



The Royal Philharmonic Society

Summarised Accounts

Year Ended 31 August 2013

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

The Trustees of The Royal Philharmonic Society are pleased to present the summarised accounts of the Society for the year ended 31 August 2013.

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 Abbots (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.

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.

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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.

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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	Universe of Sound (Philharmonia Orchestra)
Chamber Music and Song	Music in the Round
Chamber-Scale Composition (supported by Boosey & Hawkes in memory of Tony Fell)	Rebecca Saunders: Fletch
Concert Series and Festivals	New Music 20x12 (PRS for Music Foundation)
Conductor (supported by BBC Music Magazine)	Kirill Karabits
Creative Communication	Classic FM
Ensemble (donated by The Yellow Car Charitable Trust)	Britten Sinfonia
Instrumentalist	Steven Osborne
Large-Scale Composition (donated anonymously)	Gerald Barry: The Importance of Being Earnest
Learning and Participation	Cycle Song (Proper Job Theatre Company and Scunthorpe Co-operative Junior Choir)
Opera and Music Theatre (donated by ISM)	Mittwoch aus Licht (Birmingham Opera Company)
Singer (donated by Rosenblatt Recitals)	Sarah Connolly
Young Artists (donated by Peter Bull)	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
Statement of Financial Activities (Incorporating an Income and Expenditure Account)
For the Year Ended 31 August 2013

	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	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	-	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	-	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	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	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	-	-	-	-	-	-
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	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	1,166,829	424,626	1,591,455	987,104	2,578,559	2,646,578
Total funds carried forward	1,090,083	440,727	1,530,810	1,049,411	2,580,221	2,578,559

The Royal Philharmonic Society
Balance Sheet
As at 31 August 2013

	2013		2012	
	£	£	£	£
Fixed assets				
Tangible assets		302		426
Investments		2,478,430		2,446,264
		2,478,732		2,446,690
Current assets				
Stocks	16,092		16,092	
Debtors	66,533		60,493	
Cash at bank and in hand	55,987		121,637	
	138,612		198,222	
Creditors: amounts falling due within one year	(37,123)		(66,353)	
Net current assets		101,489		131,869
Net assets		2,580,221		2,578,559
Unrestricted funds				
<i>Foundation Fund:</i>				
<i>General Funds:</i>				
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	
		772,874		866,350
<i>Designated Funds:</i>				
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	
		317,209		300,479
Restricted funds				
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		-	
		440,727		424,626
<i>Linked Charities:</i>				
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>				
Elgar Bursary Fund	14,840		19,498	
		1,049,411		987,104
Total funds		2,580,221		2,578,559

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

Trustee's Statement

The summarised accounts on pages numbered 6 and 7 have been extracted from the Society's Annual Report and Financial Statements which were approved by the Trustees on 12 December 2013 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 Trustees

12 December 2013

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

We have examined the summarised accounts set out on pages 6 and 7.

Respective responsibilities of the Trustees and auditors

You are responsible as Trustees 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 12 December 2013.

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 2013.

Christopher Bush ACA
Senior Statutory Auditor

For and on behalf of

Clarity
Chartered Accountants and Statutory Auditors

12 December 2013