



The Royal Philharmonic Society

Summarised Accounts

Year Ended 31 August 2014

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

The Trustees of The Royal Philharmonic Society are pleased to present the summarised accounts of the Society for the year ended 31 August 2014.

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 2104 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.

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.

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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:

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.

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

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



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.

The Royal Philharmonic Society

Report of the Trustees

For the Year Ended 31 August 2014

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 an 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.

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.

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

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

	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	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	-	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	-	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	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	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	-	-	-	-	-	-
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	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	1,090,083	440,727	1,530,810	1,049,411	2,580,221	2,578,559
Total funds carried forward	861,383	426,889	1,288,272	1,022,325	2,310,597	2,580,221

**The Royal Philharmonic Society
Balance Sheet
As at 31 August 2014**

	2014		2013	
	£	£	£	£
Fixed assets				
Tangible assets		3,906		302
Investments		2,210,825		2,478,430
		<u>2,214,731</u>		<u>2,478,732</u>
Current assets				
Stocks	10,728		16,092	
Debtors	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	(29,337)		(37,123)	
		<u>95,866</u>		<u>101,489</u>
Net current assets		95,866		101,489
		<u>2,310,597</u>		<u>2,580,221</u>
Net assets		<u>2,310,597</u>		<u>2,580,221</u>
Unrestricted funds				
<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				
<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>				
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>				
Elgar Bursary Fund	14,312		14,840	
		<u>1,022,325</u>		<u>1,049,411</u>
Total funds		<u>2,310,597</u>		<u>2,580,221</u>

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

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 8 January 2015 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

8 January 2015

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 8 January 2015.

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 2014.

Christopher Bush ACA
Senior Statutory Auditor

For and on behalf of

Clarity
Chartered Accountants and Statutory Auditors

8 January 2015