



The Royal Philharmonic Society

Registered charity
Company limited by guarantee

Report and Financial Statements

Year Ended 31 August 2014

Charity number: 213693
Company number: 186522

**The Royal Philharmonic Society
Report and Financial Statements
For the Year Ended 31 August 2014**

Contents	Page
Reference and Administrative Information	1
Report of the Trustees	2
Report of the Auditors	8
Statement of Financial Activities	9
Balance Sheet	10
Notes Forming Part of the Financial Statements	11

**The Royal Philharmonic Society
Report and Financial Statements
For the Year Ended 31 August 2014**

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 Board:

Trustees serving during year end 31 August 2014:

John Gilhooly OBE – Chairman
Francis Bergin – Honorary Treasurer (resigned 5 June 2014)
Ian Rosenblatt – Honorary Co-Treasurer
David Long – Honorary Secretary
Edward Blakeman
Colin Lawson
Colin Matthews OBE
Louise Mitchell
Gillian Moore MBE

Newly appointed Trustees:

Sir Vernon Ellis (appointed 19 November 2014)
Anthony Newhouse – Honorary Treasurer (appointed 19 November 2014)
Kingsley Manning (appointed 19 November 2014)

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 2014

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 2014.

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 600 members, of whom around forty percent are defined as professional musicians. Seven 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.

Organisation

John Gilhooly served as Chairman, and David Long as Honorary Secretary throughout the year. Francis Bergin stepped down as Honorary Treasurer in June 2014 after nine years in the position. He was succeeded in the autumn by Anthony Newhouse. Kingsley Manning and Vernon Ellis also joined the board in November 2014.

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 was Administrative Assistant until April but was replaced in August by Alison Brand. Tom Hutchinson is freelance Project Co-ordinator and Alison Pavier is freelance Development Consultant. The administration report to the Trustees at five meetings during the year.

The Society's Annual General Meeting was held on Wednesday 26 February 2014, at 18.30pm at the Royal College of Music, Prince Consort Road, London SW7. Colin Matthews and Louise Mitchell were appointed to serve a further term as Trustees.

Lincoln Abbots (Director of Strategic Development, Associated Board of the Royal Schools of Music.), Nicolas Bell (British Library), Jerome Booth (Economist, entrepreneur, leading expert on emerging markets), 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 2014

Afterwards members attended a talk about how the First World War changed music with Dr Kate Kennedy and songs performed by Chilcott Scholar Ashley Riches with Gary Mathewman.

In April the Society was given notice to leave its offices in Stratford Place in October 2014 due to the planned redevelopment of the building by the Royal Society of Musicians. We were fortunate enough to form a new partnership with Schott Music Publishers and in October signed a new lease on an office in their building in Great Marlborough Street.

Related Parties

The Society continues a close relationship with the Susan Chilcott Scholarship, a charity which exists to assist the career development 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.

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:

- 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



The Society's Bicentenary celebrations continued during the first quarter of the year with the first ever RPS residency in New York, which over two weeks included performances of RPS commissions and discussions at the Juilliard School of Music, Exhibitions of the Society's history including the Beethoven 9 manuscript at the Juilliard School, the Morgan Library and Lincoln Centre, the RPS Lecture given by BBC Radio 3 Head, Roger Wright and five sold out performances by the New York Philharmonic of an RPS celebratory programme of Beethoven's Ninth Symphony and Mark Anthony Turnage's RPS Bicentenary commission, Frieze.

The RPS's presence was given substantial coverage in the New York Times which celebrated Frieze as 'an audacious and vividly orchestrated score from a major composer'.



In December high profile presentations of the RPS Gold Medal were made at the South Bank and Wigmore Hall to the composer György Kurtág and the pianist András Schiff.

The Bicentenary programme included 120 different events including performances lectures, debates, discussion, films, commissions, awards and exhibitions, as well as extensive media, broadcast and online coverage.

"The Royal Philharmonic Society remains a unique alliance of those who make music and those who listen to it, and it is celebrating its bicentenary by doing what it's always done best: encouraging composers to compose and performers to perform at the highest possible level!"
- The Guardian

With the Bicentenary celebrations successfully concluded 2014 saw the Society focussing on its four core areas of activity:

The Royal Philharmonic Society

Report of the Trustees

For the Year Ended 31 August 2014

Commissions and New Music

Our major commission for the year was PULSE – a film and music collaboration between the composer Dobrinka Tabakova and Film Director Ruth Paxton. The score was for piano duet, percussion and gamelan and PULSE was selected for funding from the PRS for Music Foundation from 130 proposals to be one of 20 commissions for the New Music Biennial Performances of PULSE with the live score were presented at two weekend NMB showcases in London (4 – 6 July 2014) and Glasgow (2 – 3 August 2014) coinciding with the Commonwealth Games.

PULSE has shown around the country and been selected for a number of international film festivals. Performances continue into 2015.

Young Musicians

During the year the Society continued vital support for young musicians undergoing professional training or starting out on their careers:



- Young composers received £14,500 from the RPS Composition Prize: with six new works commissioned for performance by the Philharmonia Orchestra as part of Music of Today series, Music in the Round and at Cheltenham and Presteigne Festivals
- £26,000 was given for the purchase of new instruments for music students
- String players Benjamin Baker, violin and the Wu Quartet received prizes to assist their professional development
- Two new partnerships were announced as part of the Philip Langridge Mentoring Scheme - Mezzo-sopranos Angelika Kirchschrager and Anna Huntley; and pianists Anne Queffélec and Clare Hammond.

A public showcase for their talents featuring Ariana Kashefi, cello, Richard Uttley piano and the Wu Quartet was mounted in November with the musicians performing and being interviewed by the RPS Executive Director.

During the year the RPS also formed a new partnership with Ideas Tap and will work with them to widen perceptions about classical music during 2014 and beyond.

Awards and Excellence

The RPS Music Awards were presented in May in association with BBC Radio 3. The ceremony was hosted by Petroc Trelawny and Sara Mohr-Pietsch and the awards were presented by Graham Johnson OBE. During the evening there were live performances by members of the National Youth Orchestra and the award winning pianist Igor Levit. The RPS Gold Medal was given to the great Wagnerian bass John Tomlinson. The Award winners were:

Audiences and Engagement	Britten100 (Britten-Pears Foundation)
Chamber Music and Song	Champs Hill
Chamber-Scale Composition	Harrison Birtwistle: The Moth Requiem sponsored by Boosey and Hawkes in memory of Tony Fell
Concert Series and Festivals	The Rest is Noise (Southbank Centre) donated by Lalita Carlton-Jones
Conductor	Daniel Barenboim sponsored by BBC Music Magazine
Creative Communication	Touch Press: classical music iPad apps
Ensemble	London Philharmonic Orchestra donated by the Yellow Car Charitable Trust
Instrumentalist	Patricia Kopatchinskaja donated by The Stradivari Trust
Large-Scale Composition	George Benjamin: Written on Skin donated anonymously
Learning and Participation	Imago (Glyndebourne) sponsored by the ABRSM, the exam board for the Royal Schools of Music
Opera and Music Theatre	Welsh National Opera sponsored by the Incorporated Society of Musicians
Singer	Joyce DiDonato sponsored by Rosenblatt Recitals
Young Artists	Igor Levit donated by the Bowerman Charitable Trust

The Royal Philharmonic Society

Report of the Trustees

For the Year Ended 31 August 2014



During the year concerns about the Dorchester Hotel's owners' connection to the Sultan of Brunei and human rights issues there led us to take the decision to move to a new venue for 2015. The new venue is The Brewery in the City of London. This will give us the added benefit of being able to accommodate more guests as we have been at capacity in the Dorchester for a number of years.

Also during the year, RPS Honorary Membership was presented by Sir Simon Rattle to artist manager Martin Campbell-White at an LSO performance at the Barbican, and the Salomon Award for an outstanding orchestral member went to Catherine Arlidge of the CBSO.

Engagement and Audiences

Throughout the year we organised a wide range of events devised to increase public understanding of classical music and of the key issues facing the musical world in the 21st century. These included two RPS Lectures, given by Roger Wright, Controller of BBC Radio 3, at the Lincoln Centre, New York and composer George Benjamin.

The annual debate at the Battle of Ideas weekend addressed the thorny issues currently besetting one to one instrumental teaching, while a round table discussion at the Association of British Orchestra's annual conference gave musicians including cellist Steven Isserlis and soprano Claire Booth an opportunity to put forward their views on how performers could contribute more directly to programming and planning orchestral performances.

The Society increased its online presence with new short films from baritone Bryn Terfel and composers Judith Weir and Huw Watkins, and the Society also collaborated with Visit Britain to make a film which showcases the best of British Classical Music. Our Social Media followings continued to grow steadily and new website was launched for the film/music project PULSE.

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. 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.

Review of Finances

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

During the year to 31 August 2014 net outgoing resources were £311,519 (£260,004 in the previous year) before unrealised investment gains of £41,895 (Previous year £261,666). While over £170,000 was raised for the Music Awards and for other artistic activities, the Society withdrew £283,000 from its investment portfolio in order to bridge the funding gap which was not covered by an accretion in the value of the investment portfolio.

Included in outgoing resources is the non-recurring balance of expenditure on the bicentenary campaign of £68,306 as well as increased net expenditure on our core charitable activities £38,884 including the commissioning project PULSE, which did not reach its fundraising target, and the RPS Music Awards which received reduced financial support from BBC Radio 3.

Total reserves at 31 August 2014 stood at £2,310,597 (Previous year £2,580,221). Included in that figure is an aggregate £1,022,325 (Previous year: £1,049,411) for the linked charities and other trusts administered by The Society. Calls on these funds continue to outstrip funds available. The Society continues to distribute the maximum possible within acceptable financial limit and to make administrative charges for the costs of staff and overheads to those trusts.

The Trustees recognised that as in the present financial climate income is not matching expenditure, both the stated Investment Policies and Reserves Policies have needed to be addressed as referred to below.

The Royal Philharmonic Society

Report of the Trustees

For the Year Ended 31 August 2014

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 Investment Advisory Committee.

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

Objective

During the year the Society's written investment policy was: "To provide a total return approach comprising income and capital from 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

Performance

As noted above 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 Investment Advisory Committee is very much aware of this fact and bears it in mind when formulating its investment policy and in the Regular meetings referred to above with the Society's Investment Managers.

The Trustees are currently undertaking a full review of all aspects of our investment policy. In October 2014 the Finance Sub-committee interviewed three other investment management companies with a view to appointing a new manager and in January Cazenove Capital Management will take over as investment managers.

Reserves Policy

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. The Society currently has reserves (including its Restricted Funds) of approximately £2.3m.

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. The decision to do so was taken on the grounds that it is necessary, if the levels of reserves are sufficient, to maintain current levels of activity in order to protect the benefits to the Society from its presence and reputation in the musical world so that it may go forward. 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 in 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. A sub-committee of the Council, the Investment Advisory Committee, meets the Society's investment advisers, Ruffer LLP, four times a year and the Investment Manager of Ruffer reported directly to the Board of Trustees in July 2014. In October 2014 the Finance Sub-committee interviewed three different investment management companies with a view to appointing a new manager.

Future Plans

The Trustees recognise that this is a difficult time financially and continue to be aware that we need to find new avenues of funding and different models of working. The board is currently actively looking at ways in which to build the endowment and to sustain the Society through this period and put us on a firmer financial footing. We were fortunate in November 2014 to receive a generous gift of over £41K from an anonymous donor towards our work with composers and new music.

**The Royal Philharmonic Society
Report of the Trustees
For the Year Ended 31 August 2014**

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

8 January 2015

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 2014 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 2014 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

8 January 2015

The Royal Philharmonic Society
Statement of Financial Activities (Incorporating an Income and Expenditure Account)
For the Year Ended 31 August 2014

	Note	Foundation Fund			Other Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
		Unrestricted Funds £	Restricted Funds £	Total Funds £			
Incoming resources							
Incoming resources from generated funds							
Voluntary income:							
Donations and legacies		6,337	-	6,337	-	6,337	12,576
Membership subscriptions		19,939	-	19,939	-	19,939	20,334
Investment income and interest	2	16,419	6,469	22,888	16,237	39,125	44,748
Incoming resources from charitable activities							
Event sponsorship and ticket sales:							
RPS Music Awards	3	-	85,425	85,425	-	85,425	94,937
Other RPS events		1,557	1,508	3,065	-	3,065	4,920
Grants and donations:							
Commissioning and new music	4	-	21,704	21,704	16,000	37,704	35,077
Young musicians		-	15,597	15,597	16,910	32,507	19,460
Education and audiences		-	-	-	-	-	-
Bicentenary campaign		-	6,301	6,301	-	6,301	121,082
Administration fees and royalties		5,000	-	5,000	1,512	6,512	4,330
Total incoming resources		49,252	137,004	186,256	50,659	236,915	357,464
Resources expended							
Costs of generating funds:							
Investment management costs		11,031	4,409	15,440	11,060	26,500	29,500
Project planning, fundraising and public relations		62,546	-	62,546	-	62,546	63,834
Charitable activities:							
RPS Music Awards	3	35,561	85,425	120,986	-	120,986	114,553
Commissioning and new music		41,161	36,160	77,321	19,287	96,608	64,888
Young musicians		13,651	25,515	39,166	64,882	104,048	72,632
Education and audiences		30,452	-	30,452	-	30,452	24,147
Bicentenary campaign		68,306	6,301	74,607	-	74,607	211,576
Governance costs		32,687	-	32,687	-	32,687	36,338
Total resources expended	6	295,395	157,810	453,205	95,229	548,434	617,468
Net incoming / (outgoing) resources before transfers		(246,143)	(20,806)	(266,949)	(44,570)	(311,519)	(260,004)
Gross transfers between funds	13	-	-	-	-	-	-
Net incoming / (outgoing) resources before other recognised gains and losses		(246,143)	(20,806)	(266,949)	(44,570)	(311,519)	(260,004)
Other recognised gains and losses							
Unrealised gains / (losses) on investment assets	10	17,443	6,968	24,411	17,484	41,895	261,666
Net movement in funds for the year		(228,700)	(13,838)	(242,538)	(27,086)	(269,624)	1,662
Reconciliation of funds							
Total funds brought forward	13	1,090,083	440,727	1,530,810	1,049,411	2,580,221	2,578,559
Total funds carried forward	13	861,383	426,889	1,288,272	1,022,325	2,310,597	2,580,221

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 £311,519 (2013: Deficit £260,004).

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

The Royal Philharmonic Society
Balance Sheet
As at 31 August 2014

		2014		2013	
	Note	£	£	£	£
Fixed assets					
Tangible assets	9		3,906		302
Investments	10		2,210,825		2,478,430
			<u>2,214,731</u>		<u>2,478,732</u>
Current assets					
Stocks		10,728		16,092	
Debtors	11	55,790		66,533	
Cash at bank and in hand		58,685		55,987	
		<u>125,203</u>		<u>138,612</u>	
Creditors: amounts falling due within one year	12	(29,337)		(37,123)	
Net current assets			95,866		101,489
Net assets			<u><u>2,310,597</u></u>		<u><u>2,580,221</u></u>
Unrestricted funds	13				
<i>Foundation Fund:</i>					
General Fund			617,186		772,874
Designated Funds:					
Bicentenary Campaign		-		57,960	
Commissioning Fund		213,628		226,932	
The RPS Composition Prize Fund		30,569		32,317	
		<u>244,197</u>		<u>317,209</u>	
Restricted funds	13				
<i>Foundation Fund:</i>					
Drummond Fund		173,392		177,322	
New Generation Commissions Fund		15,873		2,073	
New Music Biennial Fund		-		15,518	
Philip Langridge Mentoring Scheme		110,533		126,063	
Susan Bradshaw Fund		107,136		108,951	
Young Musicians Fund		19,955		10,800	
		<u>426,889</u>		<u>440,727</u>	
<i>Linked Charities:</i>	13				
Emily Anderson Prize Fund		83,720		85,571	
Julius Isserlis Scholarship Fund		623,158		625,432	
The RPS Composition Prize Fund		56,619		56,619	
Sir John Barbirolli Memorial Foundation		244,516		266,949	
<i>Other Restricted Funds:</i>	13				
Elgar Bursary Fund		14,312		14,840	
		<u>1,022,325</u>		<u>1,049,411</u>	
Total funds			<u><u>2,310,597</u></u>		<u><u>2,580,221</u></u>

The financial statements were approved by the Trustees on 8 January 2015 and signed on its behalf by:

John Gilhooly
Chairman

Anthony Newhouse
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 2014

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.

The financial statements incorporate the results of the Emily Anderson Prize Fund, Julius Isserlis Scholarship Fund, RPS Composition Prize Fund and the Sir John Barbirolli Memorial Foundation (all linked charities) and the Elgar Bursary Fund, all of which administered and managed by the trustees of The Royal Philharmonic Society. These charities are presented as "Other Restricted Funds" in the financial statements and their results are incorporated on a line by line basis.

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 entitled to the income and 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 2014

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 2014

	2014	2013
	£	£
2 Investment income and interest		
Investment income receivable from securities with investment managers	39,053	44,590
Bank interest receivable	72	158
	<u>39,125</u>	<u>44,748</u>
3 RPS Music Awards - incoming resources		
Sponsorship:		
The Stradivari Trust	10,000	-
The Yellow Car Charitable Trust	10,000	10,000
The Boltini Trust	8,500	8,500
Rosenblatt Solicitors	8,500	6,000
The Associated Board of the Royal Schools of Music	8,000	-
The Incorporated Society of Musicians	8,000	10,000
Bowerman Charitable Trust	6,000	-
Lalita Carlton-Jones	5,000	10,000
Boosey and Hawkes	2,500	2,500
John Gilhooly	1,001	-
British Broadcasting Corporation - Radio 3	-	16,667
Peter Bull	-	8,000
Musicians Benevolent Fund	-	5,000
British Council	-	1,000
Other	250	2,800
Ticket sales	17,674	14,470
	<u>85,425</u>	<u>94,937</u>
RPS Music Awards - resources expended		
Direct costs of the event	78,350	78,590
Attributable staff costs	30,532	23,018
Development and fundraising	7,319	4,327
Publicity and public relations	3,688	3,531
Other support costs	1,097	5,087
	<u>120,986</u>	<u>114,553</u>
RPS Music Awards - Deficit funded by the unrestricted Foundation Fund	<u>(35,561)</u>	<u>(19,616)</u>

The Royal Philharmonic Society
Notes Forming Part of the Financial Statements
For the Year Ended 31 August 2014

	2014	2013
4 Grants and donations receivable	£	£
Commissioning and new music:		
Colin Clark	12,000	-
Britten Pears Foundation	6,000	-
PRS For Music Foundation	4,000	23,000
Radcliffe Trust	3,000	-
Delius Trust	3,000	2,000
Garrick Charitable trust	2,500	-
Glasgow Film Theatre	1,980	-
Other	5,224	10,077
Young musicians:		
Mercers' Company	10,000	-
Albert and Eugenie Frost Music Trust	6,500	6,500
Bowerman Charitable Trust	4,000	-
Holst Foundation	4,000	-
Thistle Trust	2,500	-
Associated Board of the Royal Schools of Music	2,000	-
Marks Family Foundation	-	10,000
Other	3,507	2,960
Bicentenary campaign:		
British Library	2,000	-
Philharmonic Society of Orange County	2,000	2,000
Francis Bergin	1,000	-
Britten Pears Foundation	-	60,000
British Council	-	19,000
Other	1,301	40,082
	<u>76,512</u>	<u>175,619</u>
5 Awards payable		
Awards payable in the year comprise scholarship bursaries, grants and prizes awarded to 24 individual musicians (2013: 29):		
Commissioning and new music:		
The RPS Composition Prize Fund	10,000	10,000
Susan Bradshaw Fund	3,000	3,000
Drummond Fund	-	8,000
Elgar Bursary	-	6,000
Young musicians:		
Sir John Barbirolli Memorial Foundation	40,292	18,450
Julius Isserlis Scholarship Fund	10,000	10,000
Young Musicians Fund	5,000	5,000
Emily Anderson Prize Fund	2,500	2,500
Salomon Prize	1,000	1,000
Bicentenary commissions:		
Bicentenary Campaign	1,800	-
A list of awards payable is maintained at the registered office.	<u>73,592</u>	<u>63,950</u>

The Royal Philharmonic Society
Notes Forming Part of the Financial Statements
For the Year Ended 31 August 2014

Award commitments	2014	2013
	£	£
Awards offered subject to conditions which have not been met at the year end:		
Commissioning and new music:		
Drummond Fund	17,000	-
RPS Composition Prize Fund	17,000	16,000
Elgar Bursary Fund	8,000	-
Susan Bradshaw Fund	6,000	5,000
Composer in the House	-	5,000
Young musicians:		
Sir John Barbirolli Memorial Foundation	15,500	30,900
Julius Isserlis Scholarship Fund	15,000	25,000
	<u>78,500</u>	<u>81,900</u>

6 Total resources expended	Events, awards & commissions	Other direct costs	Support costs Staff costs	Office costs	Total costs
	£	£	£	£	£
Investment management	-	26,500	-	-	26,500
Project planning, fundraising & PR	-	49,895	12,213	438	62,546
RPS Music Awards	78,350	11,007	30,532	1,097	120,986
Commissioning and new music	13,000	61,957	12,213	9,438	96,608
Young musicians	58,792	18,205	12,213	14,838	104,048
Education and audiences	5,364	12,437	12,213	438	30,452
Bicentenary campaign	1,800	47,505	24,426	876	74,607
Governance costs	-	13,710	18,319	658	32,687
	<u>157,306</u>	<u>241,216</u>	<u>122,129</u>	<u>27,783</u>	<u>548,434</u>

Total costs include:	2014	2013
	£	£
Auditors remuneration	4,950	4,995
Depreciation	1,056	124
	<u>6,006</u>	<u>5,119</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 (2013: £nil). The Society reimbursed out of pocket travel expenses to one Trustee during the year of £2,681 (2013: £nil).

The Royal Philharmonic Society
Notes Forming Part of the Financial Statements
For the Year Ended 31 August 2014

8 Staff costs	2014 £	2013 £
Salaries and wages	111,993	104,997
Social security costs	10,136	11,076
	<u>122,129</u>	<u>116,073</u>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was nil (2013: nil).

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

	2014 Number	2013 Number
Charitable activities	<u>3</u>	<u>3</u>

9 Tangible fixed assets	Fixtures & Equipment £	Total £
Cost		
At 1 September 2013	17,004	17,004
Additions	4,660	4,660
At 31 August 2014	<u>21,664</u>	<u>21,664</u>
Depreciation		
At 1 September 2013	16,702	16,702
Charge for year	1,056	1,056
At 31 August 2014	<u>17,758</u>	<u>17,758</u>
Net book value		
At 31 August 2014	<u>3,906</u>	<u>3,906</u>
At 31 August 2013	<u>302</u>	<u>302</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
Notes Forming Part of the Financial Statements
For the Year Ended 31 August 2014

	2014	2013
	£	£
10 Fixed asset investments		
Market value at 1 September 2013	2,478,430	2,446,264
Additions	-	-
Disposal proceeds	(283,000)	(200,000)
Investment managers fees	(26,500)	(29,500)
Unrealised gains / (losses)	41,895	261,666
Realised gains / (losses)	-	-
	<u>2,210,825</u>	<u>2,478,430</u>
Market value at 31 August 2014		
	<u>2,210,825</u>	<u>2,478,430</u>
Historical cost at 31 August 2014	<u>1,922,364</u>	<u>2,172,770</u>
Investments at market value are represented by:		
Alternative assets	<u>2,210,825</u>	<u>2,478,430</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	49,077	55,496
VAT	6,713	11,037
	<u>55,790</u>	<u>66,533</u>

12 Creditors: amounts falling due within one year

Awards payable	2,650	-
Other tax and social security	3,208	-
Accrued expenditure	23,479	37,123
	<u>29,337</u>	<u>37,123</u>

The Royal Philharmonic Society
Notes Forming Part of the Financial Statements
For the Year Ended 31 August 2014

13 Statement of funds

	2013 £	Incoming resources £	Resources expended £	Investment gains / (losses) £	Transfers between funds £	2014 £
Unrestricted funds						
<i>Foundation fund:</i>						
General	772,874	45,185	(213,935)	13,062	-	617,186
Designated Funds:						
Bicentenary	57,960	-	(57,960)	-	-	-
Commissioning	226,932	3,560	(20,699)	3,835	-	213,628
RPS Composition Prize	32,317	507	(2,801)	546	-	30,569
	<u>1,090,083</u>	<u>49,252</u>	<u>(295,395)</u>	<u>17,443</u>	<u>-</u>	<u>861,383</u>
Restricted funds						
<i>Foundation Fund:</i>						
Bicentenary Campaign	-	6,301	(6,301)	-	-	-
Drummond	177,322	2,782	(9,709)	2,997	-	173,392
New Generation Commissions	2,073	15,000	(1,200)	-	-	15,873
New Music Biennial	15,518	7,429	(22,947)	-	-	-
Philip Langridge Mentoring Scheme	126,063	2,109	(19,769)	2,130	-	110,533
RPS Music Awards	-	85,425	(85,425)	-	-	-
Susan Bradshaw	108,951	1,709	(5,365)	1,841	-	107,136
Young Musicians	10,800	16,249	(7,094)	-	-	19,955
<i>Linked charities:</i>						
Emily Anderson Prize	85,571	1,342	(4,639)	1,446	-	83,720
Julius Isserlis Scholarship	625,432	9,812	(22,656)	10,570	-	623,158
RPS Composition Prize	56,619	17,721	(18,678)	957	-	56,619
Sir John Barbirolli Memorial	266,949	21,098	(48,042)	4,511	-	244,516
<i>Other funds:</i>						
Elgar Bursary	14,840	686	(1,214)	-	-	14,312
	<u>1,490,138</u>	<u>187,663</u>	<u>(253,039)</u>	<u>24,452</u>	<u>-</u>	<u>1,449,214</u>
Total funds	<u><u>2,580,221</u></u>	<u><u>236,915</u></u>	<u><u>(548,434)</u></u>	<u><u>41,895</u></u>	<u><u>-</u></u>	<u><u>2,310,597</u></u>

The Royal Philharmonic Society
Notes Forming Part of the Financial Statements
For the Year Ended 31 August 2014

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 2013/14.

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.

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 2013.

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.

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
Notes Forming Part of the Financial Statements
For the Year Ended 31 August 2014

	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 2014 are represented by:					
Tangible fixed assets	3,906	-	-	-	3,906
Fixed asset investments	529,918	244,197	426,889	1,009,821	2,210,825
Net current assets	83,362	-	-	12,504	95,866
	<u>617,186</u>	<u>244,197</u>	<u>426,889</u>	<u>1,022,325</u>	<u>2,310,597</u>

15 Financial commitments

At 31 August 2014 the charity had annual commitments under non-cancellable leases as follows:

	Land and buildings	
	2014	2013
	£	£
Expiry date:		
Between two and five years	23,000	-
Less than one year	-	2,750
	<u>23,000</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.