

ROYAL PHILHARMONIC ORCHESTRA

ROYAL PHILHARMONIC ORCHESTRA LIMITED

Company Number 00763836

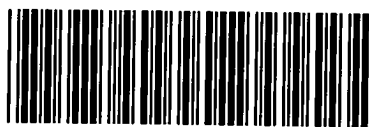
Registered Charity Number 244533

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2023

WEDNESDAY



ACIA4C14

A04

13/12/2023

#110

COMPANIES HOUSE

Royal Philharmonic Orchestra Limited
Consolidated Report and Financial Statements

Contents

	Page
Company Information	1
Financial Headlines Charts	2
Royal Philharmonic Orchestra year ended 31 March 2023 in Numbers	3
Report of the Trustees:	4
Strategic Report	
Directors' Report	
Independent Auditor's report to the Members of the Royal Philharmonic Orchestra Limited	19
Consolidated Statement of Financial Activities	24
Consolidated and Charity Balance Sheets	25
Consolidated Statement of Cash Flows	26
Notes to the Accounts:	
1. Accounting Policies	27
2. Comparative Statement of Financial Activities for the year ended 31 March 2021	32
3. Summary Financial Performance of the Parent Charity	33
4. Statement of Subsidiary's activities	34
5. Income analysis	34
6. Expenditure analysis	35
7. Support costs	35
8. Net income/ (expenditure)	36
9. Taxation	36
10. Staff costs	37
11. Key management	38
12. Directors' emoluments	38
13. Transactions involving directors and other related parties	38
14. Tangible fixed assets	40
15. Investments	41
16. Debtors	42
17. Creditors: Amounts falling due within one year	43
18. Provisions for liabilities and charges	43
19. Analysis of net assets between funds	44
20. Called up share capital	44
21. Designated funds	44
22. Restricted funds	45
23. Reconciliation of movement in funds	46
24. Operating lease commitments	47
25. Capital commitments	47

Company Information

Patron

HRH The former Prince of Wales

Music Director

Vasily Petrenko

President

Aline Foriel-Destezet

Directors

Matthew Knight (Chair)

Adam Wright (Vice Chair)

James Williams (Managing Director)

Lord Paul Boateng

Elizabeth Case (nee Kistruck)

Shana Douglas

Patrick Flanagan

Phillip Keller

Peter Lumley

Sali-Wyn Ryan

Andrew Storey

Elisabeth Varlow

Company Secretary

Ann Firth

Independent Auditor

Moore Kingston Smith LLP

6th Floor

9 Appold Street

London EC2A 2AP

Bankers

Bank of Scotland

Pentland House

8 Lochside Avenue

Edinburgh EH12 9DJ

National Westminster Bank

Regent Street Branch

250 Regent Street

London W1B 3BN

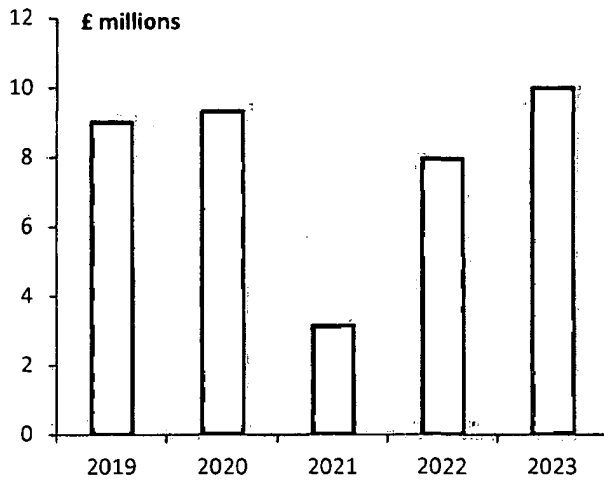
Registered Office

16 Clerkenwell Green

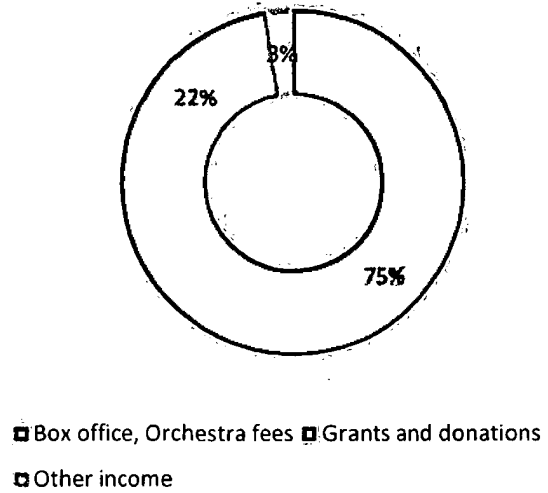
London EC1R 0QT

Royal Philharmonic Orchestra Limited
Financial Headlines Charts

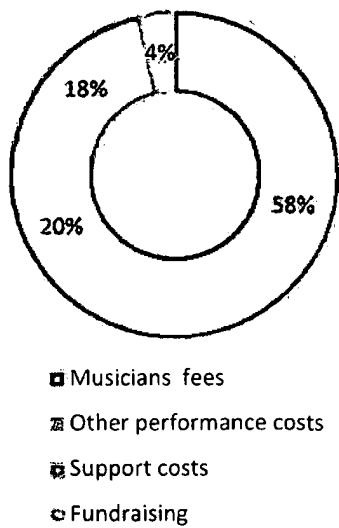
Five year income trend



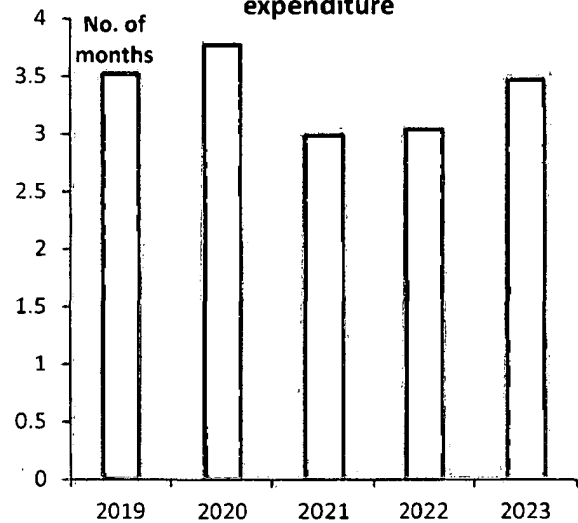
2023 Income



2023 Costs



Free Reserves - number of months' expenditure



179 Royal Philharmonic Orchestra and Royal Philharmonic Concert Orchestra concerts

650,000 estimated live audience

114 recording sessions

12 countries visited on tour

444 community and education workshops and **61** performances

12,226 engagements with workshops

992 musicians engaged

Royal Philharmonic Orchestra Limited
Report of the Trustees for the year ended 31 March 2023

The Trustees, who are also Directors of the Royal Philharmonic Orchestra Limited for the purposes of the Companies Act 2006, present their annual report and the consolidated financial statements of the group for the year ended 31 March 2023. These comply with the Companies Act 2006 and the Charities Act 2011. The Trustees have also adopted the provisions of the 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, issued in July 2014 and updated in February 2016 and October 2018. The Trustees, in preparing the strategic report, have complied with section 414C of the Companies Act 2006.

References to '2023' and '2022' in this report mean the years ended 31 March 2023 and 31 March 2022, respectively.

STRATEGIC REPORT

Objects

The Royal Philharmonic Orchestra Limited is established to promote, maintain and advance education, particularly musical education and to encourage the arts. The Orchestra continues to be totally committed to its twin objectives of making music of the highest quality and reaching the widest possible audience. The Orchestra plays an important role in enriching people's lives whilst striving to further its charitable purposes for the benefit of the public, both in the concert hall and in the community.

Public Benefit

The Royal Philharmonic Orchestra (RPO) and Royal Philharmonic Concert Orchestra (RPCO) demonstrate their reach across the public at large through the diversity of orchestral music performed and the numerous locations in which they appear. In addition, a majority of Royal Philharmonic Orchestra concerts in the United Kingdom (including London), involve direct engagement with the public or have a learning or enrichment activity attached to them, such as an open rehearsal or a music making workshop. The Orchestra's programme also features work with groups that may not easily be able to access musical experiences such as the visually impaired, children with special educational needs, prisoners and refugees.

The Orchestra works with schools and universities in the United Kingdom to deliver part of their musical education offer. It has also formed partnerships with orchestras and institutions outside the United Kingdom to share community and education outreach expertise, enabling those orchestras in the future to be promoters of musical education and the arts, for the benefit of the public in their localities. Musical teaching professional development is provided each year, for members of the Orchestra, teachers in the education sector and workshop leaders.

The Orchestra also works in the health sector, in stroke rehabilitation and mental health services, harnessing the power of music to support improvements in health and wellbeing.

Operating at the highest professional artistic levels, the Orchestra is able to develop the musical talents of orchestral musicians, soloists and conductors and regularly features a diverse range of young and emerging artists in its programmes.

Royal Philharmonic Orchestra Limited
Report of the Trustees for the year ended 31 March 2023 (continued)

Highlights of the year reported on elsewhere in this report demonstrate the public benefit of activities. The Trustees can therefore confirm that the Royal Philharmonic Orchestra Limited has complied with the duty in section 17 of the Charities Act 2011 to have due regard to the guidance on public benefit published by the Charity Commission of England and Wales.

Vision, Mission and Values

The vision, mission and values of the RPO have been drawn from strategic planning and dialogue involving the perspectives of the Orchestra membership, staff, audiences and partners:

Vision

The Royal Philharmonic Orchestra aspires to:

- be an orchestra for the modern world, unafraid to push boundaries
- place orchestral music at the heart of contemporary society, deepening engagement with communities and creative partners
- be a respected cultural ambassador locally, nationally and internationally

Mission

The Royal Philharmonic Orchestra's mission is to enrich lives through orchestral experiences that are uncompromising in their excellence and inclusive in their appeal.

Values

- Excellence – we strive to achieve ambitious goals across our organisation
- Collaboration – in partnership, we achieve more together
- Inclusivity – great orchestral experiences must be accessible to all
- Resilience – our versatility is key to our success
- Responsibility – the talents of our musicians must be used for the benefit of everyone
- Passion – the driving force within the RPO

Activities and performance

Royal Philharmonic Orchestra (RPO)

2023 saw the Orchestra undertake tours, UK performances and filming that had been re-scheduled from previous seasons and the return of long-standing engagements that had not taken place for two years due to the Covid-19 pandemic. 127 concerts in 2023 included 31 overseas and 21 in 16 UK towns and cities outside London, compared to 2020, pre-pandemic, when 157 concert performances were given, of which 25 were overseas and 53 in 30 UK locations outside London.

To an extent, the reduced number of performances reflects some larger scale productions, including Mahler's three choral symphonies and an investment in more rehearsal time, particularly with the Orchestra's Music Director, Vasily Petrenko. However, the reduction in regional residencies and partnerships demonstrates the post-pandemic landscape and the work required to rebuild confidence.

Report of the Trustees for the year ended 31 March 2023 (continued)

Buckingham Palace announced the death of Her Majesty Queen Elizabeth II on 8 September 2022. The country at large mourned the passing of one of the most remarkable figures in British history and it was appropriate that a number of events were cancelled at this time.

Projects returning in 2023 included Handel's *Messiah* on Good Friday, Raymond Gubbay Limited's *Carmina Burana* at the Royal Festival Hall, summer festivals at Leeds Castle and King's Lynn, and Christmas seasonal concerts including John Rutter's *Christmas Celebration* at the Royal Albert Hall.

Several projects in the year had been re-scheduled from previous seasons, particularly in the first quarter, including Britten's *War Requiem* at the Royal Albert Hall and Mahler's *Symphony No 6* at the Royal Festival Hall. Mahler's *Symphony No 8* was also finally realised in October 2022. Fulfilling these ambitious artistic plans was extremely rewarding for the Orchestra and audiences. The Orchestra's popular Film Music Gala format also returned to an enthusiastic reception in April 2022 and toured later in the year to Hull and Northampton.

Launched in September 2021, the *Great British Music* concert series was brought to a close in May 2022. The series celebrated the themes of freedom, hope and adventure with music by composers who have defined the landscape of British music. In early April, the Orchestra performed Elgar's *The Dream of Gerontius* at the Royal Albert Hall followed by Vaughan Williams' *A London Symphony* at the end of that month. May performance highlights included Britten's *War Requiem* and Elgar's *Sea Pictures*.

The violinist Fumiaki Miura completed his year as Artist in Residence at Cadogan Hall, with a performance of Brahms *Violin Concerto* in April. The Cadogan Hall programme in April and May, also featured the Hastings International Piano Concerto Competition winner Fumiya Koido and conductors Andrew Gourlay, Kerem Hasan and Chloe van Soeterstède.

In June, the Orchestra presented its biennial Cadogan Hall Festival, with a short programme of Beethoven concerts originally scheduled for summer 2020, featuring the South Korean pianist Jae-Hyuck Cho. The presenter John Suchet contextualised the music including a rare performance of Louise Farrenc's *Nonet in E flat major*. Across the Festival week, the Orchestra was conducted by Hans Graf and Christoph Alstaedt and joined by artists, Pavel Kolesnikov, Olivia Boen and Sara Kestelman.

The Orchestra's BBC Proms concerts in August 2022, included the Proms debut programme of video game music. Later in the festival, the Orchestra returned with Prokofiev's *Symphony No 5* and Walker's *Trombone concerto* with the trombonist Peter Moore and Vasily Petrenko.

Autumn 2022 saw the launch of the *Journeys of Discovery* season of concerts with Vasily Petrenko at the Royal Albert Hall and Royal Festival Hall, exploring facets of the human character through music. Repertoire in the period to March 2023 included Mahler *Symphonies No 8 and No 2* and his arrangement of Beethoven's *Symphony No 9* as well as pieces by Scriabin, Grieg, Prokofiev, Wagner and Strauss. The *Journeys of Discovery* series of concerts will conclude in summer 2023.

Pianist Isata Kanneh-Mason's year as Artist in Residence at Cadogan Hall began in September 2022 with a performance of Clara Schumann's *Piano Concerto in A Minor*. Conductors for the September to March programme at Cadogan Hall included Roderick Cox, Gemma New, Alexander Shelley, Chloe van Soeterstède, Jac Van Steen, Shiyeon Sung and Anu Tali. A new programme format featuring a narration of Shakespeare's *A Midsummer Night's Dream* with Mendelssohn's incidental music was a particular success with first-time audience members and regular attendees alike.

Report of the Trustees for the year ended 31 March 2023 (continued)

The Orchestra's overseas touring with Vasily Petrenko in the year, began with a ten-concert tour in May to Germany's major cities, with international soloists Anne-Sophie Mutter and Khatia Buniatishvili. A return to the Gstaad Festival in August was followed by September dates in Warsaw, Ljubljana, Prague and Linz and an October European tour to Slovakia, the Czech Republic, Poland, Lithuania and Greece. January 2023 saw the Orchestra return to Germany for an eight-concert tour and perform in Antwerp.

There was a more regular flow of recordings in 2023 than in the previous year, when 22 projects were undertaken. Over the year to March 2023, the RPO undertook 37 recording projects across 113 sessions compared to 40 projects and 140 sessions in 2020, prior to the pandemic.

Recording projects in 2023 included filmed performances of Stravinsky's *The Rite of Spring*, *Petrushka* and *The Firebird* and Breiner's *Carol of the Bells*, which were subsequently broadcast online. Classical recordings included Sibelius and Bruch violin concertos with Arbertus Irnberger, Vaughan Williams with Mark Bebbington, Mozart piano concertos with Elizabeth Sombart, Walton and Korngold violin concertos with Liya Petrova and the music of Borenstein with Clelia Iruzun as soloist and the composer conducting,

In April 2022 the Orchestra recorded John Barrowman's *Centre Stage* album which was released in November. Contemporary music projects also included recording, with Joe Hisaishi, his music for the films of Hayao Miyazaki for release on the Deutsche Gramophone label in June 2023 and a recording with the pianist Micah McLaurin.

Royal Philharmonic Concert Orchestra (RPCO)

The Concert Orchestra undertook 23 engagements in 2023 compared to 11 in the previous year, when, following the Covid-19 pandemic, performances recommenced part-way through the year, in August 2021. Engagements in the year included a ten-concert tour to the United Arab Emirates to perform as part of the National Day celebrations a nine-concert tour around the UK and Dublin with Andrea Bocelli and a three-concert UK tour of Mike Oldfield's *Tubular Bells*.

Concerts in the year at the Royal Albert Hall included the films *Lord of the Rings: Fellowship of the Ring*, *Harry Potter and the Half Blood Prince*, *Superman*, *Titanic* and *Brassed Off* and the *Distant Worlds* video game score; a total of 17 film and video game score performances. RPCO summer festival projects also re-commenced after a two-year hiatus.

RPO Resound (Community and Education programme)

Across the year, RPO Resound delivered 444 musical workshops and events compared to 394 the previous year. These involved 12,226 participants, higher than a typical year, mainly due to the Football Association UEFA Women's Euro 2022 Arts Programme, for which RPO Resound was selected as a Cultural Partner.

The RPO Resound Women's Euros project, reached 4,400 people in ten host cities and commenced in March 2022 with a national callout inviting fans to submit words, ideas and phrases to contribute to a new anthem celebrating the Women's Euro 2022. Inspired by three prompts set by writer Hazel Gould, fans' perspectives and lyrics were woven together into a new anthem, 'Beautiful Game', by composer Shirley Thompson OBE and recorded by the full

Royal Philharmonic Orchestra Limited
Report of the Trustees for the year ended 31 March 2023 (continued)

Royal Philharmonic Orchestra with community singers from each host city. Working with RPO musicians, host cities each created a unique local anthem, which was performed in their Fan Zone. These have since been published online. The project culminated in a large-scale outdoor performance on 30 July in Wembley Park, featuring RPO musicians, local musicians from Brent Black Music Co-Op (BBMC) and the Institute of Contemporary Music Performance (ICMP) as well as community choir members.

Over the year, three major programmes provided the core of RPO Resound's outreach work in Brent: Brent Mental Health funded by The Baring Foundation, Brent Ensemble Explosion funded by the John Lyons Foundation and the pilot programme of the Brent Music Academy, funded by SF Stefan. The Brent Mental Health project was delivered in secure unit and outpatient settings. The project also featured training diverse potential workshop leaders of the future and strengthening the RPO's local partnerships. The Brent Ensemble Explosion project continued with the Young Leaders Programme, which develops curator and production skills and over 2,000 students from Brent mainstream and special schools performing in ensembles. Six ensembles featured at the final performance at Wembley Arena in July 2022 and all 2,000 students together with 32 RPO musicians performed the Brent Borough of Culture anthem *Sparks Fly*.

Pilot programmes for the Brent Music Academy trialled the content and structure of Performance and Industry pathways for school-age participants who are interested in bridging the gap between Music Service ensembles and extending their skills through performing or producing a wide range of musical genres. The Brent Music Academy will now be run through an independent charity from 2023, with the RPO as one of the founding partners.

In February 2023, Isata Kanneh Mason, RPO's 2022-23 Season Cadogan Hall Artist-in-Residence, joined the RPO team for a project in Brent schools. This explored themes of self-identity, difference and striving to achieve artistic excellence. The children were highly engaged with Isata and the RPO team.

STROKESTRA®, the Orchestra's stroke rehabilitation programme, visited the Dr Phillips Centre for the Performing Arts in Orlando for a knowledge-sharing visit with the Centre's clinical partners. Delivery of the programme in the UK was hampered by the winter pressures on the NHS, which required our clinical partners to postpone the programme.

In Higher Education, RPO Resound worked with the University of Hull and Hull Music Service and the University of West Suffolk and Suffolk Music Service. The student programme in Hull included training for music students interested in music education or community facilitation, preparing them to support a two-day event Hull Music Service event for primary school children, creating and performing original pieces of music. University of Suffolk video games composition students composed and recorded a new video-game inspired piece which was performed by the Orchestra at the Royal Albert Hall in June 2023.

The Special Schools project in Wandsworth continued in the year and RPO Resound also ran workshops for Looked after Children in the borough.

The year rounded off with a relaxed concert in Brent and a *Noisy Kids* concert in Reading; both formats will be expanded to other residency venues in 2024.

Marketing, Press & PR

Ticket sales across the year were mixed, with some concerts achieving their highest ever income and close to full capacity, whilst others were below target. Audience members who had purchased tickets pre-pandemic and agreed

Royal Philharmonic Orchestra Limited
Report of the Trustees for the year ended 31 March 2023 (continued)

pandemic and agreed to roll forward their purchases to re-scheduled concerts contributed some of the higher capacity figures, for example for the Film Music Gala concert and the performance of Mahler's *Symphony No. 8*. A variety of factors may have contributed to other productions selling less well, including unfamiliar repertoire, less favourable dates for concerts rescheduled due to the pandemic and the London transport strikes.

With the RPO looking forward to moving its home to the London Borough of Brent, a new "free to join" Brent Membership scheme was introduced in February 2023. This offers Brent residents and workers access to two £5 concert tickets and two free tickets for under 18s for all own promotion concerts in London. The scheme attracted over 100 members by the end of the year. Earlier in the year ticket offers were made available to charities in Brent, dementia sufferers and their carers, youth orchestras and participants from RPO Resound's Women's Euros project.

Student Pulse, our collaboration with other London Orchestras, the Southbank Centre, Barbican Centre, St John's Smith Square, Cadogan Hall and the BBC, was relaunched in November 2022 on a new platform. The scheme offers reduced price tickets to students and is hugely valuable in helping to build future audiences. By the year end over 40% of students who registered on the platform had bought at least one ticket.

The Orchestra has continued to build its online and social media profile during the year. The RPO's TikTok channel was launched in October 2022, with a short video clip of the Mahler 8 performance. By the year-end, we had achieved over 55,000 views of videos and had 1,000 followers. Subscribers across other social medial channels also increased compared to 2022, particularly YouTube on which videos of full concerts and excerpts are streamed.

Impact and Relevance

The annual RPO Insights research report was published in February 2023. Titled *A Time to look forward: Trends of engagement with orchestral music* analysed research undertaken by the RPO during the 2022 calendar year. The report highlighted how orchestral music enhances people's lives and supports inclusion and diversity. All adult age groups show engagement with orchestral music of different styles, often when undertaking daily tasks. This association with everyday life demonstrates the contemporary cultural role orchestral music plays in society in terms of wellbeing, inclusion and enrichment. The research also revealed that most children either played or wanted the opportunity to learn a musical instrument.

The Orchestra's wide ranging repertoire allows the broadest possible audience to engage with the joy of orchestral music and live performance, whilst RPO Resound has built up an internationally recognised body of practice in Community and Education outreach. The Orchestra is committed to stimulating life-long learning and enjoyment of orchestral music.

Financial Review

The results for the year to 31 March 2023 and the preceding financial year are set out in the Consolidated Statement of Financial Activities on page 24.

Total group income in 2023 increased by £2,028,064 to £10,034,710, due to the prior year still being affected by the Covid-19 pandemic. 75% (2022 - 65%) of the income for the year is performance income (comprising box office receipts, orchestra fees and hire), 10% (2022 - 19%) Arts Council England funding, 12% (2022 - 14%) other grants, donations and sponsorship and 3% (2022 - 2%) investment and other income.

Royal Philharmonic Orchestra Limited
Report of the Trustees for the year ended 31 March 2023 (continued)

Arts Council England funding in the year is the Orchestra's National Portfolio Organisation grant, which is level with the previous year. 2022 Arts Council England income also included £597,058 Culture Recovery Funding.

Whilst other grants and sponsorship account for a smaller proportion of total income in the year to 31 March 2023 (because total income has risen), they have increased by £227,249 over 2022 to £1,252,283 (2022 - £1,025,034). 2022 income included the Orchestra's 75th Anniversary Appeal and donations for a long-term investment fund and represented a rise over 2021. In 2023, the rise in grants and sponsorship income included funding for concert projects which had been deferred due to the pandemic, but could be realised in 2023.

The £73,680 increase in investment and other income is primarily due to royalties and increases in foreign exchange gains and interest rates.

Expenditure in 2023 was £10,397,627, an increase of £2,083,511 over the £8,314,116 of 2022, reflecting the restoration of a full-year of orchestral scale performances and rescheduled performances which were deferred due to the Covid pandemic, including Mahler's Symphonies Nos 2 and 8. The 25% increase in expenditure over 2022 is in line with the increase in income.

Expenditure on the charitable activities of performance and outreach accounted for 96% of expenditure and £2,072,439 of the increase in the year, reflecting a full year of orchestral-scale programmes, compared to the phased return of programming over 2022.

Fundraising costs represent 4% of total costs and increased by 3% in 2023. Costs in both 2023 and 2022 include expenditure on a Gala dinner attended by supporters of the Orchestra, although the 2022 occasion celebrating the Orchestra's 75th Anniversary was a larger event and also involved more musicians. 2023 saw more frequent supporter engagement events than in the prior year, which particularly in the first quarter was affected by post-pandemic cautiousness.

58% of expenditure (2022 – 55%) was on fees to musicians, including Members of the Orchestra, extra orchestral musicians, soloists, conductors and choirs. As in 2022, other production costs accounted for 20% of total expenditure. Support and fundraising costs represent 22% of total expenditure, compared to 25% last year.

Unrealised losses of £11,727 (2022 - £9,010) arose on investments, due to revaluing at the 31 March market values. The long-term investment fund was established in 2022 with donations received in the form of shares and cash. Other movements in the fund during the year were dividend income and fund management fees.

Net expenditure before taxation for the year was a £374,644 deficit (2022 - £316,480 deficit). The surplus for the year after tax relief was £809,165 (2022 - £280,031 surplus after tax relief.)

Reserves

There has been a £216,158 net addition to restricted funds in 2023 (2022- £9,396 net reduction). This reflects donations for future concert and film projects, which will be delivered in future years. Within Restricted funds for Community and Education projects included within the net movement, reduced compared to the prior year due to delivery of outreach projects, including STROKESTRA and programmes in Brent.

Designated reserves of £395,535 (2022 - £407,498) comprise a £220,000 Residency Development fund, a Property dilapidations fund of £14,717 and the Investment fund of £160,818. Movements on the investment fund, including unrealised losses of £11,727, account for the change in designated reserves year on year.

Royal Philharmonic Orchestra Limited
Report of the Trustees for the year ended 31 March 2023 (continued)

The RPO's reserves policy is to hold minimum free reserves (defined as unrestricted reserves, excluding fixed assets and share capital) at a level equivalent to three months unrestricted expenditure. Free reserves are held to enable the RPO to meet commitments as they fall due, to protect against financial risks which may crystallise (largely factors arising from the exposure to variable income levels and cost commitments and income diverging) and to finance investments and improvements which go beyond normal annual spend.

At 31 March 2023, free reserves stood at £3,433,407 (2022 - £2,784,859), equating to 3.4 months (2022 – 3.1 months) budgeted unrestricted expenditure meeting the reserves policy. This includes Orchestra Tax Relief of £1,183,809 which will not be received until January 2024 and £65,065 unrealised gains on revaluation of currency balances. The rise in the amount of free reserves needed to meet the reserves policy reflects the rise in expenditure expected in the forthcoming financial year.

Future Plans

The RPO's future plans centre on developing artistic excellence and on promoting inclusion and the opportunity to experience enriching orchestral music.

The Orchestra was thrilled to retain its current level of annual funding as an Arts Council England National Portfolio Organisation. This confirmation secures a programme of artistic performances and community engagement for the next three years from April 2023.

Artistic excellence stems from the Orchestra's work with its Music Director, Vasily Petrenko, including high profile performances on the international stage. In 2024, the RPO will visit Abu Dhabi, Italy, Japan, Spain and the USA. In London, the *Journeys of Discovery* concert series will draw to a close and the season from September 2023 to June 2024 will take as its theme *'Icons Rediscovered'*. In this new season, the RPO and Vasily Petrenko will be looking afresh at iconic musical masterpieces, with a particular focus on the music of Sergei Rachmaninov and Edward Elgar. Zlatomir Fung will feature as Artist-in-Residence for the Orchestra's season of concerts at Cadogan Hall.

The Orchestra will develop the Brent Music Academy through a new charity and with founding partners Brent Music Service and ICMP.

In May 2023, the Coronation Service of Their Majesties King Charles III and Queen Camilla was watched by an estimated audience of 400 million worldwide. The RPO provided the operational support and music advice for the Coronation Orchestra (which comprised musicians from orchestras which have The former Prince of Wales as their patron) guest artists and choirs. The music programme included 12 commissions and featured international soloists including Sir Bryn Terfel and Pretty Yende.

In July 2023, the Orchestra's Managing Director, James Williams was appointed as the Director designate of the Royal College of Music and will take up this position in September 2024. The Board is leading the search for his successor.

Principal Risks and Uncertainties

The Trustees have established procedures for considering the significant risks to which the company is exposed and measures to mitigate the impact of those risks. These procedures include tasking the Audit Committee to review

Royal Philharmonic Orchestra Limited
Report of the Trustees for the year ended 31 March 2023 (continued)

the overall risk profile of the Orchestra, the mitigating controls currently in place and additional actions proposed for the next twelve months. A review of each major risk category is undertaken each quarter and high or rising risks are subject to further scrutiny and progress tracked. During 2023, the Board focused on regional residencies and rebuilding partnerships post-pandemic as well as gaps in the Orchestra's schedule of work.

The risks associated with a lean schedule of performances has been recognised for many years and the Orchestra's management has successfully mitigated this by diversifying the work of the Orchestra as well as its sources of income. This diverse portfolio of work remains a sound protection against declining income and consequently this remains a feature of the RPO's strategy, as is increasing donations and sponsorship for the Orchestra. However whilst own promotions and overseas tours could be rescheduled post-pandemic, engagements, particularly festivals and commercial work have not fully returned for summer 2023.

The war in Ukraine has impacted the public and philanthropic funding available to support some overseas tours as well as a variety of costs. Inflation has also increased costs across most areas with cargo costs for tours increasing significantly. At the same time, ticket prices and fee income are price sensitive, so cost inflation cannot be passed on in full.

Orchestra Tax Relief enables the Orchestra to create and tour new cultural events, benefitting communities and the UK economy. The anticipated reduction in scope of the Relief from 1 April 2024 and in the level of the relief from 1 April 2025 represent a risk to the level of creative output the Orchestra can achieve.

Going Concern

Forecasts for the years ended 31 March 2024 and 2025 indicate that reserves will cover unavoidable outgoings throughout both years. Therefore, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Hence, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

DIRECTORS' REPORT

Reference information

Reference information, administrative details and key advisors are set out on page 1 of this report and changes of directors during the year are set out below.

Background and Constitution

The Royal Philharmonic Orchestra Limited (also known as the RPO) is a charity registered with the Charity Commissioners for England and Wales (registration no. 244533) and is a company incorporated in England and Wales under the Companies Acts, as a company limited by shares (company no. 763836). Incorporated in 1963, the company is governed by its Memorandum of Association and Articles of Association. All full playing members of the Orchestra are required to hold 100 ordinary shares of £10 each.

Royal Philharmonic Orchestra Limited
Report of the Trustees for the year ended 31 March 2023 (continued)

The Royal Philharmonic Orchestra Limited has a wholly owned trading subsidiary, RPO Promotions Limited (company no. 04028129), previously named RPO Licensing Limited, which acts as a creative producer of orchestral concerts for the RPO.

Governance

The Directors of RPO Limited, who also act as the Board of Trustees, are responsible for the overall governance of the company. The Directors during the year to 31 March 2023 and up to the date of this report are:

Matthew Knight (Chair)
Adam Wright (Vice Chair) (appointed 21 October 2022)
James Williams (Managing Director)
Charlotte Ansbergs (resigned 21 October 2022)
Lord Paul Boateng
Elizabeth Case (nee Kistruck)
Benjamin Cunningham (resigned 21 October 2022)
Shana Douglas
Charles Fairweather (resigned 21 October 2022)
Patrick Flanagan
Phillip Keller
Peter Lumley
Andrew Storey (appointed 21 October 2022)
Elisabeth Varlow

The Company's Articles of Association set out that the Board will comprise a minimum of seven Directors and a maximum of thirteen, including the Managing Director. Other than the Managing Director, the maximum number of Directors comprises seven members of the Orchestra and five non-executives. There have been seven player Directors throughout the year and, until the resignation of Charles Fairweather in October 2022, five non-executive Directors.

Directors are appointed either by votes of members at the annual general meeting or, to fill a vacancy until the next annual general meeting, by a majority of directors. Non-executive Directors are recommended by the Nominations Committee and appointed on the basis of their skills and experience and in relation to the needs of the company. The term of office for non-executive Directors is five years with the potential to be reappointed for a further five year term. Player-member Directors are appointed for a three year term of office. Each year, eligible members of the Orchestra may be nominated for election to the Board to fill any vacancies, including any player Directors who have completed one or more three year terms.

The Board of Trustees meets four times a year to ensure robust governance and deal with all major issues that concern the well-being of the Orchestra. During the year the Board scrutinised and approved a Digital Marketing Strategy and a Fundraising Strategy to drive forward the income streams of the organisation. A priority during the year was oversight of the activity and investment plans in support of the Orchestra's successful application to Arts Council England for National Portfolio Organisation funding for three years from April 2023. The Board also

Royal Philharmonic Orchestra Limited
Report of the Trustees for the year ended 31 March 2023 (continued)

approved establishing an independent charity as the best vehicle to take forward the RPO Resound Brent Music Academy initiative. Two RPO Board Members will sit on the new charity Board.

The Board allocates time at each meeting to address progress on Inclusion and Diversity, receiving reports from the Inclusion and Diversity Working Group. Also during the year Safeguarding and Monitoring and Evaluation reports were received whilst overall progress against the Business Plan was monitored using a newly introduced Balanced Scorecard, comprising a range of financial and non-financial measures. Where this highlighted particular issues, such as the pressures on regional residencies and partnerships, the Board commissioned and scrutinized additional analyses.

The Audit Committee, a sub-group of the Board of Trustees, is chaired by a Non-Executive Director and meets prior to each Board meeting to monitor the Orchestra's financial internal controls, governance and risk management. External advisors are invited to attend the Audit Committee when additional expertise is required. The Committee met four times in the year, maintaining oversight of finances, future scenario planning and risks. The Committee reviewed and updated financial policies, including the Reserves policy. Investment policies were also approved covering long-term investments and short-term cash investments, the latter responding to improvements in available interest rates over the year.

Remuneration policy

The Audit Committee is responsible for making recommendations to the Board on the remuneration of the Managing Director and the remuneration framework for other staff. The Non-Executive Directors are responsible for approving the framework for musicians' fees and the service fees of the Chair and Vice Chair.

Induction and Training of Directors

Newly appointed Directors receive a Directors' Handbook and briefings from the Chair, Managing Director and Senior Management. Guidance on regulatory change and best practices are circulated or reported to Directors and briefings are provided in groups or one-to-one as required. Directors are encouraged to attend available training and sector updates.

Organisation and Management

The Royal Philharmonic Orchestra (RPO) is one of the world's leading symphony orchestras with a reputation for quality, versatility and diversity in the repertoire it performs, reaching live audiences of over 300,000 annually. The RPO performs regularly in London, at its London residency venue, Cadogan Hall, at the Royal Albert Hall, where it is Associate Orchestra, at the Royal Festival Hall and at its new home in the London Borough of Brent. The RPO performs around the UK, returning to residency venues and building new partnerships each year. Overseas tours are an integral part of the RPO's annual performance schedule.

RPO Ltd formed The Royal Philharmonic Concert Orchestra (RPCO) in 1987, which performs a broad programme of symphonic, light classical and popular music, working with internationally renowned classical and popular artists, in the UK and overseas. The RPCO plays to an estimated annual audience of over 200,000.

RPO Resound is the RPO's community and education programme, which operates across the UK, supporting the Orchestra's residency programme. Working in partnership with the music education sector and charity partners, this comprehensive programme reaches the young and the old, the disadvantaged and those restricted through ill-health or disability. The RPO Resound programme has also been shown to increase the number of first time attendees at the Orchestra's concert performances.

Royal Philharmonic Orchestra Limited
Report of the Trustees for the year ended 31 March 2023 (continued)

RPO Ltd's management services are provided from its office in Clerkenwell, London. Key management of the Orchestra are the Managing Director and Deputy Managing Director, who lead a senior management team. The heads of the four departments – Concerts Management, Business Development (incorporating marketing and development), Finance, and Community and Education, all report directly to the Managing Director, who in turn reports to the Board of Trustees. This team comprises experienced staff with a range of skillsets who continue to develop their ability to fulfil the Orchestra's objectives in all aspects of its work, whether delivering outstanding performances or enabling the education and community work of RPO Resound.

Related Parties

The Royal Philharmonic Orchestra Trust is an independently controlled but connected charity registered with the Charity Commissioners for England and Wales (registration no. 232270). It was established on 9th November 1963 with the objective of the advancement of the musical education of mankind and in particular promoting, encouraging and supporting the practice and performance of orchestral music by the Royal Philharmonic Orchestra. The Royal Philharmonic Orchestra Trust has provided considerable support to the Orchestra over the years.

The principal asset of the Royal Philharmonic Orchestra Trust is a freehold property which is occupied by the administrative offices of the Orchestra for an annual rent of £108,000. At 5th April 2023, net assets in the unaudited accounts of the Royal Philharmonic Orchestra Trust were £838,376 (2022 - £732,781), which included cash and fixed term deposits of £388,715 (2022 - £282,775).

The American Friends of the Royal Philharmonic Orchestra ("American Friends") is a public charity registered in the United States District of Columbia, with a 501 (c) (3) charitable tax exempt status. The purposes of the organisation are to educate the public regarding classical music and to promote the educational efforts of the Royal Philharmonic Orchestra and similar classical music organisations in the United States. The Directors of the American Friends in the year were David Albright, Les Bider, Barry Bloom (President), Rick Chapman, Huw Davies (Vice President and Secretary), Eileen Foley, James LoGatto, Harry Macklowe, James Mead (Treasurer) and Michele Park.

In the year to 31 March 2023, the American Friends provided a donation of £110,735 to support concerts conducted by John Rutter, the Orchestra's concert at the Windsor Festival in September 2023 and production of a short film promoting the Orchestra's work. In the previous year, the American Friends provided a donation of £183,371 to support the Orchestra's tour of the United States of America.

At 31 December 2022, net assets in the unaudited accounts of the American Friends were \$1,213,559 (2021 \$1,210,178), represented by cash of \$1,240,468 (2021 - \$1,232,678) and other net payables (2021– net payables).

Fundraising

The Royal Philharmonic Orchestra (RPO) is extremely grateful for the financial support that it receives from private benefactors, corporate sponsors and Trusts and Foundations. Together, these supporters help underpin the Orchestra's artistic objectives and outreach remit. The Development Department's strategy is based around securing Trust and Foundation grants, memberships and donations through the following supporter groups:

Royal Philharmonic Orchestra Limited
Report of the Trustees for the year ended 31 March 2023 (continued)

- American Friends of the Royal Philharmonic Orchestra
- Music Director's Club
- Signature Corporate Partners
- Creative Benefactors
- Benefactors
- Chair Partners
- 1946 Club (Legacy Giving)
- RPO Club
- Young Professionals Club

Corporate partners include Bartlett Foundation, Boldfield, Chestertons, Elephant Communications, Calderwood Wealth Management, Harkness Roses, LG Signature, Lionside Ltd, Mann Partnership, Northern Trust, Red Carnation Hotels, Riverstone Living, RØDE, Seven Hills, SF Stefan Engineering and St James's Place.

The RPO is committed to fundraising best practice, is registered with the Fundraising Regulator and complies with data protection regulations. The Orchestra's Development Department maintains a considerate, unobtrusive approach to fundraising and does not undertake cold-calling or employ third parties to raise funds. The RPO enjoys very positive and enthusiastic relationships with its supporters who in turn introduce potential new benefactors and sponsors to the Orchestra. No complaints have been received and fundraising activity is reviewed quarterly by the Audit Committee.

Inclusion, Diversity and Equal Opportunities

The RPO seeks to offer diverse RPO and RPCO concert programmes and varied RPO Resound projects across the UK, including in areas of economic and social deprivation.

The Board approves an Inclusion and Diversity Action Plan each year. The broad aims of the Action Plan are to improve workplace inclusion, expand the diversity of recruits to the staff and Orchestra and to contribute to a diverse talent pipeline. The RPO's Inclusion and Diversity Working Group, a cross-organisation body comprising musicians and staff has met four times in the year. The Working Group monitors progress on the Action Plan at each of its meetings and recommends improvements to inclusive practices within the RPO.

In practical ways the Orchestra has made progress in 2023 towards its commitment to diversity in the workforce in the orchestral world, from establishing the Brent Music Academy, training workshop leaders of the future, recruiting global majority musicians with partner orchestras and Black Lives in Music and leadings its concert programmes with female and global majority artists.

The gender balance on the Board at 31 March 2023 was 8 men and 4 women (prior year 8/5). The RPO senior leadership team at 31 March 2023 comprised 2 men and 3 women, whilst the overall gender balance across Members of the Orchestra was 42 men and 29 women (prior year 42/31) and across employees, was 9 men and 23 women (prior year 13/17).

Royal Philharmonic Orchestra Limited
Report of the Trustees for the year ended 31 March 2023 (continued)

Acknowledgements

The Trustees would like to express their appreciation and thanks to the people and organisations who support the Orchestra's wide-ranging programme of performances and outreach work. These include the Orchestra's President Mrs Foriel-Destezet, the John Lyons Foundation, Northern Trust, Cadogan Estates, Elephant Communications, St James's Place, the Garfield Weston Foundation, the Stavros Niarchos Foundation, the Dunhill Medical Trust, Corporate and Individual Chair Partners, Members of the RPO Club and supporters of the American Friends of the RPO.

The Trustees also thank Charles Fairweather, who retired from the Board in October 2022 after many years' service and to the Orchestra's musicians and staff for their commitment.

Auditors

Moore Kingston Smith LLP have indicated their willingness to continue in office as the company's auditors. A resolution to reappoint the firm as auditors will be proposed at the Annual General Meeting in accordance with the Companies Act 2006.

Statement of Trustees' Responsibilities

The Trustees (who are also Directors of the Royal Philharmonic Orchestra Limited for the purposes of company law) 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 Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group and of the income and expenditure of the group 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 judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Report of the Trustees for the year ended 31 March 2023 (continued)

The Trustees' Annual Report is approved by the Trustees of the charity. The Strategic Report, which forms part of the Annual Report, is approved by the Trustees in their capacity as Directors in company law of the Charity.

By order of the Trustees

A handwritten signature in black ink, appearing to read 'Matthew Knight', written in a cursive style.

Matthew Knight

Chair

20 September 2023

Independent Auditor's Report to the Members of the Royal Philharmonic Orchestra Limited

We have audited the financial statements of the Royal Philharmonic Orchestra Limited for the year ended 31 March 2023 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2023 and of the group's 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 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 section 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. 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 and form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material

Royal Philharmonic Orchestra Limited
Independent Auditor's Report to the Members of the Royal Philharmonic Orchestra Limited
(continued)

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 this fact.

We have nothing to report in this regard.

Opinion 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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 trustees' responsibilities statement set out on page 15 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 group and parent 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 intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of the Royal Philharmonic Orchestra Limited
(continued)

Auditor's responsibility 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Royal Philharmonic Orchestra Limited
Independent Auditor's Report to the Members of the Royal Philharmonic Orchestra Limited
(continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks 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 to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP.

James Saunders (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Date: *11 October 2023*

Royal Philharmonic Orchestra Limited
Consolidated Statement of Financial Activities
For the year ended 31 March 2023

		Unrestricted Funds 2023 £	Designated Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Note						
Income						
Donations, grants and legacies						
	Arts Council England Grants	963,808	-	-	963,808	1,560,866
	Education and Community Grants	-	-	107,688	107,688	160,164
	Sponsorship and donations	358,852	-	785,743	1,144,595	864,870
Charitable Activities						
	Box office, orchestra hire and fees	7,562,525	-	-	7,562,525	5,238,332
	Other income	244,743	-	-	244,743	180,140
	Investment income	8,587	2,764	-	11,351	2,274
	Total income	9,138,515	2,764	893,431	10,034,710	8,006,646
Expenditure on:						
	Raising funds	378,726	-	-	378,726	367,654
	Charitable activities	9,338,628	3,000	677,273	10,018,901	7,946,462
	Total expenditure	9,717,354	3,000	677,273	10,397,627	8,314,116
	Net unrealised losses on investments	-	(11,727)	-	(11,727)	(9,010)
	Net (expenditure) / income before taxation	(578,839)	(11,963)	216,158	(374,644)	(316,480)
	Tax credit	1,183,809	-	-	1,183,809	596,511
	Net movement in funds for the year	604,970	(11,963)	216,158	809,165	280,031
	Total funds brought forward	3,087,460	407,498	233,603	3,728,561	3,448,530
	Total funds carried forward	3,692,430	395,535	449,761	4,537,726	3,728,561

The Statement of Financial Activities discloses the same information as would be contained in the income and expenditure account. There were no recognised gains and losses in the current or preceding financial year other than those dealt with in the Statement of Financial Activities. All income and expenditure relates to continuing activities.

The notes on pages 27 to 47 form part of these financial statements

Royal Philharmonic Orchestra Limited
Consolidated and Charity Balance Sheets
at 31 March 2023

		Consolidated		Charity	
	Note	2023	2022	2023	2022
		£	£	£	£
Fixed Assets					
Tangible assets	14	188,023	231,601	188,023	231,601
Investments	15	160,818	172,781	160,820	172,783
		348,841	404,382	348,843	404,384
Current Assets					
Debtors	16	1,802,770	1,211,947	2,395,256	1,209,461
Cash at bank and in hand		3,943,016	3,867,464	3,346,653	3,866,423
		5,745,786	5,079,411	5,741,909	5,075,884
Creditors : Amounts falling due within one year	17	(1,556,901)	(1,755,232)	(1,553,026)	(1,751,707)
Net Current Assets		4,188,885	3,324,179	4,188,883	3,324,177
Total Assets less Current Liabilities		4,537,726	3,728,561	4,537,726	3,728,561
Net Assets	19	4,537,726	3,728,561	4,537,726	3,728,561
Funds					
Called up share capital	20	71,000	71,000	71,000	71,000
Unrestricted funds		3,621,430	3,016,460	3,621,430	3,016,460
Designated funds	21	395,535	407,498	395,535	407,498
Restricted funds	22	449,761	233,603	449,761	233,603
Total Funds	23	4,537,726	3,728,561	4,537,726	3,728,561

The notes on pages 27 to 47 form part of these financial statements.

Approved by the board and authorised for issue on 20 September 2023



Matthew Knight

Chair

Royal Philharmonic Orchestra Limited
Consolidated Statement of Cash Flows
For the year ended 31 March 2023

	Note	2023 £	2022 £
Net Cash provided by operating activities	a	84,598	(646,057)
Cash flows (to) / from investing activities			
Bank interest		8,587	435
Purchase of fixed asset investments		-	(75,000)
Purchase of property, plant and equipment		<u>(17,633)</u>	<u>(15,640)</u>
Net cash (used in) investing activities		<u>(9,046)</u>	<u>(90,205)</u>
Change in cash and cash equivalents		75,552	(736,726)
Cash and cash equivalents:			
At the beginning of the year		<u>3,867,464</u>	<u>4,603,726</u>
At the end of the year		<u>3,943,016</u>	<u>3,867,464</u>

Cash and cash equivalents were all cash in hand or at bank at 31 March 2023 and 2022. The charity has no net debt and therefore no net debt note is presented.

a. Reconciliation of Net movement in funds to Net Cash provided by operating activities

	2023 £	2022 £
Net movement in funds	809,165	280,031
Depreciation charges	60,642	60,004
Amortisation of intangible assets	-	553
Investment income	(11,351)	(2,274)
Donations of fixed asset investments	-	(105,302)
Management fee charged against investments	3,000	350
Unrealised loss on investments	11,727	9,010
Loss on disposal of fixed assets	569	1,155
Decrease in debtors	(590,823)	(995,166)
(Decrease) / Increase in creditors	(198,331)	166,765
(Decrease) in provisions for liabilities and charges	18	(61,183)
Net cash provided by operating activities	<u>84,598</u>	<u>(646,057)</u>

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2023

1. Accounting policies

a. Scope of the Financial Statements

The financial statements of the Royal Philharmonic Orchestra Limited (RPO Ltd), present the consolidated financial statements of the RPO Ltd and its subsidiary RPO Promotions Ltd comprising the Group Statement of Financial Activities (SOFA), the Group and Parent Charity Balance Sheet and the Group and Parent Charity Statement of Cash Flows.

b. Basis of Consolidation

The group financial statements consolidate on a line by line basis, the financial statements of the charitable company RPO Ltd and its subsidiary RPO Promotions Ltd, made up to 31 March 2023.

c. Accounting Convention

The financial statements have been prepared in accordance with the United Kingdom Accounting Standards, in particular 'FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

RPO Ltd is a public benefit entity for the purposes of FRS 102 and a registered charity. Its financial statements are therefore also prepared in accordance with the "Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102" (Charities SORP (FRS 102)).

The financial statements have been prepared on a going concern basis and under the historical cost convention as modified by the revaluation of investments, being measured at fair value through income and expenditure within the Statement of Financial Activities. The principal accounting policies are set out below and have been applied consistently throughout the year.

The financial statements are prepared in sterling, the functional currency of the charitable company and its subsidiary. Monetary amounts are rounded to the nearest pound.

d. Going concern

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements.

Forecasts for the years ended 31 March 2024 and 2025 indicate that reserves will cover unavoidable outgoings throughout both years. The major outgoings of the company are event-related, including fees paid to self-employed orchestral musicians, soloists and conductors. These are not incurred unless events take place and therefore the company is able to reduce a significant proportion of costs in line with income, albeit at the expense of programming.

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

Therefore the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and for a period not less than twelve months from the date of signing these financial statements. Hence, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

e. Significant accounting estimates and judgements

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Trustees to have the most significant effects on amounts recognised in the financial statements:

- Entitlement to donations and sponsorship may arise prior to, or after, amounts being received as cash. Judgement is therefore required to determine that entitlement conditions have been met.
- The music library is capitalised as a fixed asset and has not been depreciated because in the Trustees' judgement, it has retained its economic value at the end of each financial year.

f. Statement of financial activities

As the company is a registered charity it has adapted the Companies Act formats to reflect the special nature of the charity's activities.

Income

Income comprises box office receipts, hire of the Orchestra in respect of concerts, recordings, engagements and tours; grants, including Arts Council grants; sponsorship fees and advertising, excluding VAT. The income and result for the year are wholly attributable to the principal activities of the charity and its subsidiary.

The income of the charity includes the recharge of costs to its subsidiary, RPO Promotions Limited, which is eliminated on consolidation. Therefore the income of the charity is higher than the income of the group as explained in note 5.

Donations and legacies

Grants, donations (including legacies) and sponsorship are accounted for on a receivable basis and are credited to the Statement of Financial Activities when the conditions for receipt are met. Where grants are received for performances in future accounting periods, these are treated as deferred income.

Government grants

Government grants relating to revenue are recognised in income on a systematic basis over the periods in which the entity recognises the associated costs for which the grant is intended to compensate.

Government grants which are for wider purposes, such as the Arts Council England National Portfolio grant are recognised when received.

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

Accounting policies (continued)

Expenditure

Performance related costs consist of performers' fees, venue and other costs, including marketing, which are specific to arranging performances. Support costs have been allocated to activity cost categories on a basis consistent with the use of resources. These include indirect costs that have been apportioned on the basis of time estimated to have been spent by management in governing the charity. Governance costs include those costs incurred in the governance of the charity and are primarily associated with compliance with constitutional and statutory requirements.

Leases

Rentals under operating leases are charged to the Statement of Financial Activities in the period to which they relate.

Pensions

The charitable company operates a defined contribution workplace pension scheme. Contributions have been made in respect of eligible employees, either to this workplace scheme, or to employees' personal pension arrangements, unless employees have opted not to participate in any scheme. Musicians' fees include pension allowances which may be paid to members who have eligible personal pension arrangements. Contributions are charged to the Statement of Financial Activities on an accruals basis.

g. Tangible Fixed Assets

Fixed assets of £2,500 or more are capitalised and the cost is written off on a straight line basis over the expected useful lives of the assets concerned. The expected useful lives of the depreciated assets are as follows:

Computer equipment	3 years
Motor Vehicles	7 years
Library	25 years
Concert Equipment	4 years
Office fittings and equipment	5 years
Warehouse fittings and equipment	10 years

At the previous year-end, the Library was considered to have retained its economic value and therefore it was not depreciated in that year. In March 2023, the remaining economic life of the Library was assessed as 25 years from 1 March 2023.

h. Intangible Fixed Assets

Intangible fixed assets are amortised on a straight line basis over their estimated useful economic lives as follows:

Software	3 years
----------	---------

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable, then the carrying values of intangible fixed assets are reviewed for impairment.

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

Accounting policies (continued)

i. Fixed Asset investments

Investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their bid value at the balance sheet date without deduction of the estimated future selling costs.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the Statement of Financial Activities as 'gains or losses on investments' and are allocated to the appropriate fund holding or disposing of the relevant investment.

Investments (continued)

All gains and losses are taken to the income and expenditure section of the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and original cost. Unrealised gains and losses are calculated as the difference between the market value at the end of the year and opening market value, or purchase date if later. Realised and unrealised gains are not separated in the Statement of Financial Activities.

j. Foreign Currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

k. Designated funds

Designated funds are those which have been applied or reserved by the Trustees for a specific purpose and are set out in note 21.

l. Restricted funds

Restricted funds are those which are used in accordance with restrictions specified by donors or which have been raised by the Charity for particular purposes. The purposes for which restricted funds are held are analysed in note 22.

m. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

Accounting policies (continued)

n. Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 16 and 17 for the debtor and creditor notes.

o. Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense..

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

2. Comparative Consolidated Statement of Financial Activities for the year to 31 March 2022

		Unrestricted Funds 2022 £	Designated Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Note					
Income					
Donations, grants and legacies					
	Arts Council England Grants	1,560,866	-	-	1,560,866
	Grants for RPO Resound	-	-	160,164	160,164
	Sponsorship and donations	555,212	155,302	154,356	864,870
Charitable Activities					
	Box office, orchestra hire and fees	5,238,332	-	-	5,238,332
	Other income	180,140	-	-	180,140
	Investment income	435	1,839	-	2,274
Total income	5	7,534,985	157,141	314,520	8,006,646
Expenditure on:					
	Raising funds	367,654	-	-	367,654
	Charitable activities	7,552,196	70,350	323,916	7,946,462
Total expenditure		7,919,850	79,360	323,916	8,314,116
Net income before taxation	8	(384,865)	77,781	(9,396)	(316,480)
Tax credit	9	596,511	-	-	596,511
Net movement in funds for the year		211,646	77,781	(9,396)	280,031
Total funds brought forward		2,875,814	329,717	242,999	3,448,530
Total funds carried forward		3,087,460	407,498	233,603	3,728,561

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

3. Summary Financial Performance of the Parent Charity

		Total Funds 2023 £	Total Funds 2022 £
Income			
Donations, grants and legacies			
Arts Council England Grant		963,808	1,560,866
Grants for RPO Resound		107,688	160,164
Sponsorship and donations		1,144,595	864,870
Charitable Activities			
Box office, orchestra hire and fees		7,562,525	5,238,332
Other income		244,743	180,140
Intercompany income		4,932,671	4,202,872
Investment income		11,351	2,274
Total income	5	14,967,381	12,209,518
Expenditure on:			
Raising funds		377,758	366,862
Charitable activities		13,768,731	11,553,614
Total expenditure		14,146,489	11,920,476
Net unrealised losses on investments		(11,727)	(9,010)
Net movement in funds in the year		809,165	280,031
Total funds brought forward		3,728,561	3,448,530
Total funds carried forward		4,537,726	3,728,561

Royal Philharmonic Orchestra Limited
Notes to the financial statements
For the year ended 31 March 2023 (continued)

4. Statement of Subsidiary's activities

RPO Promotions Limited is a wholly owned subsidiary of the Royal Philharmonic Orchestra Limited which is commissioned to produce certain RPO concerts which are eligible for orchestra tax relief.

The trading results of RPO Promotions Limited and its assets, liabilities and funds at the year-end are summarised below.

	2023 £	2022 £
Turnover	3,756,411	3,613,045
Cost of Sales	(4,458,998)	(3,771,182)
Gross Loss	(702,587)	(158,137)
Administration Expenses	(481,222)	(438,374)
Operating Loss for the year	(1,183,809)	(596,511)
Taxation	1,183,809	596,511
Profit / (loss) for the year after Tax	-	-
Assets	1,780,172	596,609
(Liabilities)	(1,780,170)	(596,607)
Net Funds	2	2

5. Income Analysis

	By Source of Funds		By Location of Activity	
	2023 £	2022 £	2023 £	2022 £
United Kingdom	6,708,041	6,107,449	7,848,909	6,250,051
Europe	2,794,734	436,287	1,757,111	329,097
USA	222,715	1,186,682	-	1,054,169
Other	309,220	229,460	428,690	373,329
	10,034,710	8,006,646	10,034,710	8,006,646
Intercompany income	4,932,671	4,202,872	4,932,671	4,202,872
Total Charity income	14,967,381	12,209,518	14,967,381	12,209,518
Less: intercompany income	(4,932,671)	(4,202,872)	(4,932,671)	(4,202,872)
Total Consolidated income	10,034,710	8,006,646	10,034,710	8,006,646

Royal Philharmonic Orchestra Limited
Notes to the financial statements
For the year ended 31 March 2023 (continued)

6. Expenditure Analysis

Note	2023	2022
	£	£
Cost of raising funds		
Musicians' fees and associated costs	2,412	11,819
Venue costs	32,866	78,164
Travel related and other costs	16,905	3,306
Advertising and marketing costs	1,038	725
Support costs	325,505	273,640
	<u>378,726</u>	<u>367,654</u>
Cost of charitable activities		
Musicians' fees and associated costs	6,016,003	4,544,293
Venue costs	440,763	341,990
Travel related and other costs	1,433,695	1,140,644
Advertising and marketing costs	262,532	147,749
Support costs	1,865,908	1,771,786
	<u>10,018,901</u>	<u>7,946,462</u>

7. Support costs

Support costs have been allocated to activities based on estimates of staff time or use of resource.

	Cost of raising funds	Charitable	Governance	Total 2023
	£	£	£	£
Staff and staff related costs	215,830	1,264,487	114,664	1,594,981
General office costs	34,885	276,594	4,210	315,689
Legal, professional and marketing costs	34,952	155,372	-	190,324
Finance and depreciation charges	4,851	64,493	-	69,344
Audit	-	-	21,075	21,075
	<u>290,518</u>	<u>1,760,946</u>	<u>139,949</u>	<u>2,191,413</u>
Allocation of governance support costs	34,987	104,962	(139,949)	-
Total support costs	<u>325,505</u>	<u>1,865,908</u>	<u>-</u>	<u>2,191,413</u>

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

Support costs (continued)

	Cost of raising funds £	Charitable £	Governance £	Total 2022 £
Staff and staff related costs	200,630	1,175,349	102,806	1,478,785
General office costs	23,236	294,555	5,294	323,085
Legal, professional and marketing costs	12,499	126,332	-	138,831
Finance and depreciation charges	5,031	78,819	-	83,850
Audit	-	-	20,875	20,875
	241,396	1,675,055	128,975	2,045,426
Allocation of governance support costs	32,244	96,731	(128,975)	-
Total support costs	273,640	1,771,786	-	2,045,426

Staff and staff related costs includes salaries, national insurance, pension, training and recruitment.

8. Net income

Net income is stated after charging:

	2023 £	2022 £
Operating lease rentals	178,034	171,000
Auditor's remuneration for annual audit	21,075	20,875
Auditor's fees for taxation services	4,275	4,775
Depreciation of owned assets	60,642	60,004
Amortisation of intangible assets	-	553

9. Taxation

The Royal Philharmonic Orchestra Limited (RPO Ltd) is a registered charity and is thus exempt from tax on income and gains falling within part 11 of the Corporation Taxes Act 2010 or s256 of the Taxation of Chargeable Gains Act 1992, to the extent that these applied to its charitable objectives. No tax charges have arisen in the charity in either 2023 or 2022.

The subsidiary RPO Promotions Ltd has no taxable profits in 2023 or 2022. It was eligible to claim Orchestra Tax relief in 2023 of £1,183,809 (2022 - £596,511).

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

10. Staff costs

	2023	2022
	£	£
Salaries	1,491,758	1,338,346
Social security costs	164,362	142,959
Pension costs	82,785	66,097
Other short term benefits	2,228	1,893
	<u>1,741,133</u>	<u>1,549,295</u>

The number of employees whose total employee benefits (excluding pension contributions but including benefits in kind) in excess of £60,000 were:

	2023	2022
	Number	Number
£60,000 - £70,000	-	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£100,001 - £110,000	1	1
£150,001 - £160,000	-	1
£170,001 - £180,000	1	-

The average number of people employed by the company during the year was as follows:

	2023	2022
	Number	Number
Concerts Management	13	12
Community and Education	4	4
Business Development	8	6
Management, Finance and Administration	5	5
Total	<u>30</u>	<u>27</u>

Royal Philharmonic Orchestra Limited
Notes to the financial statements
For the year ended 31 March 2023 (continued)

11. Key management

Key management is defined as the Board of Trustees (including the Managing Director) and the Deputy Managing Director. Including social security costs, benefits in kind and pension contributions, remuneration of key management was £363,295 (2022 - £321,580), comprising remuneration of the Managing Director, Deputy Managing Director, Chair and Vice Chair.

12. Directors' emoluments

Total directors' emoluments including benefits in kind and pension contributions, were £212,437 (2022 - £177,234). The only members of the Board who receive payment for their managerial and administrative services to the company, are the Chair, Vice Chair and Managing Director. The emoluments of the highest paid director fell within the range £190,001- £200,000 (2022 £150,001 - £160,000). Expenses reimbursed to the highest paid director in each year totalled £18,911 (2022 - £13,420) in respect of travelling and subsistence and office costs.

13. Transactions involving directors and other related parties

Directors – Orchestral performance fees

The directors who are playing members of the Orchestra receive performance fees on the same scale as those paid to other playing members, as permitted under the company's Articles of Association. The performance fees paid during the period in which they were directors are as follows:

	2023	2022
	£	£
Charlotte Ansbergs	21,000	36,463
Benjamin Cunningham	22,082	36,482
Shana Douglas	47,211	43,765
Patrick Flanagan	32,073	33,049
Jonathan Hallett	-	22,353
Matthew Knight	34,699	35,414
Sali-Wyn Ryan	42,934	38,718
Andrew Storey	24,003	-
Elisabeth Varlow	41,523	19,139
Adam Wright	18,079	-
	283,604	263,563

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

Transactions involving Directors and other related parties (continued)

Directors – Other transactions

Directors made donations totalling £15,275 in the year (2022 - £143,071).

Loans to members of the Orchestra

The Board may approve loans to members of the Orchestra to further the purposes of the charity, generally for the purchase or repair of musical instruments. Interest is usually charged at 4% of the outstanding loan balance and repayments are made monthly. In the year to 31 March 2021, because the pandemic reduced Members' fees significantly, Members were not required to make repayments and interest was not charged. Repayments recommenced during the year to 31 March 2022.

Loans during each year were:

Player	Loan Purpose	Original Loan	Balance at		
			31 Mar 2021	31 Mar 2022	31 Mar 2023
		£	£	£	£
E McDonough	Purchase of flute	16,000	-	-	12,874
K Ayling	Purchase of clarinets	5,000	-	4,472	3,145
T Milne	Purchase of viola	5,000	1,034	380	-
M Perry	Purchase of timpani	10,000	5,260	-	-
K Saunders	Purchase of horn	7,900	1,294	1,080	-
Total receivable			7,588	5,932	16,019

Royal Philharmonic Orchestra Trust

The Royal Philharmonic Orchestra Trust, an independently controlled, but connected charity, held a minority shareholding in RPO Ltd at the end of the financial year of 600 shares (2022: 800 shares). In addition, amounts receivable from the Trust at 31 March 2023 were £2,345 (2022 - £4,000).

American Friends of the Royal Philharmonic Orchestra

The American Friends of the Royal Philharmonic Orchestra (American Friends) is a charity registered in the United States of America, with charitable purposes similar to those of RPO Ltd. There was £11,303 receivable from the American Friends at 31 March 2023 (2022 - £5,862).

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

Transactions involving Directors and other related parties (continued)

Transactions between parent charity and subsidiary

The Royal Philharmonic Orchestra Limited commissioned its subsidiary RPO Promotions Limited to produce certain RPO concerts, for which a fee of £3,756,411 (2022 - £3,613,045) is payable by the Royal Philharmonic Orchestra Limited to its subsidiary and in respect of which production costs of £4,932,671 (2022 - £4,202,872) are receivable from the subsidiary.

The balance owed by RPO Promotions Limited to the parent charity at 31 March 2023 is £1,776,295 (2022 - £593,082), as set out in note 16.

14. Tangible Fixed assets

Consolidated and Charity

	Computer Equipment £	Motor Vehicles £	Library £	Concert Equipment £	Office and Warehouse Fittings and equipment £	Total £
Cost						
At 1 April 2022	77,727	310,690	46,889	145,980	41,628	622,914
Additions	12,550	-	-	-	5,083	17,633
Disposals	(25,106)	-	-	(4,568)	(3,793)	(33,467)
At 31 March 2023	65,171	310,690	46,889	141,412	42,918	607,080
Depreciation						
At 1 April 2022	65,842	147,948	-	138,631	38,892	391,313
Charge in the year	9,266	44,384	156	3,546	3,288	60,642
Disposals	(25,106)	-	-	(3,999)	(3,793)	(32,898)
At 31 March 2023	50,002	192,322	156	138,180	38,387	419,057
Net Book Value						
At 31 March 2023	15,169	118,358	46,733	3,232	4,531	188,023
At 31 March 2022	11,885	162,742	46,889	7,349	2,736	231,601

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

15. Fixed asset investments

15.1 Fixed asset investments – Consolidated and Charity

	Consolidated		Charity	
	2023	2022	2023	2022
	£	£	£	£
Investment Fund at market value	160,818	172,781	160,818	172,781
Shares in group company at cost	-	-	2	2
Total Fixed Asset Investments	160,818	172,781	160,820	172,783

The Investment fund comprises publicly tradeable shares and investment funds, held for long term growth. There were no investment fund assets at 1 April 2020 or 31 March 2021.

The charitable company has a wholly owned subsidiary, RPO Promotions Limited, registered in England and Wales. The aggregate capital and reserves of RPO Promotions Limited amounted to £2 at 31 March 2023 and 2022. The activities of RPO Promotions Limited are explained in note 4.

15.2 Movement in Fixed Asset Investments

	2023	2022
	£	£
Market value at 1 April	172,781	-
Share donation	-	105,302
Less:		
Disposal proceeds	(63,727)	(43,256)
Net Cash (withdrawn)	(462)	
Add:		
Acquisitions at cost	63,727	118,256
Net cash reinvested	-	1,489
Net loss on revaluation	(11,501)	(9,010)
Market value at 31 March	160,818	172,781
Historic cost at 31 March	181,329	181,791

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

15.3 Fixed Asset Investment portfolio by geography

	<u>2023</u>	<u>2022</u>
	<u>£</u>	<u>£</u>
Investment assets in the UK	74,569	100,400
Investment assets outside the UK	86,249	72,381
Total Market value at 31 March	<u>160,818</u>	<u>172,781</u>

15.4 Fixed Asset Investment portfolio by asset class

	<u>2023</u>	<u>2022</u>
	<u>£</u>	<u>£</u>
Fixed interest bonds	8,493	9,847
UK Equities	49,554	24,823
Overseas Equities	86,249	72,381
Property and alternative assets	13,571	9,464
Cash	2,951	56,266
Total Market value at 31 March	<u>160,818</u>	<u>172,781</u>

16. Debtors

	Consolidated		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	310,371	440,186	310,371	440,186
Current tax recoverable	1,183,809	595,568	-	-
Amounts owed by group undertakings	-	-	1,776,295	593,082
Other debtors	31,025	19,233	31,025	19,233
Prepayments and accrued income	277,565	156,960	277,565	156,960
Total Debtors	<u>1,802,770</u>	<u>1,211,947</u>	<u>2,395,256</u>	<u>1,209,461</u>

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

17. Creditors: Amounts falling due within one year

	Consolidated		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	127,791	93,408	127,791	93,408
Musicians' fees	344,746	459,120	344,746	459,120
Social security and other taxes	236,387	93,668	236,387	93,668
Other creditors	28,558	39,522	28,558	39,522
Accruals	153,336	191,441	149,461	187,916
Billings in advance	666,083	878,073	666,083	878,073
	1,556,901	1,755,232	1,553,026	1,751,707

Other creditors includes £5,290 (2021 - £3,610) representing cash held on behalf of the Trustees of the Royal Philharmonic Orchestra Sickness and Benevolent Fund.

Billings in advance represent fees and ticket sales received in advance of the event to which they relate:

	2023	2022
	£	£
At 1 April 2022 / 2021	878,073	1,066,022
Additions	311,258	275,162
Released	(523,248)	(463,111)
At 31 March 2023 / 2022	666,083	878,073

18. Provisions for liabilities and charges

	2023	2022
	£	£
At 1 April 2022 / 2021	-	61,183
Additions	-	-
Utilisation	-	(59,004)
Released	-	(2,179)
At 31 March 2023 / 2022	-	-

The provision at 1 April 2021 represented the cost of repairs to the Orchestra's administrative offices, which were committed prior to 1 April 2021 and utilised in the year to 31 March 2022.

Royal Philharmonic Orchestra Limited

Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

19. Analysis of net assets between funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
As at 31 March 2023				
Fixed assets	188,023	160,818	-	348,841
Current assets	5,010,346	234,717	500,723	5,745,786
Current liabilities	(1,505,939)	-	(50,962)	(1,556,901)
	3,692,430	395,535	449,761	4,537,726
As at 31 March 2022				
Fixed assets	231,601	172,781	-	404,382
Current assets	4,608,258	234,717	236,436	5,079,411
Current liabilities	(1,752,399)	-	(2,833)	(1,755,232)
	3,087,460	407,498	233,603	3,728,561

20. Called up share capital

	2023 £	Authorised 2022 £	Allotted and Fully Paid 2023 £	2022 £
Ordinary shares of £10 each	100,000	100,000	71,000	71,000

The company's Memorandum of Association prohibits the payment of dividends, return of capital or distribution of surplus funds to the shareholders in the event of the winding up of the company. All ordinary shares carry full voting rights.

21. Designated funds

	2023 £	2022 £
Residency development fund	220,000	220,000
Dilapidations fund	14,717	14,717
Investment fund	160,818	172,781
	395,535	407,498

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

Designated funds (continued)

The residency development fund is to invest in artistic programming and organisational systems and resources to develop residencies, including the move of the administrative office to Wembley Park. The dilapidations provision relates to the current administrative office of the RPO. The investment fund is the shares and units in investment funds held for long-term growth.

22. Restricted funds

	Community and Education projects £	Orchestral performances £	Total Funds £
Year to 31 March 2023			
Balance at 1 April 2022	233,603	-	233,603
Received during the year:			
Trusts, foundations and local authorities	48,177	78,135	126,312
Donations/sponsorship	59,511	707,608	767,119
Expenditure during the year	<u>(171,799)</u>	<u>(505,474)</u>	<u>(677,273)</u>
Balance at 31 March 2023	169,492	280,269	449,761
Year to 31 March 2022			
Balance at 1 April 2021	242,999	-	242,999
Received during the year:			
Trusts, foundations and local authorities	100,914	63,634	164,548
Donations/sponsorship	59,250	90,722	149,972
Expenditure during the year	<u>(169,560)</u>	<u>(154,356)</u>	<u>(323,916)</u>
Balance at 31 March 2022	233,603	-	233,603

Community and Education projects cover a range of participatory activities in the community, public spaces and health settings and with under-represented and hard to reach groups, schools, families and patients.

Orchestral performances are concerts supported by restricted donations.

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

23. Reconciliation of movement in funds

	Total Unrestricted Funds				
	Called-up Share Capital	Other Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£	£
Year to 31 March 2023					
Balance at 1 April 2022	71,000	3,016,460	407,498	233,603	3,728,561
Income	-	9,138,515	2,764	893,431	10,034,710
Expenditure	-	(9,717,354)	(3,000)	(677,273)	(10,397,627)
Net unrealised losses on investments	-	-	(11,727)	-	(11,727)
Tax credit	-	1,183,809	-	-	1,183,809
Balance at 31 March 2023	71,000	3,621,430	395,535	449,761	4,537,726
Year to 31 March 2022					
Balance at 1 April 2021	71,000	2,804,814	329,717	242,999	3,448,530
Income	-	7,534,985	157,141	314,520	8,006,646
Expenditure	-	(7,919,850)	(70,350)	(323,916)	(8,314,116)
Net unrealised losses on investments	-	-	(9,010)	-	(9,010)
Tax credit	-	596,511	-	-	596,511
Balance at 31 March 2022	71,000	3,016,460	407,498	233,603	3,728,561

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

24. Operating lease commitments

The company has annual operating lease commitments as follows:

	Land and Buildings 2023 £	Land and Buildings 2022 £
Commitments arising in:		
Less than one year	217,816	108,000
Two to five years	420,076	189,000
	637,892	297,000

The leases relate to the company's premises in London, UK: a warehouse in Greenford and offices in Clerkenwell.

The lease for the warehouse in Greenford commenced in June 2012 for a term of ten years and expired in June 2022.

The company has leased its premises in Clerkenwell since August 1986. The lease is expected to end when the administrative office is moved to Wembley Park, which is currently expected to be March 2025 and at the prior year-end was expected to be December 2024.

25. Capital Commitments

The company had no capital commitments at 31 March 2023 or 31 March 2022.