due in October 2021) at current levels plus inflation. Arts Council England has provided further support for the sector through its Culture Recovery Fund. The charity was successful in the two rounds of funding awarded to date receiving £843,000 in round 1 and a further £480,000 in round 2. A third round of funding is anticipated in Autumn 2021 which the charity should be eligible to apply for.

During the year the charity enjoyed substantial support from the government's Job Retention Scheme and remains eligible to continue to use this Scheme to help fund the salaries of both musicians and staff whilst activity remains restricted. This scheme is currently due to end on 30 September 2021.

To demonstrate its continued support for the Arts, in a period that includes Coventry's role as City of Culture in 2021 and the Commonwealth Games in Birmingham in 2022, Birmingham City Council has agreed its overall arts budget for the four years up to March 2023. CBSO's share of this arts budget continues at a level of £0.6m for 2021-22. As we continue to enjoy a close relationship with the councillors and executive team who are hugely supportive of the work that we do and our role in enhancing the profile of the city, we expect this level of grant award to be maintained in their remaining two budget years.

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

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

Equality, Diversity & Inclusion (EDI)

In December 2020 members of the Board, staff and orchestra took part in *I'M IN*, a tool developed specifically for musical organisations to enable them to reflect on their approaches and commitment to EDI, and to identify areas that required further development or improvement. The outcome of this process has greatly influenced the updated Equality, Diversity and Inclusion plan recently approved by the Board.

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2021

The CBSO became the first UK Symphony Orchestra to partner with the newly formed Charity *Black Lives in Music* in February 2021. We will be working closely with BLiM over the coming year to deliver a comprehensive EDI training programme across the whole organisation. This organisation will also be providing advice and acting as a critical friend for other new initiatives to be delivered in 2021-22 and beyond.

Given the restrictions on our 'normal' activities during the year we have fewer EDI achievements to report but nonetheless we:

- Used the opportunity created by our digital concerts to explore new repertoire and thereby increase the amount of music by diverse composers.
- Generated digital content for those living in care homes.
- Maintained contact with our Youth Ambassadors and provided opportunities for them to generate blogs, podcasts and other online materials.
- Began to develop a new career acceleration programme for string players from backgrounds that are under-represented within the orchestral sector.
- Maintained the level of ethnic diversity within our Children's and Youth Choirs.
- Created a Board Diversity champion to ensure continued focus and emphasis on our EDI activities
- Prepared a comprehensive new EDI plan which sets out our aims and targets for the period 2021-2025

Public Benefit

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

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

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

With the virtual complete absence of live activity during the year we have been unable to deliver against our normal programme of engagement but remained connected to our communities by:

- Delivering a free to view celebration of our 100th birthday, on 5 September, with extensive promotion so that its occurrence was visible to as many people as possible.
- Continuing to offer discounted tickets for any of our activities that did go ahead including £10 tickets to watch our recorded concerts.
- Offering free online resources for school and families.
- Providing a series of free orchestral webinars for young and adult amateur instrumentalists.
- Generating digital content for adults living in care home settings.
- Continuing to offer free or heavily subsidised access to members of our Youth ensembles through weekly online digital rehearsals and a series of webinars.
- Generating an array of online material which is available to view for free on our social media and other digital channels.
- Making a commitment to provide 5,000 free tickets to NHS workers.
- Maintaining regular online engagements with the 350+ members of the CBSO Chorus and SO Vocal to ensure they continue to feel connected and to help with any feelings of loneliness and isolation.

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2021

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	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	Marsh Limited	6 th floor, 4 Brindleyplace, Birmingham. B1 2JQ

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

Trustees:	David Burbidge CBE, DL #	(Chair)
	David Roper #	(Deputy Chair)
	Cllr Sir Albert Bore	
	Cllr Alex Yip	
	Margaret Cookhorn ~	(resigned 9 September 2020)
	Tony Davis *	
	Susan Foster	
	Joe Godwin #	
	Elsbeth Dutch ~	
	Helen Edgar * ~	(appointed 9 September 2020)
	Jane Fielding #	
	Emily Ingram	
	Sundash Jassi *	
	Chris Loughran DL	
	Lucy Williams *	
Senior Management Team	Stephen Maddock OBE	Chief Executive
	Annmarie Wallis	Company Secretary & Director of Finance and Resources
	Gareth Beedie	Director of Marketing & Digital (appointed 6 April 2021)
	Simon Fairclough	Director of Development
	Lucy Galliard	Director of Learning & Engagement
	Jenny Nicholls	Director of Concerts
Senior Music Officers	Mirga Gražinytė-Tyla	Music Director
	Simon Halsey CBE	Chorus Director

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

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2021

Structure, Management and Governance

Governing Document

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

Organisation

The Board of Trustees administers the charity. The board meets around six times a year to review strategy and corporate governance and to approve and monitor performance against annual budgets and plans. A recent review of its governance practices concluded that *"the CBSO's governance arrangements are well designed and represent good practice. There are no significant weaknesses or diversions from The Code"*. An external assessment of the Board's effectiveness is currently in progress with the results being available for review and discussion in July 2021. Following this review a detailed action plan will be developed and all relevant recommendations implemented.

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

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

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

Appointment of trustees

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

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

Trustee induction and training

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

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2021

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

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

Trustee Liability Insurance

The charity holds Trustee Liability insurance on behalf of its Directors and Officers at a cost of £9,395 (2020: £7,031).

Pay policy for senior staff

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

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

Due to the impact of the pandemic, there were no pay increases during the year and whilst senior staff continued to work full time throughout, they too were subject to the in-year pay reductions that impacted all musicians and staff.

Trustees' responsibilities in relation to the financial statements

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

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

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

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

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

City of Birmingham Symphony Orchestra

REPORT OF THE TRUSTEES

for the year ended 31 March 2021

Statement as to disclosure of information to auditors

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

Auditors

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

Acknowledgements

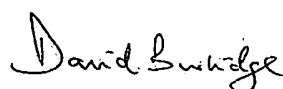
The Board of the CBSO would like to express its deep appreciation to the large number of people and organisations that support the activities of the charity. Primary amongst these are:

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

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

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

This report, incorporating the Strategic Report, was approved by the trustees on 12 July 2021.



By order of the trustees
David Burbidge CBE (Chair)

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

Opinion

We have audited the financial statements of City of Birmingham Symphony Orchestra (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on pages 17 & 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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

RSM UK Audit LLP

ANNA SPENCER-GRAY (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

19 July 2021

City of Birmingham Symphony Orchestra

STATEMENT OF FINANCIAL ACTIVITIES

(including income and expenditure account)

for the year ended 31 March 2021

	Notes	Unrestricted funds 2021 £'000	Designated funds 2021 £'000	Restricted Fund 2021 £'000	Total funds 2021 £'000	Total funds 2020 £'000
INCOME FROM:						
Voluntary Income						
- Donations & Legacies	2	1,149	2	62	1,213	1,864
- Grant Income	3	5,435	-	-	5,435	2,905
Charitable Activities	4	162	3	32	197	4,502
Investments	5	2	-	-	2	3
Other Income	6	9	-	-	9	-
TOTAL		6,757	5	94	6,856	9,274
EXPENDITURE ON:						
Raising Funds	7	291	-	-	291	478
Charitable Activities	7	5,871	2	94	5,967	10,420
TOTAL		6,162	2	94	6,258	10,898
NET INCOME / (EXPENDITURE) FOR THE YEAR BEFORE TAX	9	595	3	-	598	(1,624)
Tax receivable	11	25	-	-	25	1,177
Transfers between funds	16 & 17	197	-	(197)	-	-
Other recognised (losses)/gains: Actuarial (loss)/gain on defined benefit pension scheme	15	(55)	-	-	(55)	13
NET MOVEMENT IN FUNDS		762	3	(197)	568	(434)
RECONCILIATION OF FUNDS						
Fund balances brought forward		(7,042)	376	3,415	(3,251)	(2,817)
FUND BALANCES CARRIED FORWARD		(6,280)	379	3,218	(2,683)	(3,251)

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

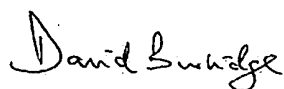
BALANCE SHEET

31 March 2021

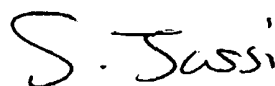
Company Registration No. 01262018

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
FIXED ASSETS					
Tangible assets	12		3,527		3,583
CURRENT ASSETS					
Debtors	13	1,751		1,834	
Cash at bank and in hand		4,199		2,565	
		<u>5,950</u>		<u>4,399</u>	
CREDITORS: Amounts falling due within one year	14	<u>(3,603)</u>		<u>(2,736)</u>	
NET CURRENT ASSETS			<u>2,347</u>		<u>1,663</u>
NET ASSETS (excluding Pension Liability)			<u>5,874</u>		<u>5,246</u>
DEFINED BENEFIT PENSION SCHEME LIABILITY	15		<u>(8,557)</u>		<u>(8,497)</u>
TOTAL NET LIABILITIES			<u>(2,683)</u>		<u>(3,251)</u>
THE FUNDS OF THE CHARITY					
RESTRICTED FUNDS	16		3,218		3,415
UNRESTRICTED FUNDS:					
General reserve	17	2,277		1,455	
Designated reserve	17	379		376	
Pension reserve	17	<u>(8,557)</u>		<u>(8,497)</u>	
			<u>(5,901)</u>		<u>(6,666)</u>
TOTAL FUNDS			<u>(2,683)</u>		<u>(3,251)</u>

The financial statements on pages 23 to 42 were approved by the board of directors and authorised for issue on 12 July 2021 and are signed on its behalf by:



David Burbidge
Trustee



Sundash Jassi
Trustee

City of Birmingham Symphony Orchestra
STATEMENT OF CASH FLOWS
For the year ended 31 March 2021

	2021 £'000	2020 £'000
Cash flows from operating activities:		
Cash provided by operating activities	1,801	408
Cash flows from investing activities:		
Interest receivable	2	3
Purchase of property, plant and equipment	(169)	(117)
Net cash used in investing activities	(167)	(114)
Change in cash and cash equivalents in the year	1,634	294
Cash and cash equivalents at the beginning of the year	2,565	2,271
Cash and cash equivalents at the end of the year	4,199	2,565
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net income/(expenditure) for the year	598	(1,624)
Tax receivable	25	1,177
Interest receivable	(2)	(3)
Depreciation charges	225	236
Defined Benefit Pension Scheme	5	26
Decrease/(increase) in debtors	83	(98)
Increase in creditors	867	694
Net cash provided by operating activities	1,801	408
Analysis of cash and cash equivalents		
Total cash and cash equivalents	4,199	2,565

City of Birmingham Symphony Orchestra

ACCOUNTING POLICIES

For the year ended 31 March 2021

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.

Going concern

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

City of Birmingham Symphony Orchestra meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

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

BASES AND DEFINITION OF INCOME AND EXPENDITURE

Income:

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

Interest receivable:

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

City of Birmingham Symphony Orchestra

ACCOUNTING POLICIES

For the year ended 31 March 2021

Expenditure:

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

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

Support Costs:

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

Donated services:

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

Translation of foreign currencies:

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

Irrecoverable VAT:

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

TAXATION

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

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

FUNCTIONAL CURRENCY

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

FIXED ASSETS AND DEPRECIATION

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

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

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

FINANCIAL INSTRUMENTS

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

City of Birmingham Symphony Orchestra

ACCOUNTING POLICIES

For the year ended 31 March 2021

TRADE DEBTORS

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

TRADE CREDITORS AND LIABILITIES

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

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

FUND ACCOUNTING

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

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

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

RETIREMENT BENEFITS

Defined contribution scheme

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

Defined benefit scheme

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

Asset/Liability

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

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

Gains/losses

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

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

City of Birmingham Symphony Orchestra

ACCOUNTING POLICIES

For the year ended 31 March 2021

Defined Benefit Pension Scheme Actuarial assumption

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

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

2 DONATIONS AND LEGACIES

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Trusts	102	714
Donations, Membership and Legacies	1,109	1,063
Sponsorship	2	87
	<u>1,213</u>	<u>1,864</u>

Income from donations and legacies was £1,213,000 (2020: £1,864,000) of which £1,149,000 was unrestricted (2020: £1,194,000), £2,000 was designated (2020: £13,000) and £62,000 was restricted (2020: £657,000).

3 GRANT INCOME

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Arts Council England grant	2,221	2,181
Arts Council England Culture Recovery Fund grant	671	-
Arts Council England Capital grant	-	17
Birmingham City Council grant	608	593
Other grants: Job Retention scheme	1,935	114
	<u>5,435</u>	<u>2,905</u>

All grants were wholly unrestricted in both years with the exception of the Arts Council Capital grant of £nil (2020: £17,000) which is restricted. The restricted Capital grant received in the previous year is the first instalment of a £215,000 award made in October 2018 to help fund the purchase of a new instrument truck. No further payments were received in the current financial year. The charity took delivery of this new truck in July 2021 and the balance of the grant will therefore be recognised in the year to 31 March 2022.

The Arts Council Culture Recovery Fund grant results from a successful application to the first round of a £880m funding package that was set up by the government to support the UK's cultural & heritage assets. With further lockdowns after this grant was awarded and with the Arts Council England's permission, the unused element of this grant (£172,500) has been carried forward to 2021-22. This carry forward, together with a second successful application to the Fund, can be used to help offset the impact of the ongoing Covid-19 restrictions on the charity's activity and income streams in the next financial year.

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

4 INCOME FROM CHARITABLE ACTIVITIES

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Birmingham Concerts and promotions	20	2,107
Other UK engagements	-	437
Overseas engagements	15	1,395
Broadcasting and recording	80	80
Learning & Engagement	44	360
CBSO Centre income	35	113
Other Income	3	10
	<u>197</u>	<u>4,502</u>

Income from charitable activities was £197,000 (2020: £4,502,000) of which £162,000 was unrestricted (2020: £4,294,000), £3,000 was designated (2020: £10,000) and £32,000 was restricted (2020: £198,000).

5 INVESTMENT INCOME

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Interest receivable	2	3

Investment income is wholly unrestricted.

6 OTHER INCOME

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Disposal of fixed assets	9	-

Other income is wholly unrestricted.

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

7 ANALYSIS OF TOTAL EXPENDITURE

	Direct Costs £'000	Support & governance costs (note 8) £'000	Total 2021 £'000	Total 2020 £'000
RAISING FUNDS:				
Fundraising expenses	27	264	291	478
CHARITABLE ACTIVITIES:				
Birmingham concerts and promotions	473	41	514	5,107
Other UK engagements	-	-	-	703
Overseas engagements	43	13	56	2,689
Concert marketing and advertising	82	374	456	778
Broadcasting and recording	1,384	129	1,513	180
Learning & Engagement	128	197	325	786
CBSO Centre	-	83	83	177
Inactive period	2,034	986	3,020	-
SUBTOTAL	4,144	1,823	5,967	10,420
TOTAL	4,171	2,087	6,258	10,898

Expenditure on raising funds was £291,000 (2020: £478,000) all of which was unrestricted.

Expenditure on charitable activities was £5,967,000 (2020: £10,420,000) of which £5,871,000 was unrestricted (2020: £9,418,000), £2,000 was designated (2020: £147,000) and £94,000 was restricted (2020: £855,000).

An additional category – inactive period - had been included in the table of charitable activities above to reflect an allocation of ongoing costs to periods when the normal activities of the charity could not be performed due to Covid-19 lockdowns and other restrictions. Whilst the costs attributed to this inactive period are significant the charity was able to offset a large proportion of this through its' use of the government's Job Retention scheme. Income from this source is included in grant income (see note 3) and totalled almost c£2m. There has been no restatement of costs in relation to the prior year as any change would be immaterial with lockdowns only coming into effect from 12 March 2020, for orchestral work and even later in other activity areas.

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

8 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

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

	Support costs £'000	Governance Costs £'000	Total 2021 £'000	Basis of apportionment
Salaries (including pensions)	1,177	117	1,294	Time spent
Rent, rates & service charge	65	-	65	Income
Maintenance, buildings & equipment	226	-	226	Income
Professional charges	-	52	52	Income
Depreciation	225	-	225	Income
General expenses	225	-	225	Income
	<u>1,918</u>	<u>169</u>	<u>2,087</u>	

9 NET INCOME/EXPENDITURE FOR THE YEAR

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
This is stated after charging:		
Auditors remuneration		
- for audit services	13	13
- for non-audit services	5	7
Depreciation of tangible fixed assets	225	236
	<u>243</u>	<u>256</u>

10 STAFF COSTS & TRUSTEE REMUNERATION

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Wages and salaries	3,539	4,070
Social security costs	309	385
Pension costs	161	188
	<u>4,009</u>	<u>4,643</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 2021

10 STAFF COSTS & TRUSTEE REMUNERATION (Continued)

The number of employees during the year was as follows:

	Average Headcount		Full Time Equivalent	
	2021 No.	2020 No.	2021 No.	2020 No.
Senior Management	5	6	5	6
Other Office Staff	35	37	32	33
Orchestra	71	74	66	70
	111	117	103	109

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:

	2021 No.	2020 No.
£60,001 to £70,000	1	1
£90,001 to £100,000	1	-
£100,001 to £110,000	-	1

The employers' contribution to the CBSO Group Stakeholder Plan for the above employees was £3,773 (2020: £4,197).

The senior management personnel of the charity comprise the Chief Executive and the Directors for Finance & Resources, Development, Marketing & Digital, Concerts and Learning & Engagement. The total compensation including national insurance and pension contributions payable to the senior management personnel of the charity was £358,921 (2020: £423,060).

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

The trustees who are members of the orchestra received total compensation, including national insurance and pension contributions, totalling £86,641 (2020: £94,809), on the same pay scale as that paid to other playing members in respect of their performance with the orchestra. No extra payments were made for their services as trustees of the charity. All other charity trustees were not paid and/or received any other benefits from employment with the charity in the year (2020: £nil) neither were they reimbursed expenses during the year (2020: £nil).

A trustee indemnity insurance premium of £9,395 (2020: £7,031) was paid in the year.

City of Birmingham Symphony Orchestra
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

11 TAXATION

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

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

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Current year relief receivable	-	1,050
Under provision of prior years' relief	25	127
	<u>25</u>	<u>1,177</u>

Tax receivable income is wholly unrestricted.

12 FIXED ASSETS

	Long term leasehold property £'000	Technical, stage & musical equipment £'000	Plant, fixtures, computers and motor vehicles £'000	Works of Art £ '000	Total £'000
COST					
At 1 April 2020	4,744	1,186	886	18	6,834
Additions	-	39	130	-	169
Disposals	-	(25)	(2)	-	(27)
At 31 March 2021	<u>4,744</u>	<u>1,200</u>	<u>1,014</u>	<u>18</u>	<u>6,976</u>
DEPRECIATION					
At 1 April 2020	1,968	675	590	18	3,251
Charged in the year	113	47	65	-	225
Disposals	-	(25)	(2)	-	(27)
At 31 March 2021	<u>2,081</u>	<u>697</u>	<u>653</u>	<u>18</u>	<u>3,449</u>
NET BOOK VALUE					
At 31 March 2021	<u>2,663</u>	<u>503</u>	<u>361</u>	<u>-</u>	<u>3,527</u>
At 31 March 2020	<u>2,776</u>	<u>511</u>	<u>296</u>	<u>-</u>	<u>3,583</u>

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

12 FIXED ASSETS (Continued)

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

13 DEBTORS

	2021 £'000	2020 £'000
Trade debtors	56	318
Other debtors	276	144
Prepayments and accrued income	1,419	1,372
	<u>1,751</u>	<u>1,834</u>

14 CREDITORS: Amounts falling due within one year.

	2021 £'000	2020 £'000
Trade creditors	441	645
Other creditors	180	62
Taxation and social security costs	7	38
Deferred income	2,511	1,490
Accruals	464	501
	<u>3,603</u>	<u>2,736</u>

Deferred income:

	2021 £'000	2020 £'000
At 1 April 2020	1,490	922
Amount deferred in year	1,238	934
Amount released to income earned from charitable activities	(217)	(366)
At 31 March 2021	<u>2,511</u>	<u>1,490</u>

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

Accruals includes £30,634 (2020: £29,975) of unpaid pension contributions in respect of the Defined Benefit Pension Scheme.

City of Birmingham Symphony Orchestra
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

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 2021.

The major financial assumptions used by the actuary were:

	2021	2020
Discount rate (% p.a.)	2.20%	2.35%
Salary increase rate (% p.a.)	2.50%	1.90%
Rate of revaluation in deferment (% p.a.)		
- CPI max 5% p.a.	2.50%	1.90%
- CPI max 2.5% p.a.	2.50%	1.90%
Pension increase rate (% p.a.)		
- RPI, capped at 5% p.a.	3.30%	2.75%
- RPI, capped at 3% p.a.	2.55%	2.70%
- RPI, capped at 2.5% p.a.	2.25%	2.20%
- CPI, capped at 3% p.a.	2.40%	1.80%
Price inflation rate (% p.a.)	3.40%	2.80%
Consumer inflation rate (% p.a.)	2.90%	1.90%
	2021	2020
	Years	Years
Life expectancy at age 65:		
Current pensioners - Men	21.4	21.4
Current pensioners - Women	23.6	23.6
Future pensioners now 40 - Men	21.8	21.8
Future pensioners now 40 - Women	24.2	24.2
Mortality table – pre and post retirement	S3PXA with CMI 2018 - 0.50%	

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

	2021	2020
	£'000	£'000
Multi Asset Funds	7,434	11,643
Equities	6,850	1,002
Property	181	182
Gilts & Hedging	4,730	5,149
Alternatives	951	-
Cash	159	642
Total	20,305	18,618

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

15 PENSION AND SIMILAR OBLIGATIONS (Continued)

Balance sheet:	2021 £'000	2020 £'000
Present value of Scheme liabilities	(28,862)	(27,115)
Fair value of Scheme assets	20,305	18,618
Deficit in Scheme	(8,557)	(8,497)

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 2022 is £376,000.

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

	2021 £'000	2020 £'000
Interest on Scheme liabilities	628	683
Interest on Scheme assets	(428)	(479)
Administration costs	174	181
Amount charged to operating costs	374	385
Actuarial loss/(gain) on Scheme liabilities	1,989	(1,091)
Actual (gain)/loss on Scheme assets	(1,936)	1,078
Total expense	427	372
Total return on Scheme assets	2,364	(599)

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

	2021 £'000	2020 £'000
Opening defined benefit obligation	27,115	28,327
Interest cost	628	683
Benefits paid	(870)	(804)
Actuarial loss/(gain)	1,989	(1,091)
Closing defined benefit obligation	28,862	27,115

City of Birmingham Symphony Orchestra
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

15 PENSION AND SIMILAR OBLIGATIONS (Continued)

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

	2021 £'000	2020 £'000
Opening scheme assets	18,618	19,843
Expected return on assets	428	479
Employer contributions	367	359
Benefits paid	(870)	(804)
Administration costs	(174)	(181)
Actuarial gain/(loss)	1,936	(1,078)
Closing scheme assets	20,305	18,618

16 RESTRICTED FUNDS

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

	1 April 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2020 £'000
CBSO Centre reserve	2,872	-	-	(84)	2,788
Arts Council capital grant	701	17	-	(114)	604
Youth Orchestra reserve	33	-	-	(10)	23
Education & Chorus reserve	-	327	(327)	-	-
Charitable activities reserve	-	528	(528)	-	-
	3,606	872	(855)	(208)	3,415

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

16 RESTRICTED FUNDS (Continued)

Name of Restricted Fund	Description, Nature and Purposes of the Fund
CBSO Centre reserve	The CBSO Centre reserve comprises amounts received in grants and used to fund both the initial build and future enhancements of CBSO Centre. The transfer in the year is equivalent to the depreciation charge on the assets.
Arts Council capital grant	The Arts Council capital grant represents monies received from Arts Council England to support the refurbishment of CBSO Centre and the purchase of a new instrument truck. In line with the terms of these grants, the monies received are shown as a separate restricted grant. The transfer in the year is equivalent to the depreciation charge on the CBSO Centre refurbishment with the instrument truck purchase only completed in July 2021.
Youth Orchestra reserve	The Youth Orchestra reserve comprises funds donated by the Midlands Youth Orchestra and a subsequent legacy, to be used in support of the CBSO Youth Orchestra. There was no use of this grant during the year (2020: £10,000).
Education & Chorus reserve	The Education & Chorus reserve represents monies received from Trusts, Foundations and Corporate sponsors to fund our Learning & Engagement work in schools and the wider community.
Charitable activities reserve	The Charitable activities reserve represents monies from Trusts and individual sponsors to support other charitable activities including large scale concerts and the Music Director and Orchestra Leader positions.

17 UNRESTRICTED FUNDS

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

City of Birmingham Symphony Orchestra
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

17 UNRESTRICTED FUNDS (Continued)

	1 April 2019 £'000	Surplus in year £'000	Actuarial loss on pension scheme £'000	Transfers £'000	31 March 2020 £'000
General reserve	1,561	(314)	-	208	1,455
Designated reserve	500	(124)	-	-	376
Pension reserve	(8,484)	(26)	13	-	(8,497)
	(6,423)	(464)	13	208	(6,666)

The designated reserve was created in previous financial years to fund the increased artistic cost of the orchestra's centenary celebrations. With minimal artistic activities during 2020-21 the fund increased by £3,000 (2020: £124,000 used) due to sales of its centenary book; *Forward*. Given the impact of Covid-19 on the planned centenary activities the Board has agreed that use of this reserve can be extended to cover activities in the 2021-22 and 2022-23 seasons. Any unused element of the reserve will be returned to the general reserves at the end of that period.

18 NET ASSETS BY FUND

	Restricted 2021 £'000	Unrestricted 2021 £'000	Total 2021 £'000
Funds are represented by:			
Fixed assets	3,207	320	3,527
Net Current assets	11	2,336	2,347
Defined benefit pension liability	-	(8,557)	(8,557)
	3,218	(5,901)	2,683
	Restricted 2020 £'000	Unrestricted 2020 £'000	Total 2020 £'000
Funds are represented by:			
Fixed assets	3,406	177	3,583
Net Current assets	9	1,654	1,663
Defined benefit pension liability	-	(8,497)	(8,497)
	3,415	(6,666)	(3,251)

City of Birmingham Symphony Orchestra

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

19 CAPITAL COMMITMENTS

Future capital expenditure contracted for, but not provided in the financial statements as at 31 March 2021 was £81,331 (2020: £39,334).

20 RELATED PARTY TRANSACTIONS

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

The CBSO Pension Trustee Limited, which was incorporated on 22 April 2013, is a wholly owned subsidiary of the charity. The CBSO Pension Trustee Limited acts as the corporate trustee for the charity's defined benefit pension scheme. The registered address of The CBSO Pension Trustee Limited is CBSO Centre, Berkley Street, Birmingham. BI 2LF. There have been no transactions during the year and thus the CBSO Pension Trustee Limited is not consolidated within these accounts. In the year end accounts to 31 March 2021 the net assets of the company were £1.