

**THE ROYAL PHILHARMONIC SOCIETY
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2017**

Charity Registration Number 213693

Registered Company Number 186522

**WILKINS KENNEDY LLP
Chartered Accountants
Greytown House
221/227 High Street
Orpington
Kent BR6 0NZ**

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REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	John Gilhooly OBE - Chairman Anthony Newhouse – Honorary Treasurer Edward Blakeman Dr Jerome Booth Sir Vernon Ellis Sarah Gee Jonathan Langridge Kingsley Manning Louise Mitchell – Honorary Secretary Gillian Moore MBE Lady Victoria Robey OBE Roderick Williams
Company secretary	Louise Mitchell
Executive director	Rosemary Johnson
Key Management Personnel	Rosemary Johnson – Executive Director Robin Sheffield – Development and Artistic Projects Manager Laura Emmett – Development Manager (maternity leave from November 2016 - November 2017, Resigned November 2017), Catherine Porteus Administrative Assistant November 2016 – October 2017 Shannon St Luce Assistant Administrator from November 2017
Registered Office	48 Great Marlborough Street London W1F 7BB
Independent Examiner	M A Wilkes FCA Wilkins Kennedy LLP Greytown House 221/227 High Street Orpington Kent BR6 0NZ
Bankers	Santander UK Plc Bridle Road Bootle Merseyside L30 4GB
Investment managers	Cazenove Capital Management 12 Moorgate London EC2R 6DA
Solicitors	Laurie Watt C/o Charles Russell Speechlys LLP 8-10 New Fetter Lane London EC4A 1RS

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REPORT OF THE TRUSTEES

The Trustees present their report and the audited financial statements of the charity for the year ended 31 August 2017. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014, updated for Bulletin 1, updated by Bulletin 1.

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.

- We offer targeted support of young musicians in education and at the start of their profession
- We commission and create career development opportunities for composers
- We strive to overcome the barriers that prevent participation in music, be they physical, social or financial.
- We recognise and reward excellence of musicianship and services to music
- We raise awareness of the benefits of musical education for all, and of new ways of engaging audiences
- We promote debate about key issues facing music today
- We strive to offer free and low price events and online resources that further the appreciation of music

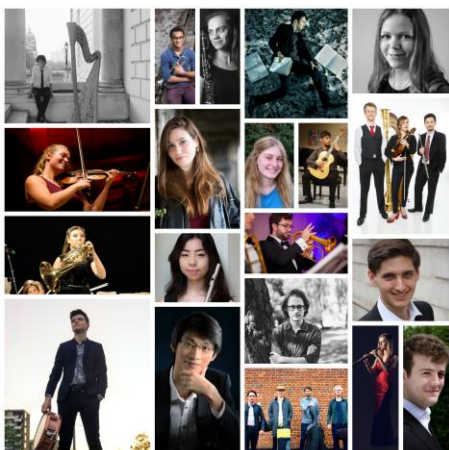
Achievements and performance

The Royal Philharmonic Society is for people who love music and live music making and who believe that classical music can benefit and enrich contemporary society.

philharmonic: /fɪl.hɑ:'mɒn.ɪk/
adj. devoted to music; music loving

For over 200 years we've been at the heart of music: supporting and working creatively with talented young performers and composers, championing excellence, and encouraging audiences to listen to, and talk about, great music. We have four areas of activity and charitable benefit: Awards, Performers, Composers and Audiences.

Performers



- A short film highlighting the work of our young artists was made and is available via the RPS Website and on YouTube. Young Artists including Imogen Hancock and the Castalian Quartet gave a showcase performance for members at the home of Bob and Elisabeth Boas.
- Two major scholarships were awarded to two young musicians: 19 year old percussionist **Tom Pritchard** and 24 year old harpist **Richard Allen**, to enable them to complete advanced study abroad in Holland and Switzerland respectively.
- Career development opportunities totalling £14500 were awarded to outstanding instrumentalists and ensembles including violinist **Amaris Wierdsma**, the **Marmen Quartet** and flute-violaharp trio **Pelleas Ensemble** who were the winners of a new prize, the RPS Henderson Chamber Ensemble Award.

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- **Instrument purchase** continued to be our most oversubscribed fund. This year we gave grants of over £20K to 14 music students from all over the UK who lacked the financial resources to buy an instrument appropriate for their professional studies.
- This was our first full year working with **women conductors**, pioneering tailor-made conducting and musical leadership training for women all over the UK: from first taster sessions for women of all ages from school age upward to specialist sessions for professional choral conductors and composers. We are currently planning a week-long intensive summer school (in partnership with ROH and National Opera Studio) in 2018 for professional wanting to break through into operatic conducting. The artistic director of the project is **Alice Farnham** and during the year we worked with **Jessica Cottis, Sarah Tennant Flowers, Andrea Brown and Karin Hendrickson** to deliver workshops to over 100 women and provided bursaries to 30 students in financial need. In addition we participated in focused discussion sessions on the opportunities and barriers to women conductors at the conferences of both the Association of British Orchestras conference and the Association of British Choral Directors.

Composers



- It was an outstanding year in our support for composers with 18 new commissions premiered. A major new initiative saw collaboration with Classic FM to create 7 new works to celebrate the radio station's 25th birthday year written especially by composers under the age of 25. Each work was performed live from Glasgow to Cardiff; Liverpool to London; and broadcast to Classic FM's audiences of 5.4 million listeners. The seven selected composers from over 180 applications were **Marco Galvani, Dani Howard, Oliver Muxworthy, Jack Pepper, Benjamin Rimmer, Alexia Sloane and Alex Woolf**. Performing groups included the RSNO, RLPO, RPO, the Sixteen and James Galway.
- **Freya Ireland's** *Puzzled* marked the culmination of her time as **Apprentice Composer at the Wigmore Hall** and was performed by the Cavendish Wind Quintet. A new apprentice take up the role in 2018.

- As well as writing new pieces, the six emerging composers who won our annual composition prizes also received a programme of seminars and workshops as part of the process, while three of these composers were fortunate had their pieces recorded by the Philharmonia by the award winning label NMC.
- **Nicola Lefanu's** *Crimson Bird*, an orchestral songcycle was commissioned by the RPS Elgar Bursary Fund and performed and broadcast by the BBCSO and Rachel Nicholls.
- International commissions included pieces by **Mattias Pintscher** (premiered at the Edinburgh International Festival), **Manfred Trojahn** (Cheltenham Festival) and the young French composer **Benjamin Attahir** who wrote a solo piece for RPS Young Artist Winner Claire Hammond.

Awards



- **Honorary Membership** for services to music were presented to the television and film director, **Barrie Gavin** for his life time work documenting classical music through film: with the composers of today as an overriding priority. The Award was presented at the annual RPS Music Awards.
- The RPS's highest honour for a musician, the **Gold Medal**, was presented twice during the year: to conductors **Charles Dutoit** and **Mariss Jansons** at performances in the Royal Albert Hall and the Barbican.
- **Leslie Boosey Award** for an outstanding contribution to contemporary music was presented to veteran music publisher **Sally Cavender** of Faber Music
- The **Salomon Award** for an individual player who has made an outstanding contribution to the life of their orchestra was presented in partnership with Association of British Orchestras to violinist **Lennox McKenzie** of the London Symphony Orchestra

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- **The RPS Music Awards** again reinforced positive messages about inclusion. We ran a successful #LiveMusicis campaign on social media leading up to the event and with this year's ceremony put particular focus on music making for the disabled and socially excluded. Winners included the **South West Open Youth Orchestra** – the UK's first disabled-led regional youth orchestra - and one of the key speakers was RPS Gold Medallist **Thomas Quasthoff**, whose international singing career has inspired many other disabled musicians.

The annual RPS Music Award Winners were:

Audiences and Engagement

Chamber Music and Song
Chamber-Scale Composition
sponsored by Boosey and Hawkes
in memory of Tony Fell
Concert Series and Festivals
sponsored by Schott Music
Conductor
sponsored by BBC Music Magazine
Creative Communication

Ensemble
Instrumentalist
Large-Scale Composition
donated by The Boltini Trust
Learning and Participation
sponsored by the ABRSM, the exam board for the Royal
Schools of Music
Opera and Music Theatre
donated by Sir Simon and Victoria, Lady Robey OBE
Singer
Young Artists
donated by the Bowerman Charitable Trust

East Neuk Festival, in collaboration with 14-18 NOW:
Memorial Ground (David Lang)
Fretwork
Rebecca Saunders: Skin

Lammermuir Festival

Richard Farnes

Beethoven for a Later Age: The Journey of a String Quartet by
Edward Dusing (Faber)
Manchester Camerata
James Ehnes
Philip Venables: 4.48 Psychosis

South West Open Youth Orchestra

Opera North: The Ring

Karita Mattila
Joseph Middleton

Audiences

- The pilot LoveMusicPass project designed to encourage more people to discover the nation's most exciting live performances of classical, jazz, folk, world, opera and chamber music, came to an end in June 2017. Our hope had been to expand the project through a second stage pilot and, in due course, to a wider nationwide scheme. However substantial additional investment was required to do this which disappointingly we were not able to secure. We therefore took the opportunity to reflect on feedback and lessons learnt from the pilot.
- The Society increased its support on Social Media and we currently have close to 20,000 twitter followers; over 7500 on Facebook; Pinterest and Instagram pages and YouTube, Vimeo and Sound Cloud channels.

Public benefit statement

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 and how musical experience can be available to all regardless of age or means. 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.

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REPORT OF THE TRUSTEES

Structure, governance and management

Governing Document

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 615 members, of whom around forty percent are defined as professional musicians. Six 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.

Trustees of the charity

The directors of the charitable company are its Trustees for the purposes of charity law. The Trustees who have served during the year and since the year end were as follows:

John Gilhooly OBE (Chair)
Anthony Newhouse (Hon Treasurer)
Edward Blakeman
Dr Jerome Booth
Sir Vernon Ellis
Sarah Gee (appointed 16 March 2017)
Jonathan Langridge
Kingsley Manning
Louise Mitchell
Gillian Moore MBE
Lady Victoria Robey OBE (appointed 29 November 2017)
Roderick Williams (appointed 16 March 2017)

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Organisational structure

John Gilhooly serves as Chairman, Anthony Newhouse as Honorary Treasurer and Louise Mitchell as Secretary. The RPS has three full time employees responsible for the day-to-day conduct of the Society's activities: During the year in question the following served: Executive Director, Rosemary Johnson; Robin Sheffield, Artistic and Development Manager; and Catherine Porteus, Administrative Assistant (succeeded in November 2017 by Shannon St Luce as Assistant Administrator). Development Manager Laura Bloomfield was on Maternity leave from November 2016 - November 2017 and then left the Society after 10 years' service. Alison Pavier is our as freelance Development Consultant and Sophie Cohen handles our Public Relations. The administration reports to the Trustees at five meetings during the year.

The Society's Annual General Meeting was held on Wednesday 16 March 2017, at Schott Music in Great Marlborough Street. Sarah Gee and Roderick Williams CBE were elected as Trustees by the membership.

The following were approved by the Annual General Meeting to serve on the **Advisory Council**:

Lincoln Abbotts (Director of Strategic Development, Associated Board of the Royal Schools of Music), **Anthony Bolton**, **Iain Burnside** (pianist and broadcaster), **Sally Groves MBE** (former Music Publisher), **Mary King** (singer and vocal coach), Dr **Leanne Langley** (historian and writer), **Colin Matthews OBE**, **Chi-chi Nwanoku OBE** (double bassist), **Arthur Searle** (Honorary Librarian), **Tom Service** (broadcaster and writer), **Janis Susskind OBE** (MD Boosey & Hawkes Music Publishing), **Ian Rosenblatt OBE** (stepped down November 2017), **Atholl Swainston-Harrison** (Chief Executive International Artists Management Association) and **Laurie Watt** (Charles Russell Speechlys LLP) were approved as members of the Council.

Financial Review

The outturn for the year ended 31 August 2017 is disappointing. There was a significant fall off in Revenue, especially from the restricted funding stream, while there was a foreseen increase in overall costs of some 10%.

Total income for the year was £289,035 (2016: £388,889) of which £151,012 (2016: £ 260,610) was from restricted funding streams and £ 138,023 (2016: £128,279) of unrestricted income was generated by the Society. Aggregate income for the RPS Awards showed a significant fall-off this year. The importance of securing a greater and more stable funding stream for all areas of our activities is noted below.

The value of the Society's investment funds at the year-end showed an aggregate increase of £5,270 (2016: £341,001), that is after withdrawals to meet operational needs of £100,000.

Total expenditure for the year was £522,188 (2016: £475,685 of which £282,165 (2016: £264,408) was spent on restricted activities. It should be noted that within this total are the costs attributable to the LoveMusicPass Project. Some of these cost are reflected in the staff payroll which increased to £131,562 (2016: £116,573) largely due to the cost of additional temporary staff members to work on the project. LoveMusicPass has since been discontinued which will result in an estimated saving of £26,000 next year.

For the year ended 31st August 2017, there was an excess of expenditure over income before gains and losses on investments of £233,153 (2016: £86,796) of which £102,000 (2016: £82,998) was unrestricted. Unrestricted reserves carried forward were £635,582 (2016: £719,408). Restricted reserves at 31st August 2017 stood at £478,456: (2016: £526,104) and £1,1018,509 (2016: £990,674) for linked charities.

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 Finance Subcommittee.

The Society's investments are managed by Cazenove Capital Management (part of Schrodgers Group).

Since the year end the Trustees have put in a place a revision of its investment policy for the medium/long term in the light of the recent performance of its investment funds and the need for certainty and liquidity in the short term. The new investment policy reads:

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"To adopt a total return approach comprising income and capital from a diversified portfolio of UK and overseas equities, fixed interest, alternative assets and cash. The portfolio should maintain a growth risk profile, having regard to volatility over the medium term.

Time Horizon: A period of at least five years

Risk Profile: Classified as medium to high

As noted below, 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 Finance Subcommittee is very much aware of this fact and bears it in mind when formulating its investment policy and in regular meetings with the Society's Investment Managers.

The Society's funds are invested in a diverse range of funds to meet its investment objectives and in cash to meet the anticipated funding gap in the near future. As noted above the value of funds under management during the year were valued at £2,076,844 at the year-end (2016 : £2,071,574).

Reserves policy

In order to cover our day to day expenditure on an annual basis we need to hold reserves of at least £250K. However given the enduring nature of our work which stretches beyond an annual cycle, our long term aim is to double our existing reserves to the level where the resulting income will cover day to day operating costs on an annual basis.

As previously stated, given the current level of expenditure and the committed 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 albeit there has been some success in limiting the rate at which reserves are depleted. 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 reviewed its most recent risk assessment during the year. The principal risk faced continues to be 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. Our investment advisers report regularly to the Finance Subcommittee. In addition, we regularly monitor both operational risks involved in the running of a charitable organisation engaged in activities including the making and giving of grants, bursaries and awards and the reputational risks to which it is exposed as a consequence.

Plans for future periods

During the year the Trustees have revised the Society's vision and core purpose in order to become an organisation which strives to make classical music part of everybody's life and to act as the UK's lead voice for classical music. This will inform our future fundraising plans. In December 2017 it was announced that Rosemary Johnson, Executive Director for the last 20 years will step down in the summer of 2018. We are currently seeking a replacement for her.

Trustees' responsibilities

The Trustees (who are also directors of The Royal Philharmonic Society for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;

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- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

On behalf of the board

John Gilhooly
Chair of the Board of Trustees
Date

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INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS

I report to the trustees on my examination of the accounts of the Company for the year ended 31 August 2017.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Institute of Chartered Accountants England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

M A Wilkes (FCA)

For and on behalf of Wilkins Kennedy LLP
Chartered Accountants
Greytown House, 221/227 High Street
Orpington, Kent, BR6 0NZ

Date:

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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2017

INCOME AND EXPENDITURE ACCOUNT

	Notes	Unrestricted Funds £	Restricted Funds £	Restricted Linked Charities £	Total 2017 £	Total 2016 £
Income from:						
Donations	2	61,669	19,008	-	80,677	84,640
Charitable activities:						
Grants receivable	3	8,861	71,310	4,500	84,671	172,922
Sponsorship and ticket sales	4	46,242	-	-	46,242	65,313
Investments	5	20,244	10,485	27,877	58,606	59,209
Other		1,007	16,315	1,517	18,839	6,805
Total income		138,023	117,118	33,894	289,035	388,889
Expenditure on:						
Raising funds		57,978	3,607	9,590	71,175	56,801
Charitable activities:						
Awards		182,045	-	-	182,045	181,736
Performers		-	53,682	15,573	69,255	97,041
Composers		-	96,292	42,630	138,922	99,870
Audiences and Education		-	60,791	-	60,791	40,237
Total expenditure	6	240,023	214,372	67,793	522,188	475,685
Net expenditure before gains / (losses) on investments		(102,000)	(97,254)	(33,899)	(233,153)	(86,796)
Net gains/(losses) on investments	12	44,832	23,218	61,734	129,784	157,182
Transfers between funds	15	(26,388)	26,388	-	-	-
Net movement in funds		(83,556)	(47,648)	27,835	(103,369)	70,386
Funds brought forward at 1 September 2016		719,408	526,104	990,674	2,236,186	2,165,800
Total funds carried forward at 31 August 2017		635,852	478,456	1,018,509	2,132,817	2,236,186

All of the charity's transactions are derived from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2017

INCOME AND EXPENDITURE ACCOUNT

Comparative information ended 31 August 2016	Notes	Unrestricted Funds £	Restricted Funds £	Restricted Linked Charities £	Total 2016 £
Income from:					
Donations	2	21,840	62,800	-	84,640
Charitable activities:					
Grants receivable	3	15,071	157,851	-	172,922
Sponsorship and ticket sales	4	65,248	-	65	65,313
Investments	5	21,120	11,018	27,071	59,209
Other		5,000	745	1,060	6,805
Total income		<u>128,279</u>	<u>232,414</u>	<u>28,196</u>	<u>388,889</u>
Expenditure on:					
Raising funds		26,097	18,010	12,694	56,801
Charitable activities					
Awards		149,236	32,500	-	181,736
Performers		6,578	53,461	37,002	97,041
Composers		18,469	65,046	16,355	99,870
Audiences and Education		10,897	29,340	-	40,237
Total expenditure	6	<u>211,277</u>	<u>198,357</u>	<u>66,051</u>	<u>475,685</u>
Net expenditure before gains / (losses) on investments		(82,998)	34,057	(37,855)	(86,796)
Net gains/(losses) on investments	12	56,067	29,249	71,866	157,182
Net movement in funds		(26,931)	63,306	34,011	70,386
Funds brought forward at 1 September 2015		<u>746,339</u>	<u>462,798</u>	<u>956,663</u>	<u>2,165,800</u>
Total funds carried forward at 31 August 2016		<u>719,408</u>	<u>526,104</u>	<u>990,674</u>	<u>2,236,186</u>

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BALANCE SHEET
AS AT 31 AUGUST 2017

Charity Registration Number: 213693

	Note	2017		2016	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	11		1,007		1,977
Investments	12		2,076,844		2,071,574
			<u>2,077,851</u>		<u>2,073,551</u>
Current Assets					
Stocks		3,575		5,364	
Debtors	13	48,828		67,175	
Cash at bank and in hand		21,668		125,114	
		<u>74,071</u>		<u>197,653</u>	
Creditors: amounts falling due within one year	14	<u>(19,105)</u>		<u>(35,018)</u>	
Net Current Assets			<u>54,966</u>		<u>162,635</u>
Net Assets			<u><u>2,132,817</u></u>		<u><u>2,236,186</u></u>
Represented by:					
Restricted funds	15		478,456		526,104
Restricted linked charities	16		1,018,509		990,674
Unrestricted funds					
General fund			635,852		719,408
Total funds	17		<u><u>2,132,817</u></u>		<u><u>2,236,186</u></u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2017.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 August 2017 in accordance with Section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for:

- (a) ensuring that the charitable company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

Approved by the Board of Trustees on and signed on their behalf by:

John Gilhooly
Chairman

Anthony Newhouse
Honorary Treasurer

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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.

a. Basis of preparation

The Royal Philharmonic Society is a company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are set out on page 2.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015 as updated by Bulletin 1.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b. Income

All income is included in the Statement of Financial Activities (SoFA) when the charitable company is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

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

Income 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. Income where entitlement is not conditional on the delivery of a specific performance by the charitable company, is recognised when the charity becomes unconditionally entitled to the income and it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

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

c. Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds are those costs incurred in attracting voluntary income.
- Charitable activities comprise those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries. It includes both costs 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.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

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d. Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are allocated 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.

e. Funds accounting

Unrestricted general funds are funds which can be used in accordance with the charitable objects at the discretion of the Trustees. They 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.

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.

f. Operating leases

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

g. Tangible fixed assets

Tangible fixed assets are stated at cost accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets over their estimated useful lives as follows:

Fixtures, fittings and equipment - 25% straight line

h. Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

i. Stock

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

j. Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

k. Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

l. Corporation Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

m. Going Concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

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n. Judgements and key sources of estimation uncertainty

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

There are no other key assumptions concerning the future or other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2. DONATIONS

	2017	2016
	£	£
Donations received from individuals	21,197	13,605
Donations RPS Music Awards	23,500	32,500
Donations RPS Annual Appeal	16,420	17,715
Membership subscriptions	19,560	20,820
	<u>80,677</u>	<u>84,640</u>

	2017	2016
	£	£
Donations RPS Music Awards and Appeal		
Music Awards		
Bowerman Charitable Trust	5,000	6,000
Boltini Trust	8,500	8,500
Stradavari Trust	-	8,000
Yellow Car Charitable Trust	-	10,000
Simon & Victoria Robey	10,000	-
	<u>23,500</u>	<u>32,500</u>
Appeal		
AJR Newhouse	1,000	-
Anglo American Charitable Trust	1,250	-
Colin Clark	3,000	-
Felicity Lott	1,000	-
Vernon Ellis Foundation	-	1,000
Jerome Booth	-	1,000
Simon Robey	-	5,000
John Gilhooly	1,000	1,000
E Blakeman	1,000	1,000
Karaviotis Foundation	-	1,000
L C Mitchell	-	750
Various	8,170	6,965
	<u>16,420</u>	<u>17,715</u>
	<u>39,920</u>	<u>50,215</u>

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3. GRANTS RECEIVABLE	Unrestricted	Restricted	2017	2016
	£	£	£	£
A&E Frost Music Trust	-	6,500	6,500	13,000
ABRSM	-	2,400	2,400	2,000
Academic membership (Duet)	-	-	-	4,000
Agnus Alnatt	-	1,500	1,500	-
Anglo American Foundation	-	-	-	1,250
Arts Council	-	13,410	13,410	-
Boltini Trust	-	20,000	20,000	15,000
Bowerman Charitable Trust	-	2,000	2,000	5,000
Britten Pears Foundation	-	-	-	15,000
CAF American Donor	-	5,000	5,000	-
Colwinson Trust	-	3,000	3,000	-
David Cock Foundation	-	-	-	5,000
Delius Trust	-	3,000	3,000	3,000
Derek Hill Foundation	-	-	-	1,000
Duet Group	-	3,000	3,000	6,056
Ernst Von Siemens	208	-	208	10,695
Garfield Weston Foundation	-	-	-	15,000
Garrick Club	-	2,500	2,500	2,500
Gift Aid Receivable	8,653	-	8,653	10,021
Harold Wingate	-	1,500	1,500	1,500
James & Lucilla Jol Trust	-	1,000	1,000	-
Kathleen Hannay Memorial Charity	-	-	-	10,000
Michael Tippett Trust	-	-	-	2,500
Patrons Fund	-	2,500	2,500	-
Presteigne Fund	-	1,000	1,000	-
Radcliffe Trust Bank	-	3,000	3,000	-
Samuel Gardner Trust	-	1,000	1,000	-
Southampton Row Trust	-	-	-	25,000
Strecker-Stiftung	-	-	-	4,500
Thistle Trust	-	2,500	2,500	-
Various	-	1,000	1,000	16,900
Vernon Ellis Foundation	-	-	-	4,000
	<u>8,861</u>	<u>75,810</u>	<u>84,671</u>	<u>172,922</u>

4. SPONSORSHIP AND TICKET SALES

	2017	2016
	£	£
RPS Music Awards - Sponsorship		
ABRSM	8,000	8,000
Boosey & Hawkes	3,000	2,500
Lark Insurance	-	750
Programme Advertising	-	4,250
Rosenblatt Solicitors	-	10,000
Schott Music Limited	10,000	10,000
Other and anonymous sponsorship	1,700	-
	<u>22,700</u>	<u>35,500</u>
RPS Music Awards - Ticket Sales	23,542	28,683
Other RPS events	-	1,120
	<u>46,242</u>	<u>65,313</u>

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5. INVESTMENT INCOME

	2017	2016
	£	£
Investment income receivable from securities with investment managers	58,606	59,208
Bank interest received	-	1
	<u>58,606</u>	<u>59,209</u>

6. ANALYSIS OF EXPENDITURE

	Staff costs	Other direct costs	Support costs	Total 2017	Total 2016
	£	£	£	£	£
Raising funds	25,773	30,175	15,227	71,175	56,801
Charitable activities					
Awards	41,732	110,070	30,243	182,045	181,736
Performers	18,308	39,123	11,824	69,255	97,041
Composers	29,610	87,702	21,610	138,922	99,870
Audiences and Education	16,139	40,885	3,767	60,791	40,237
	<u>131,562</u>	<u>307,955</u>	<u>82,671</u>	<u>522,188</u>	<u>475,685</u>

All costs are allocated between the expenditure categories noted above on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, being, time spent.

7. SUPPORT COSTS

	2017	2016
	£	£
Bookkeeping, accountancy and payroll admin	17,001	12,939
Occupancy costs	41,045	37,441
IT maintenance and consumables	8,150	2,259
Depreciation	970	1,058
Other support costs	9,514	17,568
Governance	5,991	5,011
	<u>82,671</u>	<u>76,276</u>

8. NET INCOME / (EXPENDITURE) FOR THE YEAR

	2017	2016
	£	£
Net income / (expenditure) is stated after charging:		
Independent Examiner's Fee	3,612	3,200
Depreciation	970	1,058
	<u>4,582</u>	<u>4,258</u>

9. TRUSTEE REMUNERATION

No Trustees received or waived remuneration for their services in in the year. No expenses were reimbursed to Trustees during the year (2016: 1 : travel : £51).

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10. STAFF COSTS	2017	2016
	£	£
Salaries and wages	121,733	108,024
Social security	9,312	8,549
Employers Pension	517	-
	<u>131,562</u>	<u>116,573</u>

The average monthly number of employees, during the year was: 5 5

The number of staff whose employment benefits (excluding employer pension costs) exceed £60,000 was:

	2017	2016
	Number	Number
£60,000 - £70,000	<u>1</u>	<u>-</u>

The key management personnel comprise of those listed on page 1. Total remuneration paid to key management personnel during the year was £107k. (2016: £108k).

11. TANGIBLE FIXED ASSETS	Fixtures and Fittings
	£
COST	
At 1 September 2016 and 31 August 2017	<u>21,852</u>
DEPRECIATION	
At 1 September 2016	19,875
Charge for the year	970
At 31 August 2017	<u>20,846</u>
NET BOOK VALUE	
At 31 March 2017	<u>1,007</u>
At 31 March 2016	<u>1,976</u>

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12. FIXED ASSET INVESTMENTS

	2017	2016
	£	£
Market value at 1 September 2016	1,969,208	1,730,573
Additions	269,669	192,067
Disposal proceeds	(411,237)	(110,614)
Gains / (losses)	129,784	157,182
	<u>1,956,424</u>	<u>1,969,208</u>
Market Value at 31 August 2017	1,956,424	1,969,208
Capital cash awaiting investment	120,420	102,366
	<u>2,076,844</u>	<u>2,071,574</u>
	<u>1,869,465</u>	<u>2,006,581</u>
Historical cost at 31 August 2017		
Investments at market value are represented by:		
Equities	1,222,157	1,218,948
Bonds	447,156	456,568
Multi –Asset Funds	145,107	108,497
Alternative assets	142,004	185,195
	<u>1,956,424</u>	<u>1,969,208</u>

13. DEBTORS

	2017	2016
	£	£
Accrued income and prepayments	44,452	63,379
VAT recoverable	4,376	3,796
	<u>48,828</u>	<u>67,175</u>

14. CREDITORS

	2017	2016
	£	£
Accruals and deferred income	15,734	22,140
Other taxes and social security	2,674	3,278
VAT payable	-	9,600
Other creditors	697	-
	<u>19,105</u>	<u>35,018</u>

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15. RESTRICTED FUNDS

	Balance at 1.9.2016	Income	Expenditure	Investment gains / (losses) & Transfers	Balance at 31.8.2017
	£	£	£	£	£
Restricted funds					
Drummond fund	138,081	3,886	(6,952)	8,605	143,620
Educational and Audiences fund	25,080	5,000	(489)	-	29,591
The Music fund	28,145	5,769	(60,302)	26,388	-
Elgar Bursary	8,092	413	(6,361)	-	2,144
New Generation commissions	15,461	-	(3,157)	-	12,304
New Music Programme	11,339	26,505	(28,080)	-	9,764
Philip Langridge Mentoring Scheme	88,344	2,486	(14,954)	5,505	81,381
Susan Bradshaw Composers fund	146,161	4,113	(12,117)	9,108	147,265
Young Musicians	65,401	31,335	(52,834)	-	43,902
	<u>526,104</u>	<u>117,118</u>	<u>(214,372)</u>	<u>49,606</u>	<u>478,456</u>

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.

Education and Audiences Fund - This fund represents income raised for research and projects which address musical learning and understanding.

The Music Fund - This fund represents donations received to fund a pilot Project (LoveMusicPass) which encourages greater audience engagement for live concerts

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.

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 Programme Fund - This fund represents income raised for the support of commissions and work by living composers.

Philip Langridge Mentoring Scheme Fund -Donations received in memory of Philip Langridge to the mentoring of young musicians.

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.

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16. RESTRICTED LINKED CHARITIES

	Balance at 1.9.2016	Income	Expenditure	Investment gains / (losses)	Balance at 31.8.2017
	£	£	£	£	£
Emily Anderson Prize	86,292	2,428	(5,501)	5,377	88,596
Julius Isserlis Scholarship	650,336	18,850	(28,272)	40,526	681,440
RPS Composition Prize	24,115	6,146	(15,573)	1,503	16,191
Sir John Barbirolli Memorial Foundation	229,931	6,470	(18,447)	14,328	232,282
	<u>990,674</u>	<u>33,894</u>	<u>(67,793)</u>	<u>61,734</u>	<u>1,018,509</u>

The Emily Anderson Prize is given to a young violinist and is awarded by competition.

The Julius Isserlis Scholarships makes awards to young instrumentalist who want to continue their training outside the UK.

The RPS Composition Prize makes awards to talented emerging composers.

The Sir John Barbirolli Memorial Foundation makes grants to students at conservatoires of music in order that they may purchase an instrument adequate for their professional training.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Restricted linked Charities	Total Funds
	£	£	£	£
Fixed assets	1,007	-	-	1,007
Fixed assets investments	614,579	443,756	1,018,509	2,076,844
Net current assets	20,266	34,700	-	54,966
	<u>635,852</u>	<u>478,456</u>	<u>1,018,509</u>	<u>2,132,817</u>

18. FINANCIAL COMMITMENTS

At 31 August 2017, the Charity had annual commitments under non-cancellable operating leases, total future minimum finance lease payments are as follows:

	Land and Buildings	
	2017	2016
	£	£
Within 1 year	24,833	23,833
Between 2 – 5 years	89,667	109,500
More than 5 years	-	5,000
	<u>114,500</u>	<u>138,333</u>

19. COMPANY LIMITED BY GUARANTEE

The Charity is limited by guarantee and accordingly has no share capital.

The liability guaranteed by each member is £1. At 31 August 2017 the membership was 600 (2016: 600).