

THE ROYAL PHILHARMONIC SOCIETY
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2016

Charity Registration Number 213693

Registered Company Number 186522

WILKINS KENNEDY LLP
Chartered Accountants
Greytown House
221/227 High Street
Orpington
Kent BR6 0NZ

THE ROYAL PHILHARMONIC SOCIETY
(A company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1
Report of the Directors	2
Independent Examiner's Report	9
Statement of Financial Activities	10
Balance Sheet	12
Notes to the Financial Statements	13

THE ROYAL PHILHARMONIC SOCIETY
(A company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	John Gilhooly OBE - Chairman Anthony Newhouse – Honorary Treasurer Edward Blakeman Dr Jerome Booth Sir Vernon Ellis Jonathan Langridge Kingsley Manning Louise Mitchell – Honorary Secretary Gillian Moore MBE
Company secretary	Louise Mitchell
Executive director	Rosemary Johnson
Key Management Personnel	Rosemary Johnson – Executive Director Laura Emmett – Development Manager Robin Sheffield – Administrative Assistant
Registered Office	48 Great Marlborough Street London W1F 7BB
Independent Examiner	M A Wilkes FCA Wilkins Kennedy LLP Greytown House 221/227 High Street Orpington Kent BR6 0NZ
Bankers	Santander UK Plc Bridle Road Bootle Merseyside L30 4GB
Investment managers	Cazenove Capital Management 12 Moorgate London EC2R 6DA
Solicitors	Laurie Watt C/o Charles Russell Speechlys LLP 8-10 New Fetter Lane London EC4A 1RS

THE ROYAL PHILHARMONIC SOCIETY
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REPORT OF THE TRUSTEES

The Trustees present their report and the audited financial statements of the charity for the year ended 31 August 2016. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

Objectives and activities

During the year under review, the Society has continued to develop projects and activities to achieve its objectives of the greater understanding of music, encouraging creativity in music and giving recognition to excellence in music and musicians by implementing the following strategies:

- increased support of young musicians in education and at the start of their profession
- an active commissioning policy and additional opportunities for composers
- the recognition of excellence of musicianship and services to music
- continuing support for the development of musical education for all and of new ways of engaging audiences
- the promotion of debate about key issues facing music today
- the promotion of free and low price events, open to all, that further the appreciation of music

Achievements and performance

The Royal Philharmonic Society is for people who love music and live music making and who want to ensure a vibrant future for classical music.

philharmonic: /fɪl.hɑ:'mɒn.ɪk/
adj. devoted to music; music loving

For over 200 years we've been at the heart of music: supporting and working creatively with talented young performers and composers, championing excellence, and encouraging audiences to listen to, and talk about, great music. We have four areas of activity and charitable benefit: Awards, Performers, Composers and Audiences.

Awards



- The RPS's highest honour for a musician, the **Gold Medal**, was presented twice during the year: to Martha Argerich at the Wigmore Hall; and to Sir Peter Maxwell Davies in Orkney only a few weeks before his death. (At his request he is buried with the medal).
- Sadly three gold medallists died during the year: Pierre Boulez, Nikolaus Harnoncourt and Sir Peter Maxwell Davies.
- Two **Honorary Memberships** for services to music were presented: to percussionist, Evelyn Glennie, at the launch of our educational research paper Musical Routes, and to opera director Graham Vick who gave the key note speech at the annual RPS Music Awards.
- The RPS Music Awards reinforced positive messages about inclusion and Graham Vick's keynote attracted unprecedented column inches in the national press. Graham Vick has spent his life creating productions that engage both operatic new comers and the most hardened devotees. The point of opera, he says, is "to spark a debate about the way you live your life, about the society you're in, the way we relate to each other and the choices we make." The speech is available to watch on YouTube or download from the RPS website.

REPORT OF THE TRUSTEES

The RPS Music Award Winners were:

Audiences and Engagement

Chamber Music and Song

Chamber-Scale Composition

sponsored by Boosey and Hawkes in memory of Tony Fell

Concert Series and Festivals

sponsored by Schott Music

Conductor

sponsored by BBC Music Magazine

Creative Communication

Ensemble

donated by the Yellow Car Charitable Trust

Instrumentalist

donated by The Stradivari Trust with support from Lark Insurance

Large-Scale Composition

donated by The Boltini Trust

Learning and Participation

sponsored by the ABRSM, the exam board for the Royal Schools of Music

Opera and Music Theatre

Singer

sponsored by Rosenblatt Recitals

Young Artists

donated by the Bowerman Charitable Trust

Multi-Story

Carducci String Quartet 'Shostakovich 15'

Julian Anderson: *Van Gogh Blue*

Kings Place: Minimalism Unwrapped

Sakari Oramo

The Other Classical Musics: edited by Michael Church (Boydell Press)

National Youth Orchestra of Great Britain

Daniil Trifonov

Luca Francesconi: *Duende The Dark Notes: violin concerto*

Tri-Borough Music Hub: Seven Seeds

Glyndebourne: Saul (Handel)

Roderick Williams

Clare Hammond

- We had our largest ever attendance at the annual RPS Music Awards (450 – up 100 in two years) and 3 different live music performances. The Annual Awards Appeal raised over £20 K for the Society's work.
- The **Salomon Award** for an orchestral player who has made an outstanding contribution was presented to percussionist Graham Hall of Sinfonia Viva in Derby.
- In partnership with Duet Group we introduced two new awards for under 18s. These were for instrumentalist ('cellist Sheku Kanneh-Mason) and composer (Freya Ireland.) Both Award winners were of an exceptionally high standard.

Performers



- We forged a major new partnership with **Women Conductors** in order to bring inspiring opportunities for girls and young women to learn conducting and musical leadership and to help create new role models and improve the gender balance within the profession.
- In September 2015 we published possibly the first ever RPS research document – **Musical Routes** by Sarah Derbyshire which assesses how young people access music and offers practical ways for performers and teachers to work together and pragmatic solutions to equip young people to continue their musical journey. The report was shared 4300 times.
- **Mentoring** – a new partnership with Alison Balsom and Peter Moore was established.
- The price of many instruments rose sharply, in line with the decrease in the value of the pound against international currencies, and we **received a 100% increase in the funding requested** for our instrumental grants. 17 grants were awarded, totalling £22.5K against a total of £178K requested. This fund is consistently our most oversubscribed.

REPORT OF THE TRUSTEES

- The Albert and Eugenie Frost Prize for a string ensemble was awarded to the Castalian Quartet, and the Chilcott Award to soprano Soraya Mafi. Both the recipients performed at an RPS **Young Musicians showcase** event together with two Julius Isserlis Scholarship holders, Imogen Hancock (trumpet) and Kristine Balanas (violin). A new prize for a mixed ensemble will be introduced in 2018 to complement the Frost Prize

Composers

- It was an excellent year for new work with 13 RPS commissions premiered during the year (1 orchestral, 1 large ensemble and 5 solo/duo 6 chamber) Venues included London - BBC Proms, (Albert Hall, Roundhouse and Cadogan Hall), Wigmore Hall, Huddersfield, Cheltenham, Presteigne Edinburgh IF, Sheffield, Paris, Berlin, Rotterdam and Lucerne. A particular highlight was **Julian Andersons' Incantesimi** which was performed seven times by the Berlin Philharmonic and Simon Rattle and which receives its US premiere in 2017 with the Boston Symphony and Christoph von Dohnányi.
- As well as writing new pieces, our six emerging composers also received a programme of seminars and workshops as part of the process (we organised two new development seminars this year, on recording and publishing).
- Seven of the commissions were recorded and broadcast on BBC Radio 3.
- A new position of **Apprentice Composer at the Wigmore Hall** was created for our Duet Prize winner, Freya Ireland.

Audiences



- Throughout the year we were working to develop **LoveMusicPass** – a new mass membership scheme designed to encourage more people to discover the nation's most exciting live performances of classical, jazz, folk, world, opera and chamber music, and become part of an active community of music lovers.
 - £58K in funding was raised for a six month small-scale pilot of LoveMusicPass which was launched in September 2016 to provide privileged access and special discounts to live music events in London and Leeds. During this time we will test the scheme and evaluate whether it can be scaled up to a point where it can become self-funding and begin to invest back into audience engagement programmes
 - As well as launching the LoveMusicPass site in September the Society increased its support on Social Media and we currently have over 18,000 twitter followers; 6500 on Facebook; Pinterest and Instagram pages and YouTube, Vimeo and Sound Cloud channels.
- **Ensemble Philharmonic** our partnership with school age musicians around the country continued with masterclasses, workshops, newsletters and a tremendous experience of meeting Julian Anderson and Simon Rattle at the Albert Hall and attending a rehearsal of the Berlin Philharmonic.

Public benefit statement

The Trustees refer regularly to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, they regularly consider how planned activities will engage new audiences to contribute to a greater understanding of music and how musical experience can be available to all regardless of age or means. We place particular emphasis on events where artists take time to talk about their work to audiences during the course of the programme and to organising events which are free of charge to the public. Where possible we film or record such events and make them available via our website. The Trustees believe that all their charitable activities contribute to public benefit essentially through education and promotion of music as an art.

THE ROYAL PHILHARMONIC SOCIETY
(A company Limited by Guarantee)

REPORT OF THE TRUSTEES

Structure, governance and management

Governing Document

The Royal Philharmonic Society is a company limited by guarantee. It is registered as a charity with the Charity Commission. Membership is open to all on payment of an annual donation and there are currently 615 members, of whom around forty percent are defined as professional musicians. Six organisations have corporate membership. In the event of winding up, individual members agree to contribute an amount not exceeding £1.

The board of Trustees of the Royal Philharmonic Society are individually and collectively its directors for the purposes of company law and its Trustees for the purpose of charity law. The Trustees are assisted by the Council, an advisory body of RPS members who bring a wide range of musical and other professional expertise to the Society. All Trustees and Council members act in a voluntary capacity.

Appointment of Trustees

The Trustees are appointed from among the members of the Council by a resolution of the RPS Members at the AGM. All Trustees serve for an initial term of three years.

RPS members are appointed to serve on the Council by a resolution of the Trustees and the names of those serving must be approved at the AGM. They are drawn from professional musicians and non-professionals to give as wide a breadth of viewpoint and expertise as possible. At the moment, there are twelve professional musicians on the Council.

The officers are elected each year by the AGM, and the Chairman is elected each year by the Trustees from among their members at the first meeting following the AGM. All members of the Council (including the Trustees) serve without remuneration.

Trustee Induction and Training

All new Trustees meet the Chairman and Executive Director to discuss their appointment and are provided with a detailed written briefing on the role of the Society and the responsibilities of charity Trustees. They also receive copies of the Articles of Association, the Annual Accounts for the previous financial year and copies of recent Trustee Meeting Minutes. All Trustees are asked to declare any possible conflict of interest resulting from their involvement in other organisations. A register of these interests is maintained at the Society's offices.

Trustees of the charity

The directors of the charitable company are its Trustees for the purposes of charity law. The Trustees who have served during the year and since the year end were as follows:

John Gilhooly OBE (Chair)
Anthony Newhouse (Hon Treasurer)
David Long (resigned 15 March 2016)
Edward Blakeman
Dr Jerome Booth
Sir Vernon Ellis
Jonathan Langridge (appointed 3 February 2016)
Colin Matthews OBE (resigned 15 March 2016)
Kingsley Manning
Louise Mitchell
Gillian Moore MBE
Ian Rosenblatt OBE (resigned 15 March 2016)

Organisational structure

John Gilhooly serves as Chairman, Anthony Newhouse as Honorary Treasurer and Louise Mitchell as Secretary. The RPS has three full time employees responsible for the day-to-day conduct of the Society's activities: The Executive Director is Rosemary Johnson, Laura Emmett is Development Manager and Robin Sheffield the Administrative Assistant. Alison Pavier is employed as freelance Development Consultant. The administration report to the Trustees at five meetings during the year.

THE ROYAL PHILHARMONIC SOCIETY
(A company Limited by Guarantee)

REPORT OF THE TRUSTEES

The Society's Annual General Meeting was held on Wednesday 15 March 2016, at the Wigmore Hall, London W1. David Long retired as a Trustee and Honorary Secretary at the meeting. The Society wishes extend its appreciation and gratitude to David for his unstinting work and valuable advice and insights over the many years that he served as Honorary Solicitor, and subsequently as Honorary Secretary since 2011. Colin Matthews and Iain Rosenblatt also stood down as Trustees but all three will continue to serve on the Council. Louise Mitchell was appointed Honorary Secretary and Dr Jerome Booth and Jonathan Langridge were elected as Trustees by the membership.

Lincoln Abbotts (Director of Strategic Development, Associated Board of the Royal Schools of Music), Iain Burnside (pianist and broadcaster), Sally Groves MBE (former Music Publisher), Mary King (singer and vocal coach), Dr Leanne Langley (historian and writer), Chi-chi Nwanoku MBE (double bassist), Arthur Searle (Honorary Librarian), Tom Service (broadcaster and writer), Janis Susskind OBE (MD Boosey & Hawkes Music Publishing), Atholl Swainston-Harrison (Chief Executive International Artists Management Association) and Laurie Watt (Senior Counsel Charles Russell Speechlys LLP) were approved as members of the Council.

Financial Review

Total income for the year was £388,889 (2015: £342,237) of which £260,610 (2015: £280,124) was from restricted funding streams and £128,279 (2015: £62,113) of unrestricted income was generated by The Society. Meeting funding targets in the present climate continues to be challenging.

The value of our investment funds at the year-end showed an aggregate increase of £157,182 following the summer upturn in the financial markets and the fall in the value of the pound.

Total expenditure for the year was £475,685 (2015: £516,086) of which £264,408 (2015: £243,166) was spent on restricted activities. Staff payroll costs increased to £116,573 (2015: £115,642)

For the year ended 31 August 2016, there was an excess of expenditure over income before gains and losses of £86,796 (2015: £173,849) of which £82,998 (2015: £126,114) was unrestricted. This, showed a welcome decrease, as a result of actions taken to contain costs and was partially offset by the increase in the value of our investments funds. Unrestricted reserves were carried forward of £719,408 (2015: £746,339). Restricted reserves at 31 August 2016 stood at £526,104 (2015: £462,798) and £990,674 (2015: £956,663) for linked charities.

Investment policy

The Trustees have the power under the Articles of Association to invest monies in any way they think fit. The management of the Society's investment funds is delegated to professional Investment Managers who report directly to the Society's Finance Subcommittee.

The Society's investments are managed by Cazenove Capital Management (part of Schroders Group).

During the year the Society's written investment policy was: "To adopt a total return approach comprising income and capital from a diversified portfolio of UK and overseas equities, fixed interest, alternative assets and cash. The portfolio should maintain a balanced risk profile, having regard to volatility over the medium term."

Time Horizon: A period of at least five years

Risk Profile: Classified as moderate

As noted below, the Trustees consider that one of the most significant risks to which the Society is exposed is a decline in the value of the Society's investments. Any substantial loss could severely constrain the Society's ability to continue its normal activities and a severe loss could possibly cause the Society to become operationally ineffective.

The Finance Subcommittee is very much aware of this fact and bears it in mind when formulating its investment policy and in regular meetings with the Society's Investment Managers.

The Society's funds are invested in a diverse range of funds to meet its investment objectives and in cash to meet the anticipated funding gap in the near future. As noted above funds under management increased by an aggregate of £138,664 and, after withdrawals of £100,000, stood at the year end at £2,071,574

THE ROYAL PHILHARMONIC SOCIETY
(A company Limited by Guarantee)

REPORT OF THE TRUSTEES

Reserves policy

Our long term aim is to build up unrestricted reserves to the level where the resulting income will cover day to day operating costs on an annual basis, assuming in the first place that expenditure continues at least at current levels for the reason set out below.

As previously stated, given the current level of expenditure and the concomitant levels of funding from other sources, subscriptions and grants and donations there was, and will continue to be this year, a funding gap which the Trustees have determined to bridge from reserves albeit there has been some success in limiting the rate at which reserves are depleted. In the longer term, however, the Trustees acknowledge that there comes a point where the diminution in the level of our reserves would seriously hamper the day to day functioning of the Society.

Risk management

The Society revised its risk assessment at the end of 2014. The principal risk faced is the decline in the Society's funding as a result of the economic climate - either in the loss of funding from Trusts and Foundations or through a decline in the value of the Society's investments. Our funding programme is continually monitored and reviewed. The Finance Subcommittee meets the Society's investment advisers regularly.

Plans for future periods

In November 2016 the Trustees met to discuss plans and strategy for the next five years. A 10 point action plan was drawn up detailing how we strengthen our vision, brand values and case for support in order to position the RPS as a hub to bring together organisations, musicians, audiences, data and research partners in support of live music making. In addition we will plan for longer term financial sustainability through guarantees of regular funding and possible mergers and new partnerships.

We hope to use the platform of the Beethoven 2020 celebrations to sustain the profile achieved in the Bicentenary year, implement the above, and also to position RPS as an international collaborator.

Trustees' responsibilities

The Trustees (who are also directors of The Royal Philharmonic Society for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- 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 operation.

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

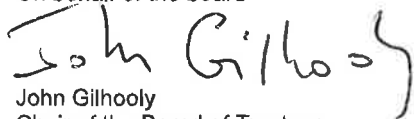
THE ROYAL PHILHARMONIC SOCIETY
(A company Limited by Guarantee)

REPORT OF THE TRUSTEES

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.

On behalf of the board



John Gilhooly
Chair of the Board of Trustees

Date 9/2/17

THE ROYAL PHILHARMONIC SOCIETY
(A company Limited by Guarantee)

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS

I report on the accounts of the charitable company for the year ended 31 March 2016 which are set out on pages 10 to 21.

Respective responsibilities of Trustees and examiner

The Trustees (who are also the Directors of the company for the purposes of charity law) are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to an audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Directors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared the accounts (financial statements) in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

We understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effect for reporting periods beginning on or after 1 January 2015.

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.


M A Wilkes (FCA)

For and on behalf of Wilkins Kennedy LLP
Chartered Accountants
Greytown House, 221/227 High Street
Orpington, Kent, BR6 0NZ

Date **27/2/17**

THE ROYAL PHILHARMONIC SOCIETY
(A company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2016

INCOME AND EXPENDITURE ACCOUNT

	Notes	Unrestricted Funds £	Restricted Funds £	Restricted Linked Charities £	Total 2016 £	Total 2015 £
Income from:						
Donations	2	21,840	62,800	-	84,640	65,913
Charitable activities:						
Grants receivable	3	15,071	157,851	-	172,922	149,026
Sponsorship and ticket sales	4	65,248	-	65	65,313	73,096
Investments	5	21,120	11,018	27,071	59,209	34,344
Other		5,000	745	1,060	6,805	19,858
Total income		128,279	232,414	28,196	388,889	342,237
Expenditure on:						
Raising funds		26,097	18,010	12,694	56,801	71,877
Charitable activities						
Awards		149,236	32,500	-	181,736	165,488
Performers		6,578	53,461	37,002	97,041	110,501
Composers		18,469	65,046	16,355	99,870	130,628
Audiences and Education		10,897	29,340	-	40,237	37,632
Total expenditure	6	211,277	198,357	66,051	475,685	516,086
Net expenditure before gains / (losses) on investments		(82,998)	34,057	(37,855)	(86,796)	(173,849)
Net gains/(losses) on investments	12	56,067	29,249	71,866	157,182	29,052
Net movement in funds		(26,931)	63,306	34,011	70,386	(144,797)
Funds brought forward at 1 September 2015		746,339	462,798	956,663	2,165,800	2,310,597
Total funds carried forward at 31 August 2016		719,408	526,104	990,674	2,236,186	2,165,800

All of the charity's transactions are derived from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

THE ROYAL PHILHARMONIC SOCIETY
(A company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2016

INCOME AND EXPENDITURE ACCOUNT

Comparative information ended 31 August 2015	Notes	Unrestricted Funds £	Restricted Funds £	Restricted Linked Charities £	Total 2015 £
Income from:					
Donations	2	29,913	36,000	-	65,913
Charitable activities:					
Grants receivable	3	-	145,013	4,013	149,026
Sponsorship and ticket sales	4	1,901	71,195	-	73,096
Investments	5	13,196	5,929	15,219	34,344
Other		17,103	1,600	1,155	19,858
Total income		62,113	259,737	20,387	342,237
Expenditure on:					
Raising funds		55,903	4,465	11,509	71,877
Charitable activities					
Awards		59,681	105,767	-	165,448
Performers		16,640	45,831	48,030	110,501
Composers		27,619	77,855	25,154	130,628
Audiences and Education		28,384	9,248	-	37,632
Total expenditure	6	188,227	243,166	84,693	516,086
Net expenditure before gains / (losses) on investments		(126,114)	16,571	(64,306)	(173,849)
Net gains/(losses) on investments	12	11,070	5,026	12,956	29,052
Net movement in funds		(115,044)	21,597	(51,350)	(144,797)
Funds brought forward at 1 September 2014		861,383	441,201	1,008,013	2,310,597
Total funds carried forward at 31 August 2015		746,339	462,798	956,663	2,165,800

THE ROYAL PHILHARMONIC SOCIETY
(A company Limited by Guarantee)

BALANCE SHEET
AS AT 31 AUGUST 2016

Charity Registration Number: 213693

	Note	£	2016 £	£	2015 £
Fixed Assets					
Tangible fixed assets	11		1,977		3,037
Investments	12		2,071,574		2,032,910
			<u>2,073,551</u>		<u>2,035,947</u>
Current Assets					
Stocks		5,364		8,940	
Debtors	13	67,175		55,293	
Cash at bank and in hand		125,114		92,777	
		<u>197,653</u>		<u>157,010</u>	
Creditors: amounts falling due within one year	14	(35,018)		(27,157)	
Net Current Assets			<u>162,635</u>		<u>129,853</u>
Net Assets			<u>2,236,186</u>		<u>2,165,800</u>
Represented by:					
Restricted funds	15		526,104		462,798
Restricted linked charities	16		990,674		956,663
Unrestricted funds					
General fund			<u>719,408</u>		<u>746,339</u>
Total funds	17		<u>2,236,186</u>		<u>2,165,800</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2016.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 August 2016 in accordance with Section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for:

- (a) ensuring that the charitable company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

Approved by the Board of Trustees on 9/2/17 and signed on their behalf by:



John Gilhooly
Chairman



Anthony Newhouse
Honorary Treasurer

THE ROYAL PHILHARMONIC SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently in dealing with items considered material in relation to the financial statements.

a. Basis of preparation

The Royal Philharmonic Society is a company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are set out on page 2.

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

The directors have early adopted the Charity SORP (FRS105) Update Bulletin 1.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b. Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required.

In accordance with the requirements of FRS102 a reconciliation of opening balances and net income/(expenditure) for the year is provided with the net income/(expenditure) under previous GAAP adjusted for the presentation of investment gains/ (losses) as a component of reported income.

Reconciliation of reported net income	£
Net expenditure as previously stated	(173,849)
Adjustment for gains / (losses) on investments now treated as a component of net income	29,052
2015 net expenditure as restated	(144,797)

c. Income

All income is included in the Statement of Financial Activities (SoFA) when the charitable company is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Voluntary income is received by way of grants, donations, legacies and membership subscriptions and is included in full in the Statement of Financial Activities when receivable.

Incoming resources from charitable activities are received by way of event, awards, education sponsorship and ticket sales and are included in full in the Statement of Financial Activities. Incoming resources where entitlement is not conditional on the delivery of a specific performance by the charitable company, are recognised when the charity becomes unconditionally entitled to the income and it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

Investment income and bank interest receivable are fully accrued at the balance sheet date.

THE ROYAL PHILHARMONIC SOCIETY
(A company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

d. Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds are those costs incurred in attracting voluntary income.
- Charitable activities comprise those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Awards payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such awards being recognised as expenditure when the conditions attaching to the awards are fulfilled. Awards offered subject to conditions that have not been met at the year-end are noted as a commitment, but not accrued as expenditure. Award related support costs comprise staff and office costs.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

e. Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are allocated on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on the basis of estimates of the proportion of time spent by staff on those activities.

f. Funds accounting

Unrestricted general funds are funds which can be used in accordance with the charitable objects at the discretion of the Trustees. They comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the charitable objectives of the charitable company.

Restricted funds comprise monies raised for, and their use restricted to, a specific purpose, or donations subject to conditions imposed by the donor or through the terms of an appeal.

g. Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

h. Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets over their estimated useful lives as follows:

Fixtures, fittings and equipment	- 25% straight line
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i. Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

j. Stock

The Society's stock of gold medals is stated at cost.

k. Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

THE ROYAL PHILHARMONIC SOCIETY
(A company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

l. Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

m. Corporation Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

n. Going Concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

o. Judgements and key sources of estimation uncertainty

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

There are no other key assumptions concerning the future or other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2. DONATIONS

	2016	2015
	£	£
Donations received from individuals	13,605	11,595
Donations RPS Music Awards	32,500	36,000
Donations RPS Annual Appeal	17,715	-
Membership subscriptions	20,820	18,318
	<u>84,640</u>	<u>65,913</u>

THE ROYAL PHILHARMONIC SOCIETY
(A company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

Donations RPS Music Awards and Appeal	2016 £	2015 £
Music Awards		
Bowerman Charitable Trust	6,000	6,000
Boltini Trust	8,500	10,000
Stradavari Trust	8,000	10,000
Yellow Car Charitable Trust	10,000	10,000
	<u>32,500</u>	<u>36,000</u>
Appeal		
Vernon Ellis Foundation	1,000	-
Jerome Booth	1,000	-
Simon Robey	5,000	-
John Gilhooly	1,000	-
E Blakeman	1,000	-
Karaviotis Foundation	1,000	-
L C Mitchell	750	-
Various	6,965	-
	<u>17,715</u>	<u>-</u>
	<u>50,215</u>	<u>36,000</u>

3. GRANTS RECEIVABLE	Unrestricted £	Restricted £	2016 £	2015 £
A&E Frost Music Trust	-	13,000	13,000	6,500
ABRSM	-	2,000	2,000	2,000
Academic membership (Duet)	-	4,000	4,000	-
Andor Charitable Trust	-	-	-	2,000
Anglo American Foundation	-	1,250	1,250	1,286
Angus Allnatt Charitable Foundation	-	-	-	1,500
Boltini Trust	-	15,000	15,000	-
Bowerman Charitable Trust	-	5,000	5,000	5,000
Britten Pears Foundation	-	15,000	15,000	15,000
Colin Clark	-	-	-	2,560
David Cock Foundation	-	5,000	5,000	-
Delius Trust	-	3,000	3,000	3,000
Derek Hill Foundation	-	1,000	1,000	-
Duet Group	-	6,056	6,056	-
Ernst Von Siemens	2,250	8,445	10,695	-
Garfield Weston Foundation	-	15,000	15,000	-
Garrick Club	2500	-	2,500	-
Gift Aid Receivable	8,021	2,000	10,021	3,243
Harold Wingate	1500	-	1,500	-
J Paul Getty Jr Charitable Trust	-	-	-	5,000
Anonymous	-	-	-	10,000
John Gilhooly	-	-	-	2,000
John S Cohen Foundation	-	-	-	1,000
Kathleen Hannay Memorial Charity	-	10,000	10,000	-
Lalita Carlton-Jones	-	-	-	1,000
Michael Tippet Trust	-	2,500	2,500	2,500
PRS For Music Foundation	-	-	-	9,000
Southampton Row Trust	-	25,000	25,000	-
Strecker-Stiftung	-	4,500	4,500	-
Various	800	16,100	16,900	71,437
Vernon Ellis Foundation	-	4,000	4,000	5,000
	<u>15,071</u>	<u>157,851</u>	<u>172,922</u>	<u>149,026</u>

THE ROYAL PHILHARMONIC SOCIETY
(A company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

4. SPONSORSHIP AND TICKET SALES

	2016	2015
	£	£
RPS Music Awards - Sponsorship		
ABRSM	8,000	8,000
Boosey & Hawkes	2,500	2,500
Lark Insurance	750	-
Programme Advertising	4,250	-
Rosenblatt Solicitors	10,000	12,000
Schott Music Limited	10,000	10,000
The Incorporated Society of Musicians	-	8,000
Other and anonymous sponsorship	-	7,250
	<u>35,500</u>	<u>47,750</u>
RPS Music Awards - Ticket Sales	28,683	22,017
Other RPS events	1,120	3,329
	<u>65,313</u>	<u>73,096</u>

5. INVESTMENT INCOME

	2016	2015
	£	£
Investment income receivable from securities with investment managers	59,208	34,248
Bank interest received	1	96
	<u>59,209</u>	<u>34,344</u>

6. ANALYSIS OF EXPENDITURE

	Staff costs	Other direct costs	Support costs	Total 2016	Total 2015
	£	£	£	£	£
Raising funds	-	56,801	-	56,801	71,877
Charitable activities					
Awards	48,616	98,560	34,560	181,736	165,448
Performers	35,662	33,396	27,983	97,041	110,501
Composers	27,719	64,738	7,413	99,870	130,628
Audiences and Education	4,576	29,340	6,321	40,237	37,632
	<u>116,573</u>	<u>282,835</u>	<u>76,276</u>	<u>475,685</u>	<u>516,086</u>

All costs are allocated between the expenditure categories noted above on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, being, time spent.

THE ROYAL PHILHARMONIC SOCIETY
(A company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

7. SUPPORT COSTS

	2016	2015
	£	£
Bookkeeping, accountancy and payroll admin	12,939	10,388
Occupancy costs	37,441	42,291
IT maintenance and consumables	2,259	1,832
Depreciation	1,058	1,059
Other support costs	17,568	17,824
Governance	5,011	8,240
	<u>76,276</u>	<u>81,634</u>

8. NET INCOME / (EXPENDITURE) FOR THE YEAR

	2016	2015
	£	£
Net income / (expenditure) is stated after charging:		
Independent Examiner's Fee	3,200	3,900
Depreciation	1,058	1,059
	<u>4,258</u>	<u>4,959</u>

9. TRUSTEE REMUNERATION

No Trustees received or waived remuneration for their services in in the year. The Society reimbursed out of pocket travel expenses to one Trustee during the year of £51 (2015: £139).

10. STAFF COSTS

	2016	2015
	£	£
Salaries and wages	108,024	106,296
Social security	8,549	9,348
	<u>116,573</u>	<u>115,642</u>

The average monthly number of employees, during the year was: 3 3

No member of staff earned more than £60,000 during the year.

The key management personnel comprise of those listed on page 1. Total remuneration paid to key management personnel during the year was £108k . (2015: £106k).

THE ROYAL PHILHARMONIC SOCIETY
(A company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

11. TANGIBLE FIXED ASSETS

	Fixtures and Fittings £
COST	
At 1 September 2015 and 31 August 2016	21,852
DEPRECIATION	
At 1 September 2015	18,817
Charge for the year	1,058
At 31 August 2016	19,875
NET BOOK VALUE	
At 31 March 2016	1,977
At 31 March 2015	3,037

12. FIXED ASSET INVESTMENTS

	2016 £	2015 £
Market value at 1 September 2015	1,730,573	2,210,825
Additions	192,067	1,864,080
Disposal proceeds	(110,614)	(2,373,384)
Gains / (losses)	157,182	29,052
Market Value at 31 August 2016	1,969,208	1,730,573
Capital cash awaiting investment	102,366	302,337
	<u>2,071,574</u>	<u>2,032,910</u>
Historical cost at 31 August 2016	<u>2,006,581</u>	<u>2,135,423</u>
Investments at market value are represented by:		
Equities	1,218,948	1,082,268
Bonds	456,568	401,392
Multi –Asset Funds	108,497	95,186
Alternative assets	185,195	151,727
	<u>1,969,208</u>	<u>1,730,573</u>

The following represent more than 5% of the total Market value of investments;

Trojan Income Fund	6.2%
Schroder Strategic Credit Fund	6.0%
Schroder UK Alpha income fund	5.4%
J O Hambro UK Opportunities Fund	5.2%
AXA US Short Durations High	5.1%

THE ROYAL PHILHARMONIC SOCIETY
(A company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

13. DEBTORS		2016	2015		
		£	£		
Accrued income and prepayments		63,379	50,873		
VAT		3,796	4,420		
		<u>67,175</u>	<u>55,293</u>		
14. CREDITORS		2016	2015		
		£	£		
Accrued expenditure and income received in advance		22,140	23,840		
Other taxes and social security		3,278	3,317		
VAT liability		9,600	-		
		<u>35,018</u>	<u>27,157</u>		
15. RESTRICTED FUNDS					
	Balance at 1.4.2015	Incoming resources	Resources Expended	Investment gains / (losses)	Balance at 31.3.2016
	£	£	£	£	£
Restricted funds					
Drummond fund	149,917	4,242	(27,340)	11,262	138,081
Educational and Audiences fund	1,065	25,000	(985)	-	25,080
The Music fund	-	56,500	(28,355)	-	28,145
Elgar Bursary	8,552	745	(1,205)	-	8,092
New Generation commissions	9,204	10,000	(3,743)	-	15,461
New Music Programme	-	40,695	(29,356)	-	11,339
Philip Langridge Mentoring Scheme	94,661	2,679	(16,107)	7,111	88,344
RPS Music Awards	-	32,500	(32,500)	-	-
Susan Bradshaw	144,774	4,097	(13,586)	10,876	146,161
Young Musicians	54,625	55,956	(45,180)	-	65,401
	<u>462,798</u>	<u>232,414</u>	<u>(198,357)</u>	<u>29,249</u>	<u>526,104</u>

The Drummond Fund - The Drummond Fund has been set up with donations given in memory of the writer, broadcaster and impresario, Sir John Drummond to provide funds to support the commissioning of music for dance.

Education and Audiences Fund - This fund represents income raised for research and projects which address musical learning and understanding.

The Music Fund - This fund represents donations received to fund a pilot Project (LoveMusicPass) which encourages greater audience engagement for live concerts

Elgar Bursary Fund - This represents a trust fund established to receive royalties derived from Anthony Payne's elaboration of Elgar's sketches for his symphony number III, which provides a bursary.

THE ROYAL PHILHARMONIC SOCIETY
(A company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

New Generation Commissions Fund - This fund represents donations for a series of commissions for the "New Generation", a series of programmes presented by the BBC featuring young musicians.

New Music Programme Fund - This fund represents income raised for the support of commissions and work by living composers.

Philip Langridge Mentoring Scheme Fund - Donations received in memory of Philip Langridge to the mentoring of young musicians.

RPS Music Awards Fund - This fund represents the donations received to fund the RPS Music Awards in May 2016.

Susan Bradshaw Composers' Fund - This fund comprises donations from friends and family given in memory of the pianist Susan Bradshaw. The Fund will be used to support composers and young musicians wishing to perform works by living composers.

Young Musicians Fund - This fund represents income raised for the support of young musicians in training or at the start of their careers.

16. RESTRICTED LINKED CHARITIES

	Balance at 1.4.2015	Incoming resources	Resources Expended	Investment gains / (losses)	Balance at 31.3.2016
	£	£	£	£	£
Emily Anderson Prize	80,806	2,287	(2,871)	6,070	86,292
Julius Isserlis Scholarship	613,157	17,351	(26,234)	46,062	650,336
RPS Composition Prize	37,119	2,175	(17,905)	2,788	24,115
Sir John Barbirolli Memorial Foundation	225,581	6,383	(19,041)	16,946	229,931
	<u>956,663</u>	<u>28,196</u>	<u>(66,051)</u>	<u>71,866</u>	<u>990,674</u>

The Emily Anderson Prize is given to a young violinist and is awarded by competition.

The Julius Isserlis Scholarships makes awards to young Instrumentalist who want to continue their training outside the UK.

The RPS Composition Prize makes awards to talented emerging composers.

The Sir John Barbirolli Memorial Foundation makes grants to students at conservatoires of music in order that they may purchase an instrument adequate for their professional training.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Restricted linked Charities £	Total Funds £
Fixed assets	1,977	-	-	1,977
Fixed assets investments	670,455	410,445	990,674	2,071,574
Net current assets	46,976	115,659	-	162,635
	<u>719,408</u>	<u>526,104</u>	<u>990,674</u>	<u>2,236,186</u>

THE ROYAL PHILHARMONIC SOCIETY
(A company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. FINANCIAL COMMITMENTS

At 31 August 2016, the Charity had annual commitments under non-cancellable operating leases, total future minimum finance lease payments are as follows:

	Land and Buildings	
	2016	2015
	£	£
Within 1 year	23,833	23,000
Between 2 – 5 years	109,500	3,833
Greater than 5 years	5,000	-
	<u>138,333</u>	<u>26,833</u>

19. COMPANY LIMITED BY GUARANTEE

The Charity is limited by guarantee and accordingly has no share capital.

The liability guaranteed by each member is £1. At 31 August 2016 the membership was 600 (2015: 585).