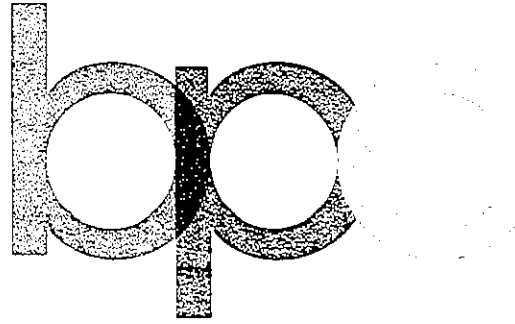




**The Birmingham Philharmonic Orchestra
Charitable Incorporated Organisation**

**Annual Report and Accounts
for the period ended 31st July 2022**

Registered Charity Number: 1193786

Trustees' Annual Report

for the period ended 31st July 2022

Reference and administration details

Charity name: The Birmingham Philharmonic Orchestra Charitable Incorporated Organisation (CIO)

Registered charity number: 1193786

Charity's principal address: 71, Springfield Road, Kings Heath, Birmingham, B15 7DU

Trustees:

The following were appointed as the initial trustees when The Birmingham Philharmonic Orchestra CIO was incorporated on 12th March 2021:

Charlotte Jane Eminson – Chair

Paul Dilkes – Treasurer

Christopher Bertram – Secretary

The following were elected as trustees at the first Annual General Meeting held on Sunday 28th November 2021:

Alastair Moseley – Chair of Programme Planning Group

Hollie Whittles – Chair of Marketing and Publicity Group

Simon Smith – Chair of the Principals Forum

Patricia Moore – Concert Manager

Isabel Baumber – Librarian

Music Director/Principal Conductor: Michael Lloyd

Principal Guest Conductor: Richard Laing

The orchestra's bankers: HSBC Bank UK PLC, PO Box 33, 9 Queen Square, Wolverhampton WV1 1TE

Governing document: Constitution dated 12th March 2021

A new Constitution was drafted as part of our application to incorporate our new charity, The Birmingham Philharmonic Orchestra CIO, which all committee members (and therefore prospective trustees) and members of the orchestra had the opportunity to comment upon prior to it being finalised and submitted to the Charity Commission. This was approved by the Charity Commission without amendment.

How the charity is constituted: Charitable Incorporated Organisation

Charity trustee selection methods:

Trustees are elected by members of the orchestra at the Annual General Meeting. Historically, trustees have been members of the orchestra who have been nominated to undertake a specific role on the committee because they are deemed to have skills relevant to the position or role. The constitution does not preclude non-members from being nominated for election as trustees if they have the skills and interest to fill a vacant position on the committee.

Additional governance information:

Although the Birmingham Philharmonic Orchestra CIO (BPO) was incorporated on 12th March 2021, it did not formally commence/takeover the activities of the predecessor charity until 1st August 2021 and thus this is the first trustees' Annual Report as a CIO covering the period from the date of incorporation to 31st July 2022. The trustees of The Birmingham Philharmonic Orchestra (an unincorporated charity) received approval to transfer all its assets to the CIO and for the trustees of the CIO to receive them pursuant to an Order of the Charity Commission for England and Wales dated 27th July 2021. The transfer of assets was completed on 1st August 2021.

The committee (board of trustees) has responsibility for managing the affairs of the orchestra. Three subgroups of the committee (principals forum, programme planning group and marketing and publicity group) have responsibility delegated by trustees (under section 18 of the constitution). Terms of reference for these groups are set out in the orchestra's Handbook. The Handbook gives more detail of how the orchestra is organised and run (as allowed under section 26 of the constitution).

The orchestra has a Music Director, who is also the principal conductor, and Principal Guest Conductor. The Music Director, Principal Guest Conductor, other guest conductors, leaders, soloists and additional instrumentalists required for the music being performed usually receive fees from the orchestra for their services.

The trustees confirm that they have read the Charity Commission guidance on public benefit and that the orchestra has complied with this guidance in this financial period. The trustees, having considered the orchestra's financial position, have no fundamental concerns as to the orchestra's position as a going concern.

In terms of outstanding action points from previous Independent Examiners' reports, a full check of the orchestra's music library has now been undertaken and trustees are pleased that very few discrepancies were identified, with nothing of a material nature. In addition, a risk register has been created and discussed by trustees and will be reviewed at least annually.

During the reporting period, safeguarding and health and safety policies have been established, and the data protection and retention policy, Handbook and Members' Guide have been reviewed and updated.

The predecessor organisation, The Birmingham Philharmonic Orchestra (unincorporated charity: registration number 500654) was dissolved in June 2022.

Objectives and achievements of the charity

Objects of the charity as set out in its governing document

The objects of the orchestra are the advancement of the arts, in particular the art and science of music, by the study, practice and public performance of music and by such other activities as the trustees may from time to time determine.

These objects continue unchanged, and as far as practically possible, the activities of the predecessor organisation, The Birmingham Philharmonic Orchestra, which was founded in the early 1940s and established as a charity (and therefore a public benefit entity) in 1971 continue unchanged.

Main activities undertaken for the public benefit in relation to these objects

The 2021-22 season was the first full season after the Covid-19 pandemic, which had significantly affected the two previous seasons. We were able to put on five concert series, although the length of some concerts and the scale of the works performed were reduced and series 3 had to be re-programmed.

Main achievements of the charity during the year

Our October 2021 concert in the Elgar Concert Hall, University of Birmingham, was notable for being a full orchestra again after a break of 18 months. We also performed in the Elgar Concert Hall in December 2021 and February 2022, with the February concert repeated in Chipping Campden School. In December 2021 some members of the orchestra took part in a chamber concert as part of the Bromsgrove Concerts series. In April we again provided the orchestral accompaniment for the final of the Birmingham Philharmonic Concerto Prize which is part of our longstanding relationship with the Royal Birmingham Conservatoire. We gratefully acknowledge the financial support of the Ludlow Philharmonic Prize Fund for this competition. The highlight of the season was two performances of Mahler's Symphony No. 7, in the Priory Church, Leominster and in Birmingham Town Hall in June 2022.

Membership

Membership is open to players of an acceptable standard who undertake to attend weekly rehearsals and pay the subscription (2021-22 subscriptions: £150 waged, £75 unwaged). During 2021-22, there were five honorary life members and 85 paying members for all or part (paying pro-rata) of the season. Of these, 10 paid the reduced subscription for retired, non-working or students.

Subscriptions had been unchanged for many years but the costs of the orchestra's activities have increased and so subscriptions for the 2022-23 season have been increased to £180 waged, £120 retired and £60 students/un-waged.

Financial review

The trustees' overriding objective for the 2021-22 season was to return as far as possible to normal activities - giving members the opportunity to perform and audiences the chance to listen to live music. Fewer concerts were put on and careful consideration was given to concert lengths and works to be performed. A conservative approach to budgeting was adopted, given the uncertainty about audience numbers.

As this is the first Annual Report since incorporation, prior year comparisons are not appropriate. The previous year related to an unincorporated association and was materially affected by the Coronavirus pandemic.

An overall loss of £3,784 is reported for 2021-22, including depreciation (a non-cash item) of £1,063. This financial outcome is, however, £3,000 better than planned for at the start of the year.

Subscriptions: Although we lost a small number of members for a variety of reasons during the period under review, subscription income was broadly in line with budget at £10,553. A useful additional source of income is the tax members have paid on their subscriptions which is reclaimed from HMRC under the Gift Aid scheme. Supported by new Gift Aid declarations for the new charity, this produced a further £2,229 of income.

Donation: Shortly after playing in our December 2021 concert, a long-standing and valued member of the oboe section, Anne Hagyard, sadly died. It was her family's wish that the collection taken in her memory should be shared between the BPO and another orchestra of which she was a member. The generosity of those attending her funeral is testament to the high regard in which she was held as a musician and we were most grateful for the donation of £1,255 in Anne's memory. Combined with other contributions, total donations of £1,813 were received.

Concert income: Audience numbers for our series 1, 2 and 3 concerts at the Elgar Concert Hall were slightly above forecast but still lower than we had typically seen pre-Covid 19. The audience at Chipping Campden was disappointing at just over 50% of the forecast number. The Ludlow Philharmonic Prize Fund paid us a fee of £2,000 for series 4, the Birmingham Philharmonic Concerto Prize, with all other costs covered by Royal Birmingham Conservatoire (RBC). Audiences at both series 5 performances of Mahler's 7th Symphony were well below expectations, especially at Birmingham Town Hall, and a significant loss was recorded across this series as a result.

Overall ticket sales at £8,340 were therefore well below our projections.

Concert fees for 2021-22 were £6,273 although this figure was artificially inflated by artists' fees for the Concerto Prize concert (£2,480) which were initially paid by the orchestra and subsequently reimbursed by RBC. Other fees received related to the Concerto Prize (mentioned above), the Leominster Priory concert in June 2022 and a fee from Bromsgrove Concerts in respect of the Chamber Concert there in December 2021.

Total income: Total income at £29,654 was less than £1,000 below budget.

Concert expenditure: Conservative budgeting and a tight control of costs, particularly music hire and hall hire, helped our concert expenditure come in below budget. Concert and other expenditure totalled £33,438 which was *circa* £3,700 below budget.

Total resources: Total resources at the end of the financial period were £35,271, of which £28,648 was cash at the bank, leaving the orchestra in a sound financial position.

Designated funds: The orchestra did not have any designated funds during the period under review.

Reserves policy

The trustees' policy on reserves is that not less than £20,000 should be held in the bank account at all times. This was achieved during the period under review.

Principal risks and uncertainties

Coronavirus pandemic: Although we are now able to resume our 'normal' level of activities, Covid-19 has not gone away and continues to present ongoing risk and uncertainties for the orchestra, which are difficult to foresee or quantify.

Availability of players: The orchestra has seen a number of players, including some section principals, leave for a variety of reasons and the pandemic interrupted the normal process of recruiting new members.

Availability of rehearsal and concert facilities: During 2021-22 we were notified of a more than six-fold increase in the cost of rehearsals in the Elgar Concert Hall, and a substantial increase in the cost of concerts there. Continuing with this venue as the orchestra's 'home' was unaffordable. After an extensive search and a detailed analysis of potentially suitable alternative venues, the orchestra agreed terms with the Royal Birmingham Conservatoire (Birmingham City University) for rehearsals and concerts in their Bradshaw Hall, starting in September 2022.

Audience numbers: Like many other classical music groups, our audience numbers have not yet returned to pre-Covid levels and the current cost-of-living crisis is likely to further affect ticket sales. The attractiveness of programmes to prospective audiences continues to be upper-most in our minds but we also need to find new ways of marketing and publicising our concerts. The move to a new venue for our Birmingham-based concerts may bring further challenges in terms of attracting a viable audience.

Increase in costs: As well as potentially reducing our income, the cost-of-living crisis may lead to increased costs for undertaking our activities.

Plans for the forthcoming year

Trustees have agreed the following priorities for the 2022-23 season:

- **Increasing audience numbers and enjoyment:** We need to build back our audience numbers. We recognise that this will involve improving our marketing and publicity, exploring innovative ways to increase audience enjoyment and considering how we make our concerts more accessible and inclusive.
- **Membership numbers and musical standards:** We need to build the orchestra back to its pre-pandemic strength both through active recruitment and ensuring the maximum enjoyment and pride of being a BPO member.
- **Orchestra Tax Relief:** Making the necessary arrangements to access the Orchestra Tax Relief scheme is crucial to ensuring both the short and longer-term financial stability of the orchestra.
- **Trustee roles:** New trustees for the committee roles of treasurer and marketing and publicity lead will be needed in 2022-23. These roles are key to delivering the other priorities for the season.

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF THE BIRMINGHAM PHILHARMONIC ORCHESTRA CIO

I report to the trustees on my examination (which is not an audit) of the accounts of the Birmingham Philharmonic Orchestra CIO (the Orchestra) for the period ended 31st July 2022.

Responsibilities and basis of report

As the charity trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Orchestra's accounts carried out under section 145 of the 2011 Act and in carrying my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1) Accounting records were not kept in respect of the Orchestra as required by section 130 of the Act; or
- 2) The accounts do not accord with those records; or
- 3) The accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a "true and fair view" which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report.

As a result of my review, I have made two recommendations which the Trustees will hopefully consider and act upon in order to further professionalise the financial management of the Orchestra. However, none of these aspects are issues which require further disclosure or comment within my formal examiner's report. In preparing this report I would ask the trustees to note that **my examination is not an audit.**

Signed

John B Scruton

John Scruton
48, Private Road
Mapperley
Nottingham
NG3 5FQ

Date: 3rd February 2023

Statement of financial activities

For the period 12th March 2021 to 31st July 2022

	Notes	Unrestricted Funds 2022 £
INCOMING RESOURCES		
General income		
Subscriptions		10,553
Donations		1,813
Income tax repaid under Gift Aid	2.1	2,229
Sub-total general income		14,595
Concert income		
Concert fees received		6,273
Ticket sales		8,340
Programme sales		446
Sub-total concert income		15,059
Total income		29,654
RESOURCES EXPENDED		
	2.2	
Concert expenditure		
Travel costs		76
Artists' fees		16,490
Music hire		322
Instrument & equipment hire		410
Hire of halls		12,768
Commission on ticket sales		426
Printing & stationery		1,015
Postages		28
Subscriptions and insurances		565
Depreciation		1,063
Bank charges		53
Sundry expenditure	6	222
Total expenditure		33,438
Net incoming/(outgoing) resources		(3,784)
Reconciliation of funds		
Total funds brought forward		39,055
Total funds carried forward		35,271

The notes on pages 11 to 14 form part of these financial statements.

Statement of cash flow

For the period ended 31st July 2022

	Note	Total Funds 2022 £
Cash from operating activities		(2,103)
Net cash provided by/ (used in) operating activities		
Purchase of fixed assets	3	(412)
Net cash provided by / (used in) investing activities		(412)
Change in cash & cash equivalents in the reporting period		(2,515)
Rounding adjustment		1
Cash and cash equivalents at the beginning of the period		31,162
Cash and cash equivalents at the end of the reporting period		28,648
RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES		
Net income/(outgoing) resources for the reporting period (as per Statement of Financial Activities)		(3,784)
Adjustments for:		
Depreciation charges	3	1,063
(Increase)/decrease in debtors	4	(152)
Increase/(decrease) in creditors	5	770
Net cash provided by (used in) operating activities		(2,103)

The notes on pages 11 to 14 form part of these financial statements.

Balance Sheet

At 31st July 2022

	Note	Total Funds 2022 £
FIXED ASSETS		
Tangible assets	3	4,737
CURRENT ASSETS		
Debtors and prepayments	4	2,656
Bank current accounts		28,648
Total		31,304
CURRENT LIABILITIES		
Amounts falling due within one year	5	770
Current assets less current liabilities		30,534
Total assets less current liabilities		35,271
REPRESENTED BY:		
Orchestra funds		35,271
Total		35,271

The notes on pages 11 to 14 form part of these financial statements.

Approval:

The annual report and financial statements on pages 8 to 14 were approved at a meeting of the trustees of The Birmingham Philharmonic Orchestra CIO held on 16th January 2023 and signed on their behalf by:

Chair: Jane Ruinson.

Date: 3rd February 2023

Treasurer: J Roberts

Date: 3rd February 2023

Notes to the Financial Statements

For the period ended 31st July 2022

Note 1: Basis of preparation

1.1 Basis of accounting

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a “true and fair view” and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a “true and fair view”. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The charity constitutes a public benefit entity as defined by FRS 102.

- 1.2 **Going concern:** The charity has more than sufficient liquid resources (cash at bank) to sustain its usual activities (including any projected shortfall of incoming resources against outgoing resources) for at least the next twelve months.
- 1.3 **Change in accounting policy:** The accounts present a true and fair view and the accounting policies adopted are those outlined in note 1. There has been no change in accounting policy during the period under review.
- 1.4 **Changes to accounting estimates:** No changes to accounting estimates have occurred in the reporting period (3.46 FRS 102 SORP).
- 1.5 **Material prior year errors:** This is the first reporting period for the charity.
- 1.6 **Prior year:** As this is the first reporting period for the charity, prior year figures in these financial statements are not relevant. The Birmingham Philharmonic Orchestra (unincorporated association) transferred all of its assets to the Charity with effect from 1st August 2021. Therefore, where there is reference to brought forward figures

(Total funds in the Statement of Financial Activities, or to an (increase)/decrease in debtors, an increase/(decrease) in creditors in the Cash Flow Statement and asset cost, accumulated depreciation and net book value in the Balance Sheet), the figures are taken from the final accounts of The Birmingham Philharmonic Orchestra for the year ended 31st July 2021 signed on 27th May 2022.

Note 2: Accounting Policies

2.1 Income

Recognition of income

Income is included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- it is more likely than not that the trustees will receive the resources; and
- the monetary value can be measured with sufficient reliability.

Offsetting: There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the FRS 102 SORP or FRS 102.

Grants & donations: Grants and donations are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS 102 SORP).

Tax reclaims on donations and gifts: Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

2.2 Resources expended and liabilities

Resources expended: Expenditure is included on an accruals basis.

Creditors: Creditors are measured at settlement amounts less any trade discounts.

Liability recognition: Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

2.3 Assets

Tangible fixed assets: Tangible fixed assets are stated in the financial statements at cost less accumulated depreciation.

Depreciation: Depreciation is calculated at the rate of 10% per annum on a straight-line basis to write off the cost of tangible assets over their estimated useful lives.

Debtors: Debtors (including trade debtors and loans receivable) are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

Note 3: Tangible assets

	Musical Instruments	Music Library	Total
	£	£	£
Asset cost			
Balance brought forward	6,148	15,354	21,502
Additions	0	412	412
Balance carried forward	6,148	15,766	21,914
Accumulated depreciation			
Balance brought forward	(4,653)	(11,460)	(16,113)
Charge for the year	(159)	(904)	(1,063)
Rounding	0	(1)	(1)
Balance carried forward	(4,812)	(12,365)	(17,177)
Net book value			
Balance brought forward	1,495	3,894	5,389
Balance carried forward	1,336	3,401	4,737

Note 4: Debtors and prepayments

	Total Funds
	£
Recoverable Gift Aid	2,229
Prepaid hall hire	240
Subscriptions & insurance pre-payments	187
Total	2,656

Note 5: Creditors

	Total Funds
	£
Accrued expenses	410
Deferred income	360
Total	770

Note 6: Sundry expenditure

	Total Funds 2022
	£
Replacement clutch for timpani	183
Lost and damaged music	10
Sum Up card readers	29
Total	222

Note 7: Trustees' transactions

During the period, four trustees received reimbursement for costs necessarily incurred in the course of undertaking the orchestra's business totalling £1,269.

None of the trustees has received any remuneration or other benefit for undertaking their role as Trustee.

Transactions with related parties – during the period, the Orchestra engaged Shulah Oliver (who is the fiancé of Trustee Simon Smith) and Charlotte Moseley (who is the daughter of Trustee Alastair Moseley) as guest leaders for which it paid artists' fees totalling £3,040. There were no amounts outstanding at the balance sheet date.

Note 8: Post balance sheet events

Since the financial period end, the trustees made the decision to access the Orchestra Tax Relief (OTR) scheme in respect of concerts performed from 1st August 2022 onwards. In order to do so and in line with the requirements of the OTR scheme, a new private limited company, Birmingham Philharmonic Orchestra Productions Limited, has been incorporated. The company is a wholly-owned subsidiary of the charity.

In addition, given the losses incurred in the first half of the new financial year, at a meeting held on 16th January 2023, the Trustees agreed to temporarily reduce its reserves policy to £15,000. This will be reviewed at the end of the current season/financial year.