

The Royal Philharmonic Society

Summarised Accounts

Year Ended 31 August 2011

The Royal
Philharmonic
Society

Creating a future for music

The Royal Philharmonic Society Report of the Council For the Year Ended 31 August 2011

The Council of The Royal Philharmonic Society is pleased to present the Summarised Accounts of The Society for the year ended 31 August 2011.

Structure, Governance and Management

Governing Document

The Royal Philharmonic Society is a company limited by guarantee. It is governed by its Memorandum and Articles of Association dated 23 October 1922 and amended and up-dated on 29 July 1993, 23 January 2003, 28 January 2004 and on 29 January 2009. It is registered as a charity with the Charity Commission. Membership is open to all on payment of a subscription and there are currently 555 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.

Appointment of Trustees

Members of the Council 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. Nominees for membership of the Council are invited each year from members of the Society. 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 eleven professional musicians on the Council.

The officers are elected each year by the AGM, and the Chairman is elected each year by the Council from among its members at the first Council meeting following the AGM. All members of the Council 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 Council Meeting Minutes. All trustees are asked to declare any possible conflict of interest resulting from their involvement in other arts organisations. A register of these interests is maintained at the Society's offices.

Organisation

The RPS has two full time employees responsible for the day-to-day conduct of the Society's activities: The Executive Director is Rosemary Johnson and Laura Emmett is Administrator. Tom Hutchinson is our free-lance Project Co-ordinator and Alison Pavier is freelance Head of Development. Ongoing management is delegated by the Council to an Executive committee consisting of the Chairman, Hon. Secretary, Hon. Treasurer, Hon. Co-Treasurer, Executive Director and not more than two members of the Council elected at the first meeting following the AGM. Minutes of Executive meetings are circulated to the Council as are the quarterly Management Accounts. There were 7 meetings of the Executive in the calendar year, and five meetings of the Council.

John Gilhooly and Francis Bergin served as Chairman and Honorary Treasurer respectively throughout the year. David Long was appointed Honorary Secretary at the Annual General Meeting.

The Society's Annual General Meeting was held on 24 January 2011 at Chandos House, London W1. Lincoln Abbots, Chief Executive of Music for Youth; Chi-Chi Nwanoku double bass player and broadcaster and Tom Service broadcaster and writer were elected as members Representatives. The Chairman expressed warm appreciation for the work done by all the Council Members over the year. Afterwards Musical Director of the Philharmonia, Esa-Pekka Salonen, spoke to members about the differences between orchestras on the different sides of the Atlantic.

Related Parties

The Society continues a close relationship with the Susan Chilcott Scholarship, a charity which exists to assist the further study of singers over the age of 21. The Society administers the scholarships and is paid an annual fee for doing so. Three trustees of the scholarship also serve as trustees of the RPS.

Risk Management

A fully comprehensive risk assessment was undertaken during the year. Bearing in mind the type of work carried out by the Society and the very small number of staff employed, it was felt that the principal risk faced is still the potential loss of the Society's investments caused by a sustained decline in the value of equities. This would severely constrain the Society's ability to continue its normal activities and might possibly cause it to cease operation completely. A sub-committee of the Council, the Investment Advisory Committee, meets the Society's investment advisers twice a year and a review of its activities appears later in this report.

The Royal Philharmonic Society Report of the Council For the Year Ended 31 August 2011

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 and the creation of new music
- the maintenance of an active commissioning policy
- the recognition of musicianship and services to music
- the provision of financial assistance to help young performers e.g. with the purchase of instruments
- continuing support for the development of musical education and audience development
- the provision of opportunities for distinguished speakers from the arts and 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
- the maintenance of membership

Achievements and Performance

The Council continued to be guided by the business plan drawn up in 2009 and to work towards the Society's Bicentenary in 2013.

The Society's support for young musicians was developed with awards made to 18 young players to purchase instruments appropriate for professional training and three performers given substantial grants for study abroad. Previous recipients of the Julius Isserlis Scholarship, the Benyounes Quartet, gave a free recital at the City of London Music Society which was financed by the Society.

The Philip Langridge Mentoring Scheme, which will pair exceptional young professional musicians at the start of their careers with the leading stars of the classical world, was launched in November with a public masterclass led by Dame Ann Murray DBE. The Society is extremely grateful to the Langridge Family for the gift of a Gagliano violin during the year which has been sold to raise funds for the mentoring scheme and to Raymond Gubbay who promoted a Gilbert and Sullivan Gala at Cadogan Hall in aid of the scheme.

Composers and commissioning played a vital part in the year. Anna Meredith continued as the third RPS/PRSF Composer in the House, working with East Midlands based orchestra Sinfonia ViVA. Her work Nightshift, which formed part of the residency, involved children from the three schools and Derby College who created new music to perform with ViVA during the evening. Nightshift was subsequently shortlisted for a British Composer Award. The RPS Elgar Bursary commission was Edwin Roxburgh's concerto for Orchestra which was premiered by the BBC Symphony Orchestra at the Barbican Centre.

The RPS Drummond Fund made awards to three new collaborations between composers and choreographers to create work in 2011, 2012 and 2013 and five young composers wrote works for the Philharmonia, the Park Lane Group and the Cheltenham Festival Academy players thanks to the RPS Composition Prize and the Susan Bradshaw Composers Fund.

Encore, our scheme to provide repeat performances of works by living composers, launched towards the end of the year with works at the Spitalfields and Cheltenham Festivals by Anthony Payne and Robert Saxton.

The Society 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 1400 young people.

Engagement and discussion events included public sessions at the Institute of Ideas when the RPS session focussed on whether music should be a tool of social policy and a round table debate at the Annual Orchestras conference focussing on the artistic role of the composer.

The Susan Chilcott Scholarship, which is administered by the Society, gave scholarships to seven talented young singers to enable them to continue their studies.

During the year 4 awards of Honorary Membership of the Society were presented: to Graham Johnson, pianist; composer/conductor George Benjamin; Tony Fell, Music Publisher and former Chairman of the Society and Dame Fanny Waterman, pianist, educator and founder of the Leeds Piano Competition.

The 22nd annual RPS Music Awards dinner which took place at the Dorchester in May in association with BBC Radio 3. The ceremony was hosted by Andrew McGregor and Katie Dereham and the awards were presented by pianist Imogen Cooper. The keynote speech was given by playwright Mark Ravenhill.

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The Award winners were:

Audience Development	ENO: new audience initiatives
Chamber Music and Song donated by David W Bowerman CBE	Takács Quartet
Chamber-Scale Composition	Brian Ferneyhough: String Quartet No. 6
Concert Series and Festivals	Southbank Centre: Helmut Lachenmann Weekend
Conductor supported by BBC Music Magazine	Iván Fischer
Creative Communication supported by the Guardian	BBC4: Opera Italia
Education	Sing Up
Ensemble donated by the Yellow Car Charitable Trust	Aurora Orchestra
Instrumentalist supported by Musicians Benevolent Fund	Leon Fleisher
Large-Scale Composition donated anonymously	James Dillon: Nine Rivers
Opera and Music Theatre	The Royal Opera: Tannhäuser
Singer donated by Rosenblatt Recitals	Susan Bickley
Young Artists donated by Peter Bull	Aline Ibragimova

Public Benefit

The Council refers 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 the trustees regularly consider how planned activities will contribute to the aims and objectives they have set. They 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 Council bi-annually at one of its quarterly meetings.

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 £2.65M. Our target Reserves Policy is to produce an income of approximately £80,000 per year. Our 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 simply could not continue to exist. Any diminution in the level of our existing reserves would seriously hamper the day to day functioning of the Society.

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Review of Finances

In 2010 the Investment Advisory Committee reviewed the performance of our Investment Advisers and invited presentations from three different companies, including the incumbents, focusing on the future management/investment of our funds. The unanimous decision was taken by the Council to change Advisers to Ruffers LLP. In the year to 31st August, 2011, the market value of our holdings increased by approximately £103,000. Our investments are now held in one of the CF Ruffer Absolute Return Funds.

Despite extremely difficult market conditions over the past several months the value of our investments has increased by £170,000 since 1st September, 2009.

Our Foundation Fund (unrestricted funds) showed a deficit for the year of £156,852 for which the Society had budgeted and the figure was within 2% of the budget for the year. On the other hand our restricted funds showed a large increase from the previous year as a result of donations to the Philip Langridge Mentoring Scheme and to our Bicentenary Fund.

Through the careful management of our cash flow no shareholdings needed to be sold during the year to provide for our normal expenditure requirements and it is expected that this will apply until the 31st August, 2012.

Review of Trust Funds

Our funds show an increase over the previous year, mainly because of donations to the Philip Langridge Mentoring Scheme. However, the calls on our Trust Funds increase each year and as they are concerned with the needs of young musicians the Council always welcomes donations to the Funds.

The Royal Philharmonic Society
Statement of Financial Activities (Incorporating an Income and Expenditure Account)
For the Year Ended 31 August 2011

	Foundation Fund			Other Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
	Unrestricted Funds £	Restricted Funds £	Total Funds £			
Incoming resources						
Incoming resources from generated funds						
Voluntary income:						
Donations and legacies	7,657	-	7,657	-	7,657	13,578
Membership subscriptions	9,996	-	9,996	-	9,996	10,924
Investment income and interest	39,980	5,108	45,088	27,024	72,112	58,871
Incoming resources from charitable activities						
Event sponsorship and ticket sales:						
RPS Music Awards	-	75,559	75,559	-	75,559	80,666
Other RPS events	1,194	-	1,194	-	1,194	3,391
Grants and donations:						
Award making	-	40,900	40,900	15,715	56,615	39,647
Education, commissions and concert sponsorship	-	132,977	132,977	-	132,977	32,723
The Bicentenary Campaign	-	42,000	42,000	-	42,000	-
Administration fees and royalties	5,666	-	5,666	3,516	9,182	7,829
Total incoming resources	64,493	296,544	361,037	46,255	407,292	247,629
Resources expended						
Costs of generating funds:						
Investment management costs	27,500	-	27,500	-	27,500	10,615
Project planning and fundraising	63,244	-	63,244	-	63,244	54,736
Charitable activities:						
RPS Music Awards	21,012	75,559	96,571	-	96,571	99,220
Other RPS events	27,501	-	27,501	-	27,501	25,754
Award making	-	50,490	50,490	56,767	107,257	123,184
Education, commissions and concert sponsorship	52,087	29,528	81,615	-	81,615	86,346
Governance costs	30,001	-	30,001	-	30,001	28,029
Total resources expended	221,345	155,577	376,922	56,767	433,689	427,884
Net incoming / (outgoing) resources before transfers	(156,852)	140,967	(15,885)	(10,512)	(26,397)	(180,255)
Gross transfers between funds	-	-	-	-	-	-
Net incoming / (outgoing) resources before other recognised gains and losses	(156,852)	140,967	(15,885)	(10,512)	(26,397)	(180,255)
Other recognised gains and losses						
Unrealised gains / (losses) on investment assets	55,920	6,973	62,893	40,773	103,666	(15,752)
Realised gains / (losses) on investment assets	(535)	(67)	(602)	(391)	(993)	103,078
Net movement in funds for the year	(101,467)	147,873	46,406	29,870	76,276	(92,929)
Reconciliation of funds						
Total funds brought forward	1,295,754	306,864	1,602,618	967,684	2,570,302	2,663,231
Total funds carried forward	1,194,287	454,737	1,649,024	997,554	2,646,578	2,570,302

The Royal Philharmonic Society
Balance Sheet
As at 31 August 2011

	2011		2010	
	£	£	£	£
Fixed assets				
Tangible assets		108		535
Investments		2,378,660		2,300,259
		<u>2,378,768</u>		<u>2,300,794</u>
Current assets				
Stocks	564		564	
Debtors	49,140		22,020	
Cash at bank and in hand	277,288		333,172	
	<u>326,992</u>		<u>355,756</u>	
Creditors: amounts falling due within one year	(59,182)		(86,248)	
Net current assets		267,810		269,508
Net assets		<u><u>2,646,578</u></u>		<u><u>2,570,302</u></u>
 Unrestricted funds				
<i>Foundation Fund:</i>				
General Funds:				
Free reserves of the Society, represented by net current assets / (liabilities)	83,783		73,381	
Tangible fixed assets and investments, held for income generation to fund the day to day activities of the Society	814,729		946,290	
		<u>898,512</u>		<u>1,019,671</u>
Designated Funds:				
Funds set aside for specific future purposes and projects:				
Commissioning Fund	261,061		243,680	
The RPS Composition Prize Fund	34,714		32,403	
		<u>295,775</u>		<u>276,083</u>
Restricted funds				
Funds restricted to specific purposes:				
<i>Foundation Fund:</i>				
Bicentenary Campaign	42,000		-	
Drummond Fund	167,293		161,585	
Encore 2 Project	14,142		25,328	
New Generation Commissions Fund	2,073		2,250	
Philip Langridge Mentoring Scheme	127,748		-	
RVW Memorial Fund	6,982		19,851	
Salomon Prize Fund	860		-	
Susan Bradshaw Fund	93,639		97,850	
		<u>454,737</u>		<u>306,864</u>
<i>Linked Charities:</i>				
Emily Anderson Prize Fund	76,339		71,723	
Julius Isserlis Scholarship Fund	572,540		553,052	
The RPS Composition Prize Fund	55,883		55,087	
Sir John Barbirolli Memorial Foundation	268,461		264,917	
<i>Other Restricted Funds:</i>				
Elgar Bursary Fund	24,331		22,905	
		<u>997,554</u>		<u>967,684</u>
Total funds		<u><u>2,646,578</u></u>		<u><u>2,570,302</u></u>

**The Royal Philharmonic Society
Report of the Council and Summarised Accounts
For the Year Ended 31 August 2011**

Council's Statement

The summarised accounts on pages numbered 5 and 6 have been extracted from the Society's Annual Report and Financial Statements which were approved by the Council on 20 December 2011 and on which the Society's auditors gave an unqualified opinion. Copies of the full Annual Report and Financial Statements have been filed with the Registrar of Companies and the Charity Commission.

This summary financial information may not contain sufficient information to allow for a full understanding of the results and financial affairs of the Society. For further information the full Annual Report and Financial Statements can be obtained from the Society's registered office.

John Gilhooly
Chairman

Signed on behalf of the Council

20 December 2011

Auditors' Statement on the Summarised Accounts of the Royal Philharmonic Society

We have examined the summarised accounts set out on pages 5 and 6.

Respective responsibilities of the members of the Council and auditors

You are responsible as members of the Council for the purposes of Company Law for the preparation of summarised accounts. We have agreed to report our opinion on the summarised accounts' consistency with the full financial statements, on which we reported on 20 December 2011.

Basis of Opinion

We have carried out the procedures we consider necessary to ascertain whether the summarised accounts are consistent with the full financial statements from which they have been prepared.

Opinion

In our opinion the summarised Accounts are consistent with the full financial statements for the year ended 31 August 2011.

Christopher Bush ACA
Senior Statutory Auditor

For and on behalf of

Clarity
Chartered Accountants and Statutory Auditors

20 December 2011