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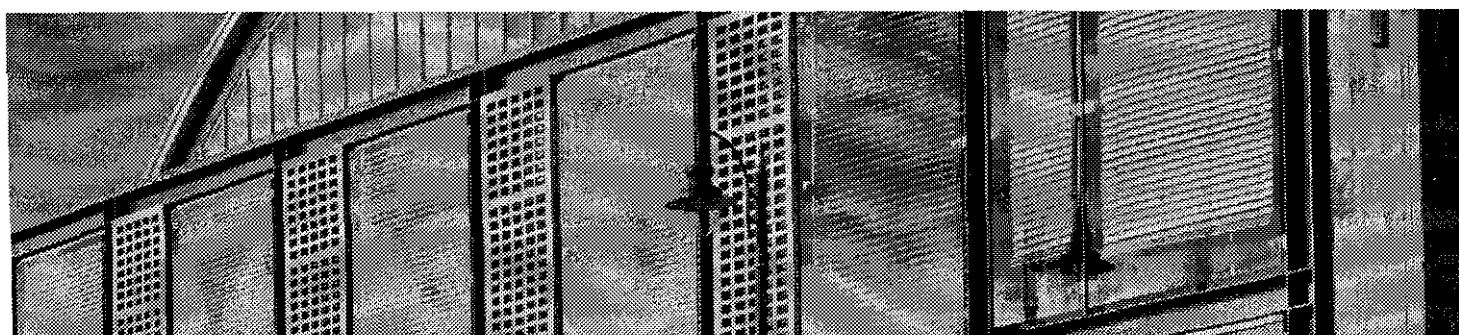
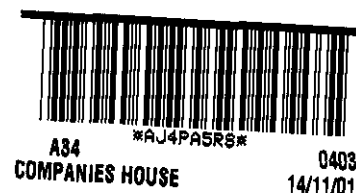


CITY OF BIRMINGHAM SYMPHONY ORCHESTRA



Report and Accounts

2000/2001



Chairman's Report



This time last year I reported my confidence that the Board would reach early agreement with the Arts Council of England on the CBSO's Stabilisation Strategy and that, with the support of Birmingham City Council and West Midlands Arts, the CBSO would be free to develop its activities and implement change on a basis of financial confidence. Some two months after the end of the financial year, which is the subject of this report, agreement has still not been reached, notwithstanding that the Board has based its proposals on the advice given it by consultants appointed with the approval of the Arts Council. The negotiations continue with a target date for completion of mid-July 2001. The climate in which the process has been conducted has changed: the Government's Comprehensive Spending Review resulted in a major increase in the Arts Council's grant-in-aid from the Treasury but assurances that this would result in no significant additional revenue grants for music were contradicted by a doubling of the annual funding of two of London's orchestras from 2002/3. We were also surprised by an unheralded announcement by the Arts Council of its intention to subsume the Regional Arts Boards, replacing them by regional branches of its own organisation. More encouraging was the Department of Culture, Media and Sport's Green Paper flagging the concept of Premier Arts Companies, a status to which the CBSO might properly aspire given its sustained reputation for excellence.

While the Board remains confident that Stabilisation funds will be forthcoming and that the Society can survive its present real prospect of insolvency, it greatly regrets the additional pressure to which the Orchestra and all the staff have been subjected. That the CBSO has not been diverted from its artistic priorities is a tribute to the energy and commitment of Stephen Maddock and his colleagues. Details are given in his report of the high points of the year so it is sufficient for me to say that critical acclaim for Sakari Oramo, Orchestra and Choruses, rising audience figures and sustained demand for the organisation's activities in other cities and other media provide encouragement for everyone.

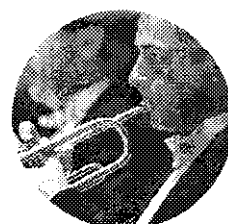
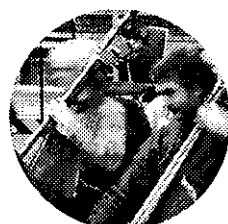
Five members of the Board retired since my last report - Philip Head, nominated by the Players, retired from the orchestra after a long career and Brian Brown, nominated by the Board following his election as Chairman of the Chorus Committee, retired at the AGM. Catherine Scott also served for a brief but effective period as a Player Director. Two long-serving elected directors also retired - John Patrick, whose experience of the Musicians' Union has often contributed to the Board's deliberations, and Michael Corbett. For some fifteen years Michael placed his professional skills at the disposal of the Society by acting as its honorary property adviser. His contribution to the construction of CBSO Centre was invaluable and represented a major contribution to the Society. My thanks go to them and to all the other many stakeholders in the CBSO for their unstinting support.

M. A. Checkland

Sir Michael Checkland
Chairman, CBSO Board of Directors



Chief Executive's Report



Looking back on my first full year at the CBSO, there have been so many musical highlights that I scarcely know where to begin. The consistently world-beating standards of our Orchestra and Choruses have been a constant pleasure and inspiration to me and, I know, to so many of you. Among the big events, I have particularly strong memories of the Sibelius / Prokofiev series conducted by Sakari Oramo in April / May 2000, of Sakari's Prom performance of *The Planets* (all eight of them!), and his two amazing accounts of Richard Strauss's *An Alpine Symphony* which began the 2000-1 season. But some of the real highpoints of the season have arisen out of Sakari's continuing explorations of English music, especially the three - very different - dramatic works which he tackled with such commitment: Elgar's *The Dream of Gerontius* (which was broadcast live by the BBC on the exact centenary of its premiere in Birmingham), Gilbert and Sullivan's *Iolanthe* and Britten's searing tragedy *Peter Grimes*, in a quite brilliant semi-staging in Symphony Hall. All three works, as well as the minor masterpieces by Vaughan Williams, Bridge and Foulds which have also graced Sakari's programmes, brought out the very best in our Orchestra and Choruses, and were hailed with enthusiasm by audiences and critics alike.

The best contemporary music has also been a major feature of our programming, as ever. CBSO accounts of recent scores by Kaija Saariaho, Henri Dutilleul, H K Gruber, Magnus Lindberg and Julian Anderson have fascinated and thrilled audiences here and elsewhere, and we are especially delighted that in Julian Anderson - recently appointed as CBSO Composer in Association - we have found a young, distinctive voice to continue the fine work done here by Mark-Anthony Turnage and Judith Weir. A great many other new names have appeared with us at Symphony Hall, as we have continued to invite the best international conductors and soloists to join with the CBSO. It is a tribute to the warm reception they receive from Birmingham's musicians and audiences that so many are eager to return without delay!

We have continued to fly the flag for Birmingham overseas, not least at the 2000 Cologne Musik Triennale where the CBSO's four concerts formed the largest contribution (and the only one by a British orchestra) to one of the most important celebrations of 20th-century music ever mounted. Since the festival also included the big five American orchestras plus those from Vienna and Berlin, we felt we were in the right company! Our concerts - two with Sakari and two with his predecessor Sir Simon Rattle - were broadcast on radio and on television around the world. With Simon we also undertook a two-week residency in the delightful surroundings of the Aix-en-Provence Festival, playing one concert and four open-air performances of Janáček's *The Makropulos Case* in the beautiful Archbishop's Palace. In January we made a welcome return to Spain with Sakari: our two concerts in Madrid's National Concert Hall received ecstatic reviews, especially for a challenging programme of music from the 1990s, and in Bilbao we just had time to catch the amazing new Guggenheim Museum before a programme of Beethoven and Sibelius.

At a time when the classical record industry seems to be in freefall, we have nevertheless maintained a good presence in the studios. A new relationship with Erato has led to our first release with Sakari (Grieg's *Peer Gynt*), and Sibelius's Second and Fourth symphonies were also set down last year, along with a set of Saint-Saëns Piano Concertos for Hyperion. We have continued to enjoy a good deal of broadcast exposure on Radio 3, a testament to the quality and interest of the CBSO's programming. And two fascinating South Bank Show specials on ITV last summer featured the CBSO's premieres of new compositions by Simon Holt and Judith Weir.

The CBSO is, as we keep saying, more than just an orchestra, and the great range of our other musical activities continues to be a source of inspiration to audiences right across





the West Midlands and beyond. In fact, the adult Chorus planted a CBSO flag even further afield than the orchestra has yet managed last August when it led the massed choirs in an epic performance of Mahler's Symphony of a Thousand to celebrate the opening of the Arts Festival which preceded the Sydney Olympics. En route to Australia they had also scored a big success in Vancouver, this time with another CBSC party piece, Janáček's *Glagolitic Mass*. In total contrast, our newest choir, Young Voices, had the honour of joining Elvis Presley for a concert at Birmingham's NEC (well okay, it was a big-screen video of the great man). Our education and outreach work continues apace, and one notable success has been our new series of Family Concerts at Symphony Hall designed to introduce young children to classical music in ways that are both entertaining and informative. The collaborative project *Making Work*, which brought together young designers, choreographers and composers for a week's intensive creation of new dance pieces, was another highlight. New groups from within the Orchestra include Alwyn Green's Berkley Salon Ensemble, who have already delighted many of us with their performances of light music classics of yesteryear.

Our purpose-built home in Berkley Street, CBSO Centre, has now really established itself as an indispensable part of Birmingham's arts scene. Quite apart from our own continuing series of Centre Stage concerts - which included a memorable evening devised by Catherine Arlidge, *Janáček Uncovered*, in which the composer's complex personal relationships were juxtaposed with the composition of his Second String Quartet - the Centre has become the ideal home to an increasingly wide range of musical and other artistic events. It is also a pleasure for the CBSO to have the opportunity to welcome so many other public and private sector conferences and meetings into our home.

The CBSO's continuing artistic success has been recognised once again with a number of prizes and Awards. Judith Weir's *We Are Shadows*, commissioned for the final year of *Towards the Millennium*, received the Music Award at the 2000 South Bank Show Awards, at which Judith paid particular tribute to the CBSO's players and the adult and youth Choruses for bringing her piece so spectacularly to life. *Towards The Millennium* won the prize for 'Best Concert Series or Festival' at the prestigious Royal Philharmonic Society Awards, and Sakari Oramo was also commended in the conductor category for the high quality of his work in Birmingham. And finally, we made another excellent showing at the 2000 Gramophone Awards: Chorus, Youth Chorus and orchestra won the Opera Prize for Szymanowski's *King Roger*, and the Chorus was successful again for its recording of Lili Boulanger's beautiful choral music with the BBC Philharmonic. The orchestra's recordings of music by Thomas Adès and Busoni were also nominated.

The last year has seen the introduction of various new concert strands at Symphony Hall, to complement our core subscription series. As well as the Family Concerts already mentioned, our new Friday night popular classics series has been a great success, and a short series of Rush Hour concerts proved that there are ways of redefining the concert experience to reach out to people who would not otherwise come to hear live orchestral music. It is this mission to reach new audiences which will, I suspect, be crucial to our thinking in the coming years. Even a successful organisation such as the CBSO can never afford to become complacent about its levels of support, and we will be using some of our expected Stabilisation award from the National Lottery (via the Arts Council of England) to invest in our biggest-ever programme of audience development. A few farewells and some words of thanks are in order before signing off. We said goodbye in the last year to Philip Head, who retired after 40 years' magnificent service in the first violins; also to Claire Briggs who led the horn section with such distinction, and to Danny Longstaff, our entrepreneurial second trombone, and to Louise Shackleton, Co-Section Leader of the second violins. Rosemary Harby, PA and indefatigable organiser for the last two Music Directors and Chief Executives, also took a deserved retirement. Special thanks are due to the many companies and charitable trusts who have supported us during the last year, and also to the growing numbers of individuals who put so much back into the CBSO through Patronage, membership of the Music Director's Circle or by endowing a Chair in the Orchestra. As in past years, particular thanks must go to our longest standing sponsors, IMI plc and Bass Leisure Retail, who will be celebrating their respective 25th and 21st anniversaries with the Orchestra in the coming season - a truly remarkable feat in the current business climate. Next, thanks to all our musicians and staff for unwavering commitment to the highest artistic standards in a world which is changing so rapidly around them. And finally, crucially, to our audiences: it is your support which makes the CBSO's many musical activities not only possible, but also so rewarding and enjoyable.



Stephen Maddock

Stephen Maddock
CBSO Chief Executive

Photos: Adrian Burrows, Martine Hamilton
Knight, Alan Wood

CBSO Society Limited

as at 6 July 2001

Orchestra



VIOLIN I

Peter Thomas
Leader
Jacqueline Hartley
Co-Leader
Robert Heard
Deputy Leader
Anne Parkin
Marcus Barcham-Stevens
Colin Twigg
Robert Bilson
David Gregory*
Mark Robinson*
Wendy Quirk
Andrew Szirtes*
Fiona D'Souza
Elizabeth Golding
Sheila Clarke
Ruth Lawrence
Richard Leaver

VIOLIN II

Briony Shaw
Paul Smith*
Catherine Arlidge
Michael Seal
Graeme Littlewood*
Dianne Youngman
David Arlan*
Brian Horgan*
John Sutton
Heather Bradshaw
Austin Rowlands
Catherine Scott
Byron Parish

VIOLAS

Peter Cole*
Christopher Yates
Eugen Popescu
Jennifer Whitelaw
Angela Swanson
Elizabeth Fryer
Elizabeth Heather
Carol Millward*
Julian Robinson*
Ulf Åberg
Michael Jenkinson

CELLOS

Ulrich Heinen
Eduardo Vassallo
Richard Jenkinson
David Powell
Katharine Setterfield
David Russell*
Jacqueline Tyler
Eispeth Cox
Ian Ludford*
Catherine Ardagh-Walter
Victoria Parkin

BASSES

John Tattersdill*
Julian Atkinson
Charles Wall*
Thomas Miller*
Mark Goodchild
Mark Doust*
Sally Morgan
Julian Walters

FLUTES

Kevin Gowland
Colin Lilley

PICCOLO

Andrew Lane*

OBOES

Jonathan Kelly
Karen O'Connor

COR ANGLAIS

Peter Walden

CLARINET

Colin Parr

E FLAT CLARINET

Martyn Davies*

BASS CLARINET

Mark O'Brien

BASSOONS

Andrew Barnell
John Schroder*

CONTRA BASSOON

Margaret Cookhorn

HORNS

Peter Currie
Mark Phillips
Peter Dyson*
Martin Wright

TRUMPETS

Jonathan Holland
Wes Warren
Jonathan Quirk

TROMBONE

Philip Harrison

BASS TROMBONE

Alwyn Green

TUBA

Alan Sinclair*

TIMPANI

Peter Hill
James Strebing*

PERCUSSION

Huw Ceredig
Annie Oakley*

HARP

Robert Johnston*

* Recipients of the CBSO Long Service Award



Management



Chief Executive
Deputy Chief Executive (Company Secretary)
PA to the Chief Executive
Stabilisation Project Manager
Hon. CBSO Archivist

Director of Planning
Concerts Administrator
Education Manager
Education Officer
Chorus Manager
Chorus Secretary

General Manager
Orchestra Manager
Orchestra Personnel Assistant
Platform Manager
Platform Assistant
Librarian
Trainee Assistant Librarian

Director of Marketing & Development
Audience Relations Manager
Development Manager
Publications Manager
Trust and Membership Manager
Marketing & Development Assistant
Press & Public Relations Officer

Finance Manager
Finance Assistant
Finance Assistant
IT Administrator

CBSO Centre Hall Manager
CBSO Centre Technician
Administrative Assistant
Receptionists

Office Assistant

* Recipients of the CBSO Long Service Award

Stephen Maddock
Richard York
Joanne Norman
Cheryl Gentry
Beresford King-Smith*

Michael Marx
Natalie Cruse
Keith Stubbs
Madeline Norris
Basil Chapman
Julia Towers

Michael Buckley
Patrick Ryan
Andrea Chalk
John Sunderland*
Roy Davies
Alison Morrell
Kate Fawcett

Sarah Gee
Melanie Brooker
Sarah Cowell
Helen Etherington
Sarah Mather
Carolyn Pugh
Rachel Robson

Alistair Scott
Frances Harris*
Lisa Soames
Nancy Gillio-Terry

Richard Bratby
Christopher Rose
Nicola Longhurst
Elaine Russell
Margaret Massey
Michelle Longhurst

Board of Directors

Chairman
Deputy Chairman and Treasurer

Elected Directors

Co-opted Directors

Birmingham City Council Nominated Directors

Player Nominated Directors

Sir Michael Checkland
Tom Walls

Peter Arculus
Jim Berrow
Ann Cottis
Edward Cox

Anne O'Meara
Sir Michael Lyons

Cllr A. M. Rudge
Cllr A. Coulson

Huw Ceredig
Paul Smith

The Board has pleasure in submitting the Annual Report and Accounts for the year ended 31 March 2001. The Accounts are as set out on pages 7 to 15.

The CBSO Society Ltd is a company limited by guarantee not having a share capital. The guarantee is provided by the members of the CBSO Society Limited, and is a maximum of 50p per member. Under the terms of the Memorandum of Association, no dividends or other distributions to members are permitted.

DIRECTORS

The following served as Directors during the year to 31 March 2001:

Sir Michael Checkland (Chairman)
Tom Walls (Deputy Chairman & Treasurer)

Elected Directors:

Peter Arculus • Jim Berrow • Michael Corbett (resigned 13 September 2000) • Ann Cottis • Edward Cox • John Patrick (resigned 13 September 2000)

Co-opted Directors:

Brian Brown (resigned 11 October 2000) • Anne O'Meara

Birmingham City Council Nominated Directors:

Cllr Andrew Coulson • Cllr Alan Rudge

Player Nominated Directors:

Philip Head (resigned 18 July 2000) • Catherine Scott (appointed 17 July 2000, resigned 2 April 2001) • Paul Smith

Huw Ceredig was appointed as a Player Nominated Director on 2 April 2001, and Sir Michael Lyons was appointed as a Co-opted Director on 23 April 2001.

Sir Michael Checkland, Peter Arculus, Cllr Andrew Coulson and Cllr Alan Rudge retire at the forthcoming Annual General Meeting. Anne O'Meara and Sir Michael Lyons also retire and are eligible for re-election.

PRINCIPAL ACTIVITIES

The Society is a registered charity and its principal activities continue to be the maintenance of the CBSO and City of Birmingham Symphony Chorus and to promote the performance of symphonic and associated repertoire.

BUSINESS REVIEW

The activities during the year are detailed in the Chief Executive's Report. Having regard to the Society's Balance Sheet as at 31 March 2001 and projected cash flows for the year to 31 March 2002, the Directors consider the Society's financial position allows it to continue in the immediate future. However, the current level of funding is insufficient to sustain the existing level and quality of activity beyond the immediate future. The CBSO was admitted to the Arts Council of England's Stabilisation Programme in December 1999. The Stabilisation Strategy is expected to be approved in July 2001, and a key feature of the strategy will be a secure financial base. At 31 March 2001 a total of £700,000 had been received in advance from West Midlands Arts, in respect of grant for the year to 31 March 2002, in order to meet the Society's cash flow commitments.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company Law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

AUDITORS

On 28 June 2001 Ernst and Young, the Society's auditor, transferred its entire business to Ernst and Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treat the appointment of Ernst and Young as extending to Ernst and Young LLP with effect from 28 June 2001. A resolution to re-appoint Ernst and Young LLP as the Society's auditor will be put to the forthcoming Annual General Meeting.

By order of the Board


Richard York, Company Secretary
6 July 2001

CBSO Society Limited

Income and expenditure account for the year ended 31 March 2001

	Notes	2001 £	2000 £
Total income of continuing operations		6,208,707	5,862,340
Total expenditure of operations		(6,326,506)	(6,494,108)
Deficit on ordinary activities		(117,799)	(631,768)
Transfer to Asset Funding Reserve	7	(18,000)	(18,000)
Deficit for the year		(135,799)	(649,768)

- There are no recognised gains or losses other than the deficit of £135,799 for the year ended 31 March 2001 (£649,768 at 31 March 2000).
- A detailed analysis of income and expenditure is given in the Statement of Financial Activities below.

CBSO Society Limited

Statement of Financial Activities for the year ended 31 March 2001

		2001 £	2001 £	2001 £	2000 £
INCOMING RESOURCES		Unrestricted funds	Restricted funds	Total funds	
	Notes				
Birmingham Ticket Sales		1,146,162	-	1,146,162	1,065,403
Other U.K. Ticket Sales		19,899	-	19,899	98,224
Engagements - United Kingdom		527,968	-	527,968	545,959
- Abroad		580,464	-	580,464	722,455
Broadcasting		152,421	-	152,421	93,353
Recording Royalties & Fees		63,943	-	63,943	190,232
Programme Sales		63,372	-	63,372	51,175
Sponsorship & Donations		215,969	-	215,969	159,991
Membership Subscriptions		43,834	-	43,834	38,982
Education Income		133,887	-	133,887	103,654
CBSO Centre Income		116,203	-	116,203	102,205
Interest Receivable		14,674	-	14,674	16,234
Sundry Receipts		35,259	-	35,259	15,547
Income from Society's Activities		3,114,055	-	3,114,055	3,203,414
GRANTS RECEIVABLE					
CBSO Centre - Grant Release		-	136,162	136,162	171,293
Arts Council of England - Grant		1,500,000	-	1,500,000	1,350,000
- Stabilisation Funding		306,000	-	306,000	-
- Incentive and Lottery Funding		-	18,840	18,840	31,633
Birmingham City Council - Grant		1,133,650	-	1,133,650	1,106,000
		2,939,650	155,002	3,094,652	2,658,926
Total Incoming Resources		6,053,705	155,002	6,208,707	5,862,340
RESOURCES EXPENDED					
Direct charitable expenditure:					
Costs of productions and performances	3	4,965,432	-	4,965,432	5,134,419
Fundraising and publicity	4	198,627	-	198,627	170,887
Management and administration	5	1,007,445	155,002	1,162,447	1,188,802
Total resources expended		6,171,504	155,002	6,326,506	6,494,108
Net movement in funds		(117,799)	-	(117,799)	(631,768)
Transfer to Asset Funding Reserve		(18,000)	-	(18,000)	(18,000)
Deficit brought forward 1 April 2000		(1,203,121)	-	(1,203,121)	(553,353)
Deficit carried forward 31 March 2001		(1,338,920)	-	(1,338,920)	(1,203,121)

CBSO Society Limited
Balance Sheet as at 31 March 2001

		2001		2000	
		£	£	£	£
	Notes				
FIXED ASSETS					
Tangible Assets	11		4,351,290		4,462,668
CURRENT ASSETS					
Stock		4,694		4,896	
Debtors	12	669,798		696,305	
Cash and Bank Balances		131,610		277,776	
		<u>806,102</u>		<u>978,977</u>	
CREDITORS - Amounts falling due within one year	13	(1,726,539)		(1,919,300)	
Net Current (Liabilities)			(920,437)		(940,323)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,430,853</u>		<u>3,522,345</u>
CREDITORS - Amounts falling due after one year					
Deferred Income - Grants	14		(4,170,407)		(4,282,466)
Provision for Liabilities and Charges	15		(138,366)		-
TOTAL ASSETS LESS TOTAL LIABILITIES			<u>(877,920)</u>		<u>(760,121)</u>
REPRESENTED BY					
Asset Funding Reserve	7		321,000		303,000
Concert and Touring Reserve	7		140,000		140,000
Accumulated deficit	7		(1,338,920)		(1,203,121)
			<u>(877,920)</u>		<u>(760,121)</u>

Sir Michael Checkland, Tom Walls

Directors

6 July 2001

CBSO Society Limited

Statement of Cash Flows for the year ended 31 March 2001

		2001	2000
		£	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	6	(3,076,759)	(2,746,769)
Return on investments	6	14,674	16,234
Capital Expenditure	6	(41,548)	(65,378)
Disposal of Capital Equipment	6	7,404	19,850
Financing	6	2,913,648	2,920,202
(DECREASE)/INCREASE IN CASH		<u>(182,581)</u>	<u>144,139</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
Movement in net debt arising from cash flow		(182,581)	144,139
Movement in net debt		(182,581)	144,139
Net debt at 1 April 2000		276,245	132,106
Net debt at 31 March 2001		<u>93,664</u>	<u>276,245</u>

Report of the Auditors

TO THE MEMBERS OF CBSO SOCIETY LIMITED

We have audited the financial statements on pages 7 to 15 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 6, the charitable company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosure in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

FUNDAMENTAL UNCERTAINTY

In forming our opinion, we have considered the adequacy of the disclosures made in the accounts concerning the future funding of the company. The accounts have been prepared on a going concern basis, the validity of which depends on the company continuing to receive adequate funding, and accordingly, do not include any adjustments which would be necessary should the grant aiding bodies cease to make funding available to the company. Details of the circumstances relating to this fundamental uncertainty are described in Note 1. Our opinion is not qualified in this respect.

OPINION

In our opinion the accounts give a true and fair view of the state of affairs of the charitable company as at 31 March 2001 and of its incoming resources and application of resources, including its income and expenditure in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

6 July 2001

Ernst & Young LLP,
Registered Auditor, Birmingham

*Ernst & Young
LLP*

1. ACCOUNTING POLICIES

The accounts are prepared under the historical cost convention.

DEPRECIATION

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

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

OFFICE EQUIPMENT

Expenditure on office machinery, furniture and printed music is charged to revenue as incurred.

STOCKS

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

TAXATION

No provision for taxation is required.

INCOME

Income is stated net of value added tax and represents amounts invoiced to third parties and amounts receivable from members and donors. Income relating to concert performances is credited to the income account when the concert has been performed.

GRANTS RECEIVABLE

Grants of a revenue nature are credited to income in the period to which they relate. Grants in respect of capital expenditure are credited to a deferred income account and are released to income over the expected useful life of the relevant assets by equal annual instalments.

PENSIONS

The Company provides a defined benefit pension scheme which requires contributions to be made to an independently administered fund. Contributions to this fund are charged to the income and expenditure account so as to spread the cost of pensions over the employees' working lives within the Company. The regular cost is attributed to individual years using the projected unit credit method. Variations in pension cost which are identified as a result of actuarial valuations, are amortised over the average expected remaining working lives of employees in proportion to their expected payroll costs. Differences between the amounts funded and the amounts charged to the income and expenditure account are treated as either provisions or prepayments in the balance sheet.

FUNDING REQUIREMENT - FUNDAMENTAL UNCERTAINTY

The Society is supported by grant aiding bodies. Income from this source amounted to £2,633,650 this year, representing 42% of the Society's income. Grants from the Arts Council of England and Birmingham City Council have consistently amounted to approximately 40% of total income over the last five years. In addition, the Society recognised in the year £306,000 funding from the Arts Council's Stabilisation programme.

The Board of Directors has received commitments that similar support, amounting to approximately £2,707,000 will continue for the forthcoming financial year. Hence the financial statements have been prepared on the going concern basis. However, as grants are only confirmed for one year at a time, there is inherent uncertainty in the future funding situation. In the absence of continued adequate support, the current operations of the Society could not be sustained. Consequently the going concern basis may be invalid and adjustments would have to be made to reduce the value of assets to their recoverable amounts to provide for any further liabilities which might arise and to reclassify fixed assets as current assets.

2. GEOGRAPHICAL ANALYSIS OF INCOME

	2001 £	2000 £
United Kingdom	2,533,591	2,480,959
Europe	580,464	722,455
	<u>3,114,055</u>	<u>3,203,414</u>

3. COSTS OF PRODUCTION AND PERFORMANCES

	Notes	2001 Unrestricted Funds £	2001 Restricted Funds £	2001 Total £	2000 £
<u>Maintenance of orchestra</u>					
Salaries and Fees:-					
Basic		2,509,465	-	2,509,465	2,507,332
Broadcasting, Recording, Overtime etc.		179,808	-	179,808	173,880
Orchestra Staff Salaries		76,137	-	76,137	79,631
Extra Players		117,184	-	117,184	114,763
National Insurance		204,600	-	204,600	243,325
Pensions	15	117,611	-	117,611	199,445
Permanent Disability Insurance		49,000	-	49,000	34,627
Players' Instrument Insurance		18,080	-	18,080	14,462
Total Maintenance of Orchestra		<u>3,271,885</u>	<u>-</u>	<u>3,271,885</u>	<u>3,367,465</u>
<u>Concert Expenses</u>					
Artists' Fees		644,966	-	644,966	576,119
Travelling & Subsistence		149,414	-	149,414	119,882
Expenditure Abroad		256,673	-	256,673	468,042
Hire of Halls & Rehearsal Expenses		198,327	-	198,327	182,684
Chorus		53,705	-	53,705	78,420
Box Office Commission & Staff		127,981	-	127,981	118,419
Programme Expenses		50,299	-	50,299	40,604
Merchandise for Resale		2,405	-	2,405	5,036
Library, Music & Instruments		77,280	-	77,280	71,316
Instrument Van Expenses		13,382	-	13,382	9,904
Membership Expenses		521	-	521	854
Education Expenses		89,837	-	89,837	86,017
Other Expenses		28,757	-	28,757	9,657
Total concert expenses		<u>1,693,547</u>	<u>-</u>	<u>1,693,547</u>	<u>1,766,954</u>
Total costs of production and performances		<u>4,965,432</u>	<u>-</u>	<u>4,965,432</u>	<u>5,134,419</u>

4. FUNDRAISING AND PUBLICITY COSTS

	2001 £	2000 £
Concert advertising and printing	181,312	145,040
Sponsorship expenses	17,315	25,847
	<u>198,627</u>	<u>170,887</u>

5. MANAGEMENT AND ADMINISTRATION COSTS

	Notes	2001	Restricted funds	Total	2000
		Unrestricted funds £			£
Salaries		538,125	-	538,125	532,472
National Insurance		45,537	-	45,537	43,986
Pensions	15	20,755	-	20,755	34,754
Permanent Disability Insurance		9,312	-	9,312	6,111
Rent, Rates and Service Charge		73,594	-	73,594	79,378
Maintenance of buildings & equipment		14,251	-	14,251	11,838
Stationery, Postage & Telephone		85,207	-	85,207	87,257
Insurance		28,217	-	28,217	19,617
Professional Charges		56,593	1,000	57,593	68,639
Motor & Travelling Expenses		20,132	-	20,132	23,117
Finance and Credit Card Charges		5,019	-	5,019	5,154
Depreciation		9,699	143,227	152,926	156,853
General Expenses		67,188	-	67,188	75,145
CBSO Centre		33,816	10,775	44,591	44,481
		<u>1,007,445</u>	<u>155,002</u>	<u>1,162,447</u>	<u>1,188,802</u>

6. NOTES TO THE CASHFLOW STATEMENT

	2001 £	2000 £
a) NET CASH OUTFLOW FROM OPERATING ACTIVITIES		
Operating deficit before revenue grants & interest	(2,796,121)	(3,116,779)
Profit on sale of tangible fixed assets	(7,404)	(10,444)
Depreciation	152,926	156,853
Decrease in debtors	26,507	22,626
Decrease in stocks	202	1,042
(Decrease)/Increase in creditors	(452,869)	199,933
	<u>(3,076,759)</u>	<u>(2,746,769)</u>
b) RETURN ON INVESTMENTS		
Interest receivable	<u>14,674</u>	<u>16,234</u>
c) CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	<u>(41,548)</u>	<u>(65,378)</u>
d) DISPOSAL OF CAPITAL EQUIPMENT		
Receipts from sale of tangible fixed assets	<u>7,404</u>	<u>19,850</u>
e) FINANCING		
Arts Council and Birmingham City Council grants	<u>2,913,648</u>	<u>2,920,202</u>

	Opening £	Cash Flow £	Closing £
f) ANALYSIS OF CHANGES IN NET DEBT			
Cash	277,776	(146,166)	131,610
Overdraft	(1,531)	(36,415)	(37,946)
	<u>276,245</u>	<u>(182,581)</u>	<u>93,664</u>

7. RESERVES

	Asset Funding Reserve £	Concert & Touring Reserve £	Accumulated Deficit £	Total Reserves £
Balances at 1 April 2000	303,000	140,000	(1,203,121)	(760,121)
Deficit on ordinary activities	-	-	(117,799)	(117,799)
Transfer to Asset Funding Reserve	18,000	-	(18,000)	-
Balances at 31 March 2001	<u>321,000</u>	<u>140,000</u>	<u>(1,338,920)</u>	<u>(877,920)</u>

The Asset Funding Reserve comprises amounts set aside to fund increases in the cost of replacement of fixed assets. Each year an amount equal to the additional depreciation that would have been required had the Society's fixed assets been stated at their current replacement cost is appropriated to this reserve.

The Concert and Touring Reserve comprises amounts set aside to cover liabilities which could arise were the orchestra unable to fulfil its touring and engagement commitments.

8. AUDITORS' REMUNERATION

The auditors' remuneration for the year was £9,000 (2000: £8,500). The auditors return their audit fee to the Society as a corporate patronage.

9. EMOLUMENTS OF BOARD OF DIRECTORS

Members of the Board of Directors give their services to the Society and accordingly no remuneration is paid.

10. EMPLOYMENT COSTS

	2001 £	2000 £
Wages & Salaries	3,154,242	3,178,878
Social Security Costs	250,137	287,311
Other Pension Costs	138,366	232,942
	<u>3,542,745</u>	<u>3,699,131</u>

The average weekly number of staff was 117 (2000: 118) made up as follows:

Office and Management	32	31
Orchestra	85	87
	<u>117</u>	<u>118</u>

11. TANGIBLE ASSETS

	Long Term Leasehold Property	Technical & Stage Equipment	Works of Art	Computer Equipment	Motor Vehicles	Musical Equipment	TOTAL
Cost	£	£	£	£	£	£	£
At 1 April 2000	4,366,638	121,985	51,398	112,814	119,893	219,297	4,992,025
Additions	4,896	8,585	-	23,932	-	4,135	41,548
Disposals	-	-	-	(7,601)	-	(2,350)	(9,951)
At 31 March 2001	4,371,534	130,570	51,398	129,145	119,893	221,082	5,023,622
Depreciation							
At 1 April 2000	145,071	38,630	8,500	89,507	119,893	127,756	529,357
Disposals	-	-	-	(7,601)	-	(2,350)	(9,951)
Charge for the year	87,431	25,823	5,140	20,283	-	14,249	152,926
At 31 March 2001	232,502	64,453	13,640	102,189	119,893	139,655	672,332
Net Book Value							
At 31 March 2001	4,139,032	66,117	37,758	26,956	-	81,427	4,351,290
At 31 March 2000	4,221,567	83,355	42,898	23,307	-	91,541	4,462,668

12. DEBTORS

	2001 £	2000 £
Trade Debtors	315,994	604,435
Grants Receivable	306,000	10,000
Prepayments & Accrued Income	47,804	81,870
	<u>669,798</u>	<u>696,305</u>

All of the above amounts are receivable within one year.

Included within debtors is an amount of £3,112 (2000: £62,657) relating to the administration of the pension scheme.

13. CREDITORS - amounts falling due within one year

Bank Overdraft	37,946	1,531
Trade Creditors	297,575	260,258
Endowment Fund Loan	28,500	28,500
VAT	9,929	20,485
Payroll Related Taxes	61,296	64,900
Accruals and Deferred Income	1,291,293	1,543,626
	<u>1,726,539</u>	<u>1,919,300</u>

14. CREDITORS - amounts falling due in more than one year

Deferred Income - grants	<u>4,170,407</u>	<u>4,282,466</u>
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Deferred income relates to grants received for CBSO Centre, from the National Lottery Fund administered by the Arts Council of England, European Regional Development Fund, Foundation for Sport and the Arts and the CBSO Development Trust.

15. PROVISIONS FOR LIABILITIES AND CHARGES (Pensions)

At 1 April 2000
Arising during year
At 31 March 2001

£
-
138,366
138,366

The Society provides a pension scheme conferring benefits based on final pensionable earnings, contributions being charged to the Income and Expenditure Account so as to spread the cost of pensions over employees' working lives with the Society. The contributions are determined by a qualified actuary using the projected unit method. The last actuarial valuation of the scheme was carried out as at 6 April 1998.

The market value of the assets of the scheme was £6,918,602 as at 5 April 1998. The actuarial valuation of these represented 102% of the liability for benefits that had accrued to that date making full allowance for future earnings increases. The principal assumptions made were that the rate of investment return would be 9% per annum, pensionable earnings would increase at 7% per annum and, to value assets, that dividends would increase at 5.25% per annum. The trustees of the scheme have decided to use any surpluses accruing from continuance of the existing contribution rate to provide discretionary increases to pensions in payment and so the Society's part of the contribution rate has been charged to the Income and Expenditure Account.

The Society took a "Pensions holiday" in the year to 31 March 2001.

16. CAPITAL COMMITMENTS


At the balance sheet date, there were no capital commitments.



CITY OF BIRMINGHAM SYMPHONY ORCHESTRA

CBSO Centre • Berkley Street • Birmingham B1 2LF • Telephone: +44 (0) 121 616 6500
Facsimile: +44 (0) 121 616 6518 • Email: information@cbsoc.co.uk • Website www.cbsoc.co.uk

Patron: HRH The Earl of Wessex CVO • Music Director: Sakari Oramo • Chief Executive: Stephen Maddock
CBSO Society Limited • Registered company address as above • Registered in England and Wales no. 1262018
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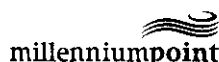


CBSO Society Limited Sponsorship and Donations

The City of Birmingham Symphony Orchestra gave its first performance in 1920, conducted by Sir Edward Elgar. Since then the CBSO has grown into a respected Birmingham business, with the support and endorsement of Birmingham City Council and West Midlands Arts.

However, the CBSO could not sustain its world-wide reputation without the support of the local business community, who are vital in enabling the Orchestra to act as an Ambassador for Birmingham and the West Midlands.

We would like to thank the following organisations and companies for their support, and invite you to join them for the coming year.



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