



The Royal Philharmonic Society

Registered charity
Company limited by guarantee

Report and Financial Statements

Year Ended 31 August 2013

Charity number: 213693
Company number: 186522

**The Royal Philharmonic Society
Report and Financial Statements
For the Year Ended 31 August 2013**

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**The Royal Philharmonic Society
Report and Financial Statements
For the Year Ended 31 August 2013**

Reference and Administrative Information

Founded 24 January 1813

Under the immediate patronage of Her Majesty The Queen

Governing documents: Memorandum and Articles of Association

Charity number: 213693

Company number: 186522

Members of the Council:

Trustees

John Gilhooly OBE – Chairman
Francis Bergin – Honorary Treasurer
Ian Rosenblatt – Honorary Co-Treasurer
David Long – Honorary Secretary
Edward Blakeman
Colin Lawson
Colin Matthews OBE
Louise Mitchell
Gillian Moore MBE

Members

Lincoln Abbotts
Nicolas Bell
Iain Burnside
Mary King
Chi-Chi Nwanoku MBE
Tom Service
Arthur Searle – Honorary Librarian
Atholl Swainston
Laurie Watt

Company secretary: David Long

Executive director: Rosemary Johnson

Registered office: 10 Stratford Place
London W1C 1BA

Principal bankers: Santander UK Plc
Bridle Road
Bootle
Merseyside
L30 4GB

Investment managers: Ruffer LLP
80 Victoria Street
London SW1E 5JL

Auditors: Clarity Chartered Accountants
2 Lancaster Close
Stevenage
Hertfordshire SG1 4RX

Honorary solicitor: Laurie Watt
C/O Charles Russell
8-10 New Fetter Lane
London EC4A 1RS

The Royal Philharmonic Society

Report of the Trustees

For the Year Ended 31 August 2013

This is the annual report of the Trustees of The Royal Philharmonic Society together with the audited financial statements for the year ended 31 August 2013.

The reference and administrative information set out on page 1 forms part of this report.

The financial statements comply with current statutory requirements and the Statement of Recommended Practice – “Accounting and Reporting by Charities” (revised 2005).

Structure, Governance and Management

Governing Documents

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 570 members, of whom around forty percent are defined as professional musicians. Eight 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 Memorandum and 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.

Organisation

John Gilhooly served as Chairman, Francis Bergin as Honorary Treasurer and David Long as Honorary Secretary throughout the year.

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 Helen Pearce is Administrative Assistant. Tom Hutchinson is our freelance Project Co-ordinator and Alison Pavier is freelance Head of Development. The administration report to the Trustees at 5 meetings during the year.

The Society's Annual General Meeting was held on 8 March 2013, the 200th anniversary of the Society's first Concert, at 1901 Arts Club, 7 Exton St, London, SE1. David Long, Gillian Moore and Ian Rosenblatt were appointed to serve a further term as Trustees.

Lincoln Abbotts (Chief Executive Music for Youth), Nicolas Bell (British Library), Iain Burnside (pianist and broadcaster), Mary King (singer and vocal coach), Chi-chi Nwanoku (double bassist), Arthur Searle (Honorary Librarian), Tom Service (Broadcaster and Writer), Atholl Swainston-Harrison (Chief Executive International Artists Management Association) and Laurie Watt (Senior Counsel Charles Russell Solicitors) were approved as members of the Council.

The Royal Philharmonic Society

Report of the Trustees

For the Year Ended 31 August 2013

Afterwards members attended a talk about what concert life was like two hundred years ago and a concert given by the Orchestra of the age of Enlightenment conducted by Marin Alsop.

Related Parties

The Society continues a close relationship with the Susan Chilcott Scholarship, a charity which exists to assist the further study of singers between the ages of 23 and 33. The Society administers the charity and is paid an annual fee for doing so. Two Trustees of the scholarship also serve as Trustees of the RPS.

Risk Management

The Society undertook a full risk assessment in 2011 in which it was felt that the principal risk faced is still the potential loss on the Society's investments caused by a sustained decline in the value of equities. This continues to be our principal risk. A sub-committee of the Council, the Investment Advisory Committee, meets the Society's investment advisers Ruffer LLP twice a year and a review of its activities appears later in this report. In July 2013 The Investment Manager of Ruffer gave an up to date report on the Society's Investments directly to the Board of Trustees.

Objectives and Activities

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

- the 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** and **audience engagement**
- enhancing public understanding of the rich **musical heritage** of the Society through exhibitions, broadcasts and talks and with digital and online projects
- 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
- developing our membership

Achievements and Performance



In 2013 the Society celebrated its Bicentenary with a year-long programme of concerts, commissions, exhibitions, discussion and online activity, reflecting our 200 years at the heart of music as well as looking forward to the future. 120 different events have taken place. The profile of the Society has been very high during the year with press coverage in all the national papers and on both Classic FM and BBC Radio 3. In January 2013 we were delighted to be awarded the annual Association of British Orchestras Award for services to orchestral music.

The Society's bust of Beethoven became a much loved figure on the platforms of concert halls around the country as well as on social media sites, and as a symbol of excellence and support for the living composer helped to reinforce the connection between the RPS's history and its commitment to investing in the future.

The four key areas celebrated during the Bicentenary Year are:

Commissions and New Music

With commissions from 20 living composers from around the world and performances on both sides of the Atlantic, new music has been at the forefront of our activity.

Commissions were a major focus at the Aldeburgh Festival in June 2013 where six works jointly commissioned by the Royal Philharmonic Society and the Britten Pears Foundation were performed by leading musicians including the Halle Orchestra, Britten Sinfonia, the tenor Mark Padmore and the New London Children's Choir. All the pieces were broadcast on BBC Radio 3. The composers commissioned were Harrison Birtwistle, Wolfgang Rihm, Magnus Lindberg, Judith Weir, Poul Ruders and Thea Musgrave, Anna Meredith, Charlotte Bray and Sally Beamish who jointly contributed a songbook for children's choir.

The Royal Philharmonic Society

Report of the Trustees

For the Year Ended 31 August 2013

A work by composer Kenneth Hesketh, written for and choreographed by the Phoenix Dance Company with support from the RPS Drummond Fund has been performed 22 times around the country.



In August the National Youth Orchestra and National Youth Choir of Great Britain gave a free performance at the Royal Albert Hall as part of the BBC Proms in celebration of the RPS Bicentenary. The programme, which played to a capacity audience, included the Society's most famous commission, Beethoven's Ninth Symphony, as well as a new piece jointly commissioned by the RPS, BBC Radio 3 and New York Philharmonic from the composer Mark-Anthony Turnage. This Prom was the only completely free concert of the Proms season and was broadcast live on BBC Radio 3 and televised on BBC Four.

Young Musicians

During the year the Society increased its provision for support of young musicians by pledging funding of over £81,000 to young performers and composers. It is our intention to give practical support where it is needed and these grants included £30,400 support for the purchase of new instruments for music students and £38,000 towards further study abroad, mentoring and professional development. Funding from the Albert and Eugenie Frost Music Trust enabled us to award a new prize for string players for the first time, with a particular emphasis on chamber music. The recipients were the Wu Quartet. It also enabled us to reinstate the Emily Anderson Prize and an award was made to New Zealand Violinist, Ben Baker.



Awards and Excellence

A particular highlight of the year was the award of Honorary Memberships to musicians across the world. The five recipients from four continents have all put music at the heart of some of the most challenged communities in the world, supported young musicians and made a profound difference to diversity in music making. With support from the British Council we were able to invite the recipients to attend the RPS Music Awards dinner and to give a presentation of their work to members of the music profession and educationalists at the British Council. The recipients were:

Armand Diangienda, a former airline pilot who founded a symphony orchestra in one of the poorest cities on earth, Kinshasa, DR of the Congo.

Dr Ahmad Sarmast, the founder of Afghanistan's first national music school in Kabul.

Rosemary Nalden, British viola player and founder of Buskaid, who persuaded distinguished musicians to busk at British railway stations to raise funds for a string project in South Africa, and now directs the thriving stringed instrument school in Diepkloof, Soweto.

Ricardo Castro, International pianist (and former winner of the Leeds Piano Competition) who established a flourishing youth music programme in Bahià, Brazil.

Aaron P. Dworkin, the founder of the Sphinx Organization, which gives opportunities and assistance to aspiring Black and Latino musicians in the USA. Sphinx's mission is for classical music to embrace the diversity inherent in the society that it strives to serve.

The RPS Music Awards were presented in May in association with BBC Radio 3. The ceremony was hosted by Sean Rafferty and Sara Mohr-Pietsch and the awards were presented by Dame Janet Baker. The Award winners were:

Audiences and Engagement
Chamber Music and Song
Chamber-Scale Composition
(supported by Boosey & Hawkes in memory of Tony Fell)
Concert Series and Festivals
Conductor (supported by BBC Music Magazine)
Creative Communication
Ensemble (donated by The Yellow Car Charitable Trust)
Instrumentalist
Large-Scale Composition (donated anonymously)
Learning and Participation

Opera and Music Theatre (donated by ISM)
Singer (donated by Rosenblatt Recitals)
Young Artists (donated by Peter Bull)

Universe of Sound (Philharmonia Orchestra)
Music in the Round
Rebecca Saunders: Fletch
New Music 20x12 (PRS for Music Foundation)
Kirill Karabits
Classic FM
Britten Sinfonia
Steven Osborne
Gerald Barry: The Importance of Being Earnest
Cycle Song (Proper Job Theatre Company and
Scunthorpe Co-operative Junior Choir)
Mittwoch aus Licht (Birmingham Opera Company)
Sarah Connolly
Heath Quartet

The Royal Philharmonic Society

Report of the Trustees

For the Year Ended 31 August 2013

Engagement and Audiences

Throughout the year we organised a wide range of events devised to increase public understanding of the history of the Society, of music itself, and of issues facing the musical world in the 21st century. The Society greatly extended its reach through social media – doubling our followers on Twitter and tripling our Facebook followers during the course of the year. It is our aim to achieve 10,000 Twitter followers by the end of 2013.

Throughout January and February an exhibition at the Barbican Centre focused on the Society's 200 years of Concerts and Commissions. Orchestral performances around the country featured key works from the Society's history with talks and programme material giving context and greater understanding to the role the RPS has played in British musical life. The Society's history was the focus of a series of broadcasts on BBC Radio 3's Composer of the Week, and in Classic FM's Full Works concerts, and also featured in an academic conference at Cardiff University. During the year the Society's archive of papers and music (owned by the British Library) was digitised and made available on subscription to libraries and academic institutions.



In August a plaque was unveiled to mark the site of the Philharmonic Institution in Regent Street, home of the Society's concerts in the early 19th century and the location of the UK premiere of Beethoven's Ninth Symphony in 1825. This occasion was marked with a fanfare commissioned from a young composer, Bertie Baigent, and performed by players from the National Youth Orchestra. During the year the Society also advised on the creation of an iPad app made by Touch Press which explores Beethoven's Ninth Symphony in great detail.

A number of short films designed to give the public greater understanding of new works we have commissioned and the role of the composer in the 21st century have been made during the year and are available via our website. Among the composers featured are David Matthews, Judith Weir, Hugh Wood and Lutoslawski. The Society also provided funding to the Huddersfield Contemporary Music Festival in November to enable the cost of tickets for 17-25 year olds to be reduced for 1,400 young people.

Other discussion events included a public debate at the Institute of Ideas, led by the RPS entitled In Search of Originality, and a round-table discussion at the Association of British Orchestra's annual conference which focused on ways of creating new and imaginative programmes. The Society also campaigned with the Incorporated Society of Musicians for the inclusion of creative subjects in the schools EBac curriculum.

Public Benefit

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. 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. 39 of the Society's 120 events in 2013 did not charge admission fees. 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.

Investment Policy

The Trustees have the power under the Memorandum 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 Investment Advisory Committee.

In the opinion of the Trustees, the most significant risks to which the Society is exposed relate to its large investment portfolio as 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 Investment Advisory Committee is very much aware of this fact and bears it in mind when making its investment decisions. Regular meetings are held throughout the year with the Society's Investment Managers and the Investment Managers report to the full Trustees annually at one of its quarterly meetings.

The Royal Philharmonic Society

Report of the Trustees

For the Year Ended 31 August 2013

Objective

The Society's written investment policy is: "To provide a total return approach comprising income and capital from a balance of pooled funds invested in fixed interest, UK and overseas equities, alternative assets and cash. The portfolio should maintain an overall relative low risk and diversified profile. The Trustees are averse to capital losses, particularly from fixed interest holdings but accept that, when seeking potential capital appreciation or high relative income, this may involve risk to capital".

Time Horizon: A period of at least five years
Risk Profile: Classified as low to medium

Reserves Policy

The Society currently has reserves (including its Restricted Funds) of approximately £2.6m. Our target Reserves Policy is to produce an income of around £50,000 per year. Our long term aim is to build up free reserves to the level where the resulting income will cover all our day to day operating costs on an annual basis. Without the income from our Reserves the Society could not continue to exist. Any diminution in the level of our existing reserves would seriously hamper the day to day function of the Society.

Review of Finances

All our investments are now managed by Ruffer LLP in their Absolute Return Fund Income Units.

During the year to 31 August 2012, there was an increase in the value of our investments and for the year to 31 August 2013 the real increase in value was over £200,000. The Board are pleased to report this result in these somewhat difficult times. The Society withdrew £200,000 of unrealised gain in order to provide for (a) normal running costs and (b) to cover the additional expenditure involved in the celebration of its Bicentenary.

Our fundraising activities continue to be successful with, for example, over £120,000 being raised for the Bicentenary and £95,000 for our Music Awards.

The overall deficit for the year was slightly over the budgeted figure.

Review of Trust Funds

The totals of income and expenditure for the linked charities and other trusts administered by the Society are shown in these Accounts. The Society continues to make a modest administrative charge to those trusts which are administered by the Society.

While the calls on these funds continue to increase the Accounts show a slight gain in value as a result of the Society's efforts to distribute the maximum possible within acceptable financial limits.

**The Royal Philharmonic Society
Report of the Trustees
For the Year Ended 31 August 2013**

Statement of the Trustees' responsibilities

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 as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Trustees should follow best practice and are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue on that basis.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable it to ensure that the financial statements comply with the Companies Act 2006. The Trustees 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 the case of each of the Trustees at the time when the Report of the Trustees is approved:

- so far as they are aware, there is no relevant audit information (information needed by the charitable company's auditors in connection with preparing their report) of which the charitable company's auditors are unaware; and
- each Trustee has taken all the steps that he or she ought to have taken as a Trustee in order to make himself or herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

A resolution re-appointing Clarity as the auditors to the charitable company will be proposed at the Annual General Meeting.

By order of the Trustees

John Gilhooly
Chairman

12 December 2013

Independent Auditors' Report to the Members of The Royal Philharmonic Society

We have audited the financial statements of The Royal Philharmonic Society for the year ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities (set out on page 7), the trustees (who are also the directors of the charitable company for the purposes of the company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Christopher Bush ACA
Senior Statutory Auditor

For and on behalf of:

Clarity
Statutory Auditor, Chartered Accountants

Stevenage, Hertfordshire

12 December 2013

The Royal Philharmonic Society
Statement of Financial Activities (Incorporating an Income and Expenditure Account)
For the Year Ended 31 August 2013

	Note	Foundation Fund			Other Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
		Unrestricted Funds £	Restricted Funds £	Total Funds £			
Incoming resources							
Incoming resources from generated funds							
Voluntary income:							
Donations and legacies		12,576	-	12,576	-	12,576	88,980
Membership subscriptions		20,334	-	20,334	-	20,334	12,705
Investment income and interest	2	20,595	7,322	27,917	16,831	44,748	65,002
Incoming resources from charitable activities							
Event sponsorship and ticket sales:							
RPS Music Awards	3	-	94,937	94,937	-	94,937	81,838
Other RPS events		1,442	3,478	4,920	-	4,920	1,408
Grants and donations:							
Commissioning and new music	4	-	28,577	28,577	6,500	35,077	16,813
Young musicians		1,500	15,900	17,400	2,060	19,460	4,000
Education and audiences		-	-	-	-	-	-
Bicentenary campaign		-	121,082	121,082	-	121,082	108,777
Administration fees and royalties		1,000	-	1,000	3,330	4,330	8,509
Total incoming resources		57,447	271,296	328,743	28,721	357,464	388,032
Resources expended							
Costs of generating funds:							
Investment management costs		29,500	-	29,500	-	29,500	28,945
Project planning, fundraising and public relations		63,834	-	63,834	-	63,834	64,677
Charitable activities:							
RPS Music Awards	3	19,616	94,937	114,553	-	114,553	99,538
Commissioning and new music		23,857	20,333	44,190	20,698	64,888	56,251
Young musicians		14,321	13,531	27,852	44,780	72,632	62,105
Education and audiences		24,147	-	24,147	-	24,147	43,013
Bicentenary campaign		42,040	169,536	211,576	-	211,576	112,360
Governance costs		36,338	-	36,338	-	36,338	35,711
Total resources expended	6	253,653	298,337	551,990	65,478	617,468	502,600
Net incoming / (outgoing) resources before transfers		(196,206)	(27,041)	(223,247)	(36,757)	(260,004)	(114,568)
Gross transfers between funds	13	-	-	-	-	-	-
Net incoming / (outgoing) resources before other recognised gains and losses		(196,206)	(27,041)	(223,247)	(36,757)	(260,004)	(114,568)
Other recognised gains and losses							
Unrealised gains / (losses) on investment assets	10	119,460	43,142	162,602	99,064	261,666	46,549
Net movement in funds for the year		(76,746)	16,101	(60,645)	62,307	1,662	(68,019)
Reconciliation of funds							
Total funds brought forward	13	1,166,829	424,626	1,591,455	987,104	2,578,559	2,646,578
Total funds carried forward	13	1,090,083	440,727	1,530,810	1,049,411	2,580,221	2,578,559

The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing operations.
The deficit for the year for Companies Act purposes was £260,004 (2012: Deficit £114,568).

The accompanying notes are an integral part of this statement of financial activities.

The Royal Philharmonic Society
Balance Sheet
As at 31 August 2013

	Note	2013		2012	
		£	£	£	£
Fixed assets					
Tangible assets	9		302		426
Investments	10		2,478,430		2,446,264
			<u>2,478,732</u>		<u>2,446,690</u>
Current assets					
Stocks		16,092		16,092	
Debtors	11	66,533		60,493	
Cash at bank and in hand		55,987		121,637	
		<u>138,612</u>		<u>198,222</u>	
Creditors: amounts falling due within one year	12	(37,123)		(66,353)	
Net current assets			101,489		131,869
Net assets			<u>2,580,221</u>		<u>2,578,559</u>
Unrestricted funds	13				
<i>Foundation Fund:</i>					
General Funds:					
Free reserves of the Society, represented by net current assets / (liabilities)		72,627		109,129	
Tangible fixed assets and investments, held for income generation to fund the day to day activities of the Society		700,247		757,221	
		<u>772,874</u>		<u>866,350</u>	
Designated Funds:					
Funds set aside for specific future purposes and projects:					
Bicentenary Campaign		57,960		-	
Commissioning Fund		226,932		264,283	
The RPS Composition Prize Fund		32,317		36,196	
		<u>317,209</u>		<u>300,479</u>	
Restricted funds	13				
Funds restricted to specific purposes:					
<i>Foundation Fund:</i>					
Bicentenary Campaign		-		40,210	
Drummond Fund		177,322		162,470	
Encore 2 Project		-		1,169	
New Generation Commissions Fund		2,073		2,073	
New Music Biennial Fund		15,518		-	
Philip Langridge Mentoring Scheme		126,063		120,066	
Susan Bradshaw Fund		108,951		98,638	
Young Musicians Fund		10,800		-	
		<u>440,727</u>		<u>424,626</u>	
<i>Linked Charities:</i>	13				
Emily Anderson Prize Fund		85,571		79,099	
Julius Isserlis Scholarship Fund		625,432		575,414	
The RPS Composition Prize Fund		56,619		56,619	
Sir John Barbirolli Memorial Foundation		266,949		256,474	
<i>Other Restricted Funds:</i>	13				
Elgar Bursary Fund		14,840		19,498	
		<u>1,049,411</u>		<u>987,104</u>	
Total funds			<u>2,580,221</u>		<u>2,578,559</u>

The financial statements were approved by the Trustees on 12 December 2013 and signed on its behalf by:

John Gilhooly
Chairman

Francis Bergin
Honorary Treasurer

Registered Company Number: 186522

The accompanying notes are an integral part of this balance sheet.

The Royal Philharmonic Society
Notes Forming Part of the Financial Statements
For the Year Ended 31 August 2013

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.

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, in accordance with the Companies Act 2006 and applicable accounting standards, and follow the recommendations in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005), published in March 2005.

Fund accounting

Unrestricted funds 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.

Designated funds comprise funds set aside by the Trustees out of unrestricted funds for specific future purposes or projects.

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.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charitable company is legally entitled to the income, it is certain that the income will be received and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

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

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 charitable company becomes unconditionally entitled to the income.

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

Resources expended

Resources expended are recognised on an accruals basis when a liability is incurred, as soon as there is a legal or constructive obligation committing the charitable company to the expenditure. Expenditure includes any VAT, which cannot be recovered, and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities. It includes both costs that can be 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.

The costs of generating funds consist of investment management fees.

The Royal Philharmonic Society
Notes Forming Part of the Financial Statements
For the Year Ended 31 August 2013

Resources expended (continued)

Governance costs include those costs primarily associated with meeting the constitutional and statutory requirements of the charitable company and include the auditors' remuneration and legal fees and costs linked to the charitable company's compliance with regulation and good practice.

All costs are allocated between the expenditure categories of the Statement of Financial Activities 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.

Operating leases

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

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Tangible fixed assets are depreciated at rates calculated to write off the cost of each asset over its estimated useful life as follows:

Fixtures, fittings and equipment	20%	Straight line basis
----------------------------------	-----	---------------------

As explained in note 9, heritage assets have not been capitalised or depreciated in the financial statements.

Fixed asset investments

Investments are included on the balance sheet at mid market value at the balance sheet date. Realised and unrealised gains and losses on investments are included in the Statement of Financial Activities in the year in which they arise.

Stock

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

Cash flow

The financial statements do not include a cash flow statement because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash Flow Statements'.

The Royal Philharmonic Society
Notes Forming Part of the Financial Statements
For the Year Ended 31 August 2013

	2013	2012
	£	£
2 Investment income and interest		
Investment income receivable from securities with investment managers	44,590	63,247
Bank interest receivable	158	1,755
	<u>44,748</u>	<u>65,002</u>
3 RPS Music Awards - incoming resources		
Sponsorship:		
British Broadcasting Corporation - Radio 3	16,667	16,667
Lalita Carlton-Jones	10,000	-
The Incorporated Society of Musicians	10,000	10,000
The Yellow Car Charitable Trust	10,000	10,000
The Boltini Trust	8,500	8,000
Peter Bull	8,000	8,000
Rosenblatt Solicitors	6,000	5,000
Musicians Benevolent Fund	5,000	5,000
Boosey and Hawkes	2,500	-
British Council	1,000	-
Other	2,800	2,000
Bowerman Charitable Trust	-	7,500
Ticket sales	14,470	9,671
	<u>94,937</u>	<u>81,838</u>
RPS Music Awards - resources expended		
Costs of organising the event	78,590	68,882
Attributable staff costs	23,018	22,931
Development and fundraising	4,327	-
Publicity and public relations	3,531	2,806
Other support costs	5,087	4,919
	<u>114,553</u>	<u>99,538</u>
RPS Music Awards - Deficit funded by the unrestricted Foundation Fund	<u>(19,616)</u>	<u>(17,700)</u>

The Royal Philharmonic Society
Notes Forming Part of the Financial Statements
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4 Grants and donations receivable	2013	2012
	£	£
Commissioning and new music:		
PRS for Music	23,000	-
RVW Trust	4,000	7,500
Contemporary Dance Trust	3,577	-
Delius Trust	2,000	3,500
Other	2,500	5,813
Young musicians:		
Marks Family Foundation	10,000	-
Albert and Eugenie Frost Music Trust	6,500	-
Ernest Cook Charitable Trust	2,000	-
Thistle Trust	-	2,000
Angus Allnatt Charitable Foundation	-	1,500
Other	960	500
Bicentenary campaign:		
Britten Pears Foundation	60,000	40,000
British Council	19,000	-
Bowerman Charitable Trust	7,500	-
Peter Bull	3,200	8,000
Colin Clark	3,200	-
Orange County Philharmonic	2,000	-
Ruffer LLP	2,000	-
Harold Wingate Foundation	1,500	-
John S Cohen Foundation	1,000	-
Peter Moores Foundation	1,000	-
Eric Anker-Peterson Charity	-	11,500
J Paul Getty Jnr Charitable Trust	-	10,000
Sir Siegmund Warburg Voluntary Settlement	-	10,000
Rosenblatt Solicitors	-	5,000
Other	20,682	24,277
	<u>175,619</u>	<u>129,590</u>
5 Awards payable		
Awards payable in the year comprise scholarship bursaries, grants and prizes awarded to 29 individual musicians (2012: 31):		
Commissioning and new music:		
The RPS Composition Prize Fund	10,000	10,500
Drummond Fund	8,000	12,000
Elgar Bursary	6,000	6,000
Susan Bradshaw Fund	3,000	4,750
Young musicians:		
Sir John Barbirolli Memorial Foundation	18,450	23,200
Julius Isserlis Scholarship Fund	10,000	17,500
Young Musicians Fund	5,000	-
Emily Anderson Prize Fund	2,500	-
Salomon Prize	1,000	1,000
A list of awards payable is maintained at the registered office.	<u>63,950</u>	<u>74,950</u>

The Royal Philharmonic Society
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Award commitments	2013	2012
	£	£
Awards offered subject to conditions which have not been met at the year end:		
Commissioning and new music:		
Susan Bradshaw Fund	5,000	5,500
Composer in the House	5,000	12,500
RPS Composition Prize Fund	16,000	16,000
Drummond Fund	-	8,000
Elgar Bursary Fund	-	6,000
Young musicians:		
Sir John Barbirolli Memorial Foundation	30,900	23,850
Julius Isserlis Scholarship Fund	25,000	5,000
	<u>81,900</u>	<u>76,850</u>

6 Total resources expended	Events, awards & commissions	Other direct costs	Support costs Staff costs	Office costs	Total costs
	£	£	£	£	£
Investment management	-	29,500	-	-	29,500
Project planning, fundraising & PR	-	50,192	11,607	2,035	63,834
RPS Music Awards	82,917	3,531	23,018	5,087	114,553
Commissioning and new music	27,000	26,567	7,804	3,517	64,888
Young musicians	36,950	18,611	7,804	9,267	72,632
Education and audiences	-	8,505	13,607	2,035	24,147
Bicentenary campaign	61,500	109,152	34,822	6,102	211,576
Governance costs	-	15,875	17,411	3,052	36,338
	<u>208,367</u>	<u>261,933</u>	<u>116,073</u>	<u>31,095</u>	<u>617,468</u>

Total costs include:	2013	2012
	£	£
Auditors remuneration	4,995	5,565
Depreciation	124	125
	<u>5,119</u>	<u>5,690</u>

Support costs are allocated on the basis of estimates of the proportion of time spent by staff on those activities.

Cost allocation includes an element of judgement and the Society has had to consider the cost benefit of detailed calculations and record keeping. Therefore the support costs shown above are a best estimate of the costs that have been so allocated.

7 Remuneration and reimbursement of expenses to trustees

No Trustees received or waived any emoluments for their services during the year (2012: £nil).
The Society reimbursed out of pocket travel expenses to Trustees during the year of £nil (2012: £nil).

The Royal Philharmonic Society
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8 Staff costs	2013 £	2012 £
Salaries and wages	104,997	93,920
Social security costs	11,076	9,806
	<u>116,073</u>	<u>103,726</u>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was nil (2012: nil).

The average number of employees calculated on a full-time equivalent basis, analysed by function was:

	2013 Number	2012 Number
Charitable activities	<u>3</u>	<u>3</u>

9 Tangible fixed assets	Fixtures & Equipment £	Total £
Cost		
At 1 September 2012	17,004	17,004
Additions	-	-
At 31 August 2013	<u>17,004</u>	<u>17,004</u>
Depreciation		
At 1 September 2012	16,578	16,578
Charge for year	124	124
At 31 August 2013	<u>16,702</u>	<u>16,702</u>
Net book value		
At 31 August 2013	<u>302</u>	<u>302</u>
At 31 August 2012	<u>426</u>	<u>426</u>

In addition to the capitalised fixed assets held for the Society's own use, the charity also owns certain items of musical and historical interest. These irreplaceable originals have not been included in the balance sheet because, in the opinion of the Trustees, the cost of professionally valuing these assets to include a value in the financial statements would outweigh the benefits to the users of the financial statements.

The Royal Philharmonic Society
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	2013	2012
	£	£
10 Fixed asset investments		
Market value at 1 September 2012	2,446,264	2,378,660
Additions	-	50,000
Disposal proceeds	(200,000)	-
Investment managers fees	(29,500)	(28,945)
Unrealised gains / (losses)	261,666	46,549
Realised gains / (losses)	-	-
	<u>2,478,430</u>	<u>2,446,264</u>
Market value at 31 August 2013		
	<u>2,478,430</u>	<u>2,446,264</u>
Historical cost at 31 August 2013	<u>2,172,770</u>	<u>2,369,940</u>
Investments at market value are represented by:		
Alternative assets	<u>2,478,430</u>	<u>2,446,264</u>

The following represent more than 5% of the total market value of investments:

C F Ruffer Absolute Return Fund C Income Units 100%

The income from unrestricted investments is used exclusively to provide "core" funding for the ongoing running of the Society.

11 Debtors

Accrued income and prepayments	55,496	57,171
VAT	11,037	3,322
	<u>66,533</u>	<u>60,493</u>

12 Creditors: amounts falling due within one year

Income received in advance	-	34,228
Accrued expenditure	37,123	32,125
	<u>37,123</u>	<u>66,353</u>

The Royal Philharmonic Society
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13 Statement of funds

	2012 £	Incoming resources £	Resources expended £	Investment gains / (losses) £	Transfers between funds £	2013 £
Unrestricted funds						
Foundation fund:						
General	866,350	52,226	(134,399)	88,697	(100,000)	772,874
Designated Funds:						
Bicentenary	-	-	(42,040)	-	100,000	57,960
Commissioning	264,283	4,592	(69,000)	27,057	-	226,932
RPS Composition Prize	36,196	629	(8,214)	3,706	-	32,317
	<u>1,166,829</u>	<u>57,447</u>	<u>(253,653)</u>	<u>119,460</u>	<u>-</u>	<u>1,090,083</u>
Restricted funds						
Foundation Fund:						
Bicentenary						
Campaign	40,210	125,209	(169,536)	4,117	-	-
Drummond	162,470	6,400	(8,182)	16,634	-	177,322
Encore 2	1,169	7,000	(8,169)	-	-	-
New Generation						
Commissions	2,073	-	-	-	-	2,073
New Music Biennial	-	16,000	(482)	-	-	15,518
Philip Langridge						
Mentoring Scheme	120,066	2,236	(8,531)	12,292	-	126,063
RPS Music Awards	-	94,937	(94,937)	-	-	-
Susan Bradshaw	98,638	3,714	(3,500)	10,099	-	108,951
Young Musicians	-	15,800	(5,000)	-	-	10,800
Linked charities:						
Emily Anderson						
Prize	79,099	1,374	(3,000)	8,098	-	85,571
Julius Isserlis						
Scholarship	575,414	10,588	(19,481)	58,911	-	625,432
RPS Composition						
Prize	56,619	8,401	(14,198)	5,797	-	56,619
Sir John Barbirolli						
Memorial	256,474	6,516	(22,299)	26,258	-	266,949
Other funds:						
Elgar Bursary	19,498	1,842	(6,500)	-	-	14,840
	<u>1,411,730</u>	<u>300,017</u>	<u>(363,815)</u>	<u>142,206</u>	<u>-</u>	<u>1,490,138</u>
Total funds	<u><u>2,578,559</u></u>	<u><u>357,464</u></u>	<u><u>(617,468)</u></u>	<u><u>261,666</u></u>	<u><u>-</u></u>	<u><u>2,580,221</u></u>

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Notes Forming Part of the Financial Statements
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13 Statement of funds (continued)

Bicentenary Fund

The fund represents a sum of £100,000 earmarked by the Trustees to fund events and administration of the Bicentenary celebrations.

Commissioning Fund

The Commissioning Fund represents the balance of £200,000 originally earmarked by the Trustees from the proceeds derived from the sale of the Archive to fund commissions for new compositions.

RPS Composition Prize Fund

This fund represents a sum allocated by the Trustees to supplement funding for the RPS Composition Prize Fund linked charity.

Bicentenary Campaign Fund

This fund represents donations made to the Society in response to a campaign to celebrate the Society's bicentenary in 2013.

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.

Encore 2 Project Fund

The Encore Project seeks to rediscover works by living composers which have been neglected since their first performances. The fund represents monies received to support the administration, education and audience development activities of Encore. Encore 2 is the second wave of the project and will concentrate on the performance of chamber music scores.

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 Biennial Fund

This fund represents monies raised towards the costs of commissioning a new work as part of the 2014 New Music Biennial.

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 sponsorship received to fund the RPS Music Awards in May 2012.

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.

Julius Isserlis Scholarship Fund, Sir John Barbirolli Memorial Foundation, Emily Anderson Prize Fund and The RPS Composition Prize Fund

These funds represent the restricted funds of four linked charities which are administered by the Society. These funds make scholarship bursaries, grants and prizes to young musicians.

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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.

	Foundation Fund			Other Restricted Funds	Total
	Unrestricted General Fund	Unrestricted Designated Funds	Restricted Funds		
14 Analysis of net assets between funds	£	£	£	£	£
Fund balances at 31 August 2013 are represented by:					
Tangible fixed assets	302	-	-	-	302
Fixed asset investments	699,945	317,209	424,207	1,037,069	2,478,430
Net current assets	72,627	-	16,520	12,342	101,489
	<u>772,874</u>	<u>317,209</u>	<u>440,727</u>	<u>1,049,411</u>	<u>2,580,221</u>

15 Financial commitments

At 31 August 2013 the charity had annual commitments under non-cancellable leases as follows:

	Land and buildings	
	2013	2012
	£	£
Expiry date:		
Less than one year	<u>2,750</u>	<u>2,750</u>

16 Taxation

The Royal Philharmonic Society is a registered charity and therefore is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

17 Liability of members

The Society is constituted as company limited by guarantee and has no share capital. The liability of the members in the event of the company being wound up is limited to a sum not exceeding £1 each.