



The Royal Philharmonic Society

Summarised Accounts

Year Ended 31 August 2012

The Royal Philharmonic Society Report of the Council For the Year Ended 31 August 2012

The Council of The Royal Philharmonic Society is pleased to present the Summarised Accounts of the Society for the year ended 31 August 2012.

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 a subscription and there are currently 550 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.

During the year a new set of Articles of Association dated 30 January 2012 were adopted, replacing those most recently revised on 29 January 2009. The new articles reflect accepted good governance practice and also simplify the process of decision making. The most significant change made was to reduce the number of Trustees of the Society from 18 to 9. Those Trustees who resigned in August 2011 continue as members of the Council and participate in the gold medal voting. They also act individually in an advisory capacity in all areas of our work, including artistic, investment, awards, development, archive and governance. There is no longer an executive committee appointed by the Council.

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 its 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 arts 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 now 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 appointed as Administrative Assistant in September 2011. Tom Hutchinson is our free-lance 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 30 January 2012 at 28 Portland Place, London W1. The new articles of Association were adopted and John Gilhooly, Francis Bergin and Colin Lawson were appointed to serve a further term as Trustees.

The nomination of Council Members: Lincoln Abbots (Chief Executive Music for Youth), 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) was approved.

The Chairman expressed warm appreciation to all those who had served on the Council over the year. Afterwards the conductor Sir Andrew Davis was interviewed by television director John Bridcut about his passion for the music of Delius.

The Royal Philharmonic Society Report of the Council For the Year Ended 31 August 2012

Related Parties

The Society continues a close relationship with the Susan Chilcott Scholarship, a charity which exists to assist the further study of singers over the age of 21. The Society administers the charity and is paid an annual fee for doing so. Three 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 of the Society's investments caused by a sustained decline in the value of equities. This continues to be our principal risk. Such a loss would severely constrain the Society's ability to continue its normal activities and might possibly cause it to cease operation completely. A sub-committee of the Council, the Investment Advisory Committee, meets the Society's investment advisers Ruffer LLP twice a year and a review of its activities appears later in this report. In May 2012 Ruffer made a report 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 and the creation of new music
- an active commissioning policy and additional opportunities for composers
- the recognition of excellence of musicianship and services to music
- the provision of financial assistance to help young performers e.g. with the purchase of instruments
- continuing support for the development of musical education and audience development
- the provision of opportunities for distinguished speakers from the arts and the promotion of debate about key issues facing music today
- the promotion of free and low price events, open to all, that further the appreciation of music
- developing our membership

We are particularly grateful to the donated assistance of Solon Management Consulting in helping to devise a strategy to develop membership during the Bicentenary.

Achievements and Performance

The Trustees continued to be guided by the business plan drawn up in 2009 and to work towards the Society's Bicentenary in 2013. A new website was launched at the beginning of 2012 which has significantly raised the profile of the Society and allows users to engage with audio and video recordings. Social networking has also become an important aspect of widening our reach and supporters. The year-long celebration of the Bicentenary will include a wide ranging programme of concerts, commissions, exhibitions, debate and online activity. Concerts will take place around the country and a significant feature of the Society's work will be presented in New York. A Bicentenary Appeal to raise £270,000 has been launched.

The Society's support for young musicians was developed with awards made to 15 young players to purchase instruments appropriate for professional training. During the year the Philip Langridge Mentoring scheme developed throughout the year and a dedicated website for PLMS was launched. A performance showcase was given at the Cheltenham Festival in July which was also broadcast and featured on BBC Radio 3. Ashley Riches, a previous Susan Chilcott Scholar gave a free recital at the City of London Music Society which was financed by the Society.

Composers and commissioning played a vital part in the year. Huw Watkins was appointed as the new RPS/PRSF Composer in the House, and will work with the Orchestra of the Swan in Stratford and the West Midlands. Huw will work with the orchestra both as a composer and a pianist and has already We are currently hoping to develop the touring potential of this project to give it a wider public access.

Julian Phillips's commission from The RPS Drummond Fund, Maxamorphosis brought together The Aurora Orchestra, choreographer Mickael Marso Riviere, and Company Decalage in a new work that juxtaposed 'breaking' and orchestral music in performances in Kent and London. Four young composers wrote works for the Philharmonia and the BBC Singers thanks to the RPS Composition Prize and the Susan Bradshaw Composers Fund.

The Royal Philharmonic Society Report of the Council For the Year Ended 31 August 2012

Encore, our scheme to provide repeat performances of works by living composers, continued throughout the year with performances of works by Cheryl Frances Hoad, Anthony Gilbert, Phillip Neil Martin, David Matthews, Robert Saxton and Giles Swayne. Each work has an associated audience development project which generates further engagement with the music.

The Society provided funding to the Huddersfield Contemporary Music Festival in November to enable the cost of tickets for 17-25 year olds to be reduced for 1,400 young people.

Engagement and discussion events included public sessions at the Institute of Ideas when the RPS led a session debate on how it is possible to measure the true value of the Arts and a round table discussion at the Annual Orchestras conference focussing on ways of creating new and imaginative programmes.

The Susan Chilcott Scholarship, which is administered by the Society, this year changed its policy of giving numerous small scholarships and made one major award to the Baritone Duncan Rock towards his career development.

During the year the Society's Gold Medal was awarded to Nikolaus Harnoncourt and Mitsuko Uchida. Honorary Membership was presented: the conductor Mark Elder and educationalist John Stephens.

The 23rd annual RPS Music Awards dinner took place at the Dorchester in May in association with BBC Radio 3. The ceremony was hosted by Petroc Trelawny and Katie Dereham and the awards were presented by pianist John Mark Ainsley. The keynote speech was given by choral trainer/broadcaster Gareth Malone.

The Award winners were:

Audience Development	Spitalfields Music: Buy One – Donate One
Chamber Music and Song donated by David W Bowerman	Apartment House
Chamber-Scale Composition	Sally Beamish
Concert Series and Festivals	Aldeburgh Festival
Conductor supported by BBC Music Magazine	Claudio Abbado
Creative Communication	BBC Radio 3 Hear and Now
Learning and Participation	Spitalfields Music: We are Shadows
Ensemble donated by the Yellow Car Charitable Trust	National Youth Choir of Scotland
Instrumentalist supported by Musicians Benevolent Fund	Maurizio Pollini
Large-Scale Composition donated anonymously	Jonathan Harvey
Opera and Music Theatre donated by the ISM	ENO: Eugene Onegin
Singer donated by Rosenblatt Recitals	Toby Spence
Young Artists donated by Peter Bull	Oliver Coates

The Chamber-scale Composition Award was given in memory of former RPS Chairman and Honorary Member, Tony Fell, who died in December 2011. A memorial event for Tony was organised by the Society at the Wigmore Hall in January 2012.

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 contribute to the aims and objectives they have set and place particular emphasis on events where artists take time to talk about their work to audiences during the course of the programme. 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 Council
For the Year Ended 31 August 2012**

Objective

The Society's written investment policy is: "To provide a total return approach comprising income and capital from a balance of pooled funds invested in fixed interest, UK and overseas equities, alternative assets and cash. The portfolio should maintain an overall relative low risk and diversified profile. The Trustees are averse to capital losses, particularly from fixed interest holdings but accept that, when seeking potential capital appreciation or high relative income, this may involve risk to capital".

Time Horizon:	A period of at least five years
Risk Profile:	Classified as low to medium

Reserves Policy

The Society currently has reserves (including its Restricted Funds) of £2.58m. Our target Reserves Policy is to produce an income of approximately £80,000 per year. Our aim is to build up free reserves to the level where the resulting income will cover all our day to day operating costs on an annual basis. Without the income from our Reserves the Society could not continue to exist. Any diminution in the level of our existing reserves would seriously hamper the day to day functioning of the Society.

Review of Finances

Following a decision of the Trustees during the previous financial year all our investments are now managed by Ruffer LLP and are held in their Absolute Return Fund Income Units.

During the year to 31st August, 2012, the Society received two legacies, the first in the amount of £50,000 and the second of £10,000. The first was invested with Ruffer LLP and discounting that addition, our investments increased in value by around £20,000 after deduction of management fees. While financial conditions generally have been unfavourable the Trustees are pleased that an increase, albeit a modest one, has been achieved.

Our Foundation Fund (unrestricted funds) showed a deficit for the year of £48,855 a figure much reduced from the previous year. Our fundraising efforts have been successful both for the Foundation Fund and for our Bi-Centenary year. Nearly £109,000 was raised for the Bi-Centenary Fund in addition to the £42,000 raised in the previous financial year.

Because of the careful management of our expenditure, and as was mentioned in the previous year's report, no investments needed to be sold during the year to cover any of the Society's running costs.

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 charge to those trusts which are administered by the Society.

The calls on these funds continue to increase and the Accounts show a slight fall in value as a result of the Society's efforts to distribute as much as possible within acceptable limits.

The Royal Philharmonic Society
Statement of Financial Activities (Incorporating an Income and Expenditure Account)
For the Year Ended 31 August 2012

	Foundation Fund			Other Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
	Unrestricted Funds £	Restricted Funds £	Total Funds £			
Incoming resources						
Incoming resources from generated funds						
Voluntary income:						
Donations and legacies	88,170	810	88,980	-	88,980	7,657
Membership subscriptions	12,705	-	12,705	-	12,705	9,996
Investment income and interest	30,175	10,675	40,850	24,152	65,002	72,112
Incoming resources from charitable activities						
Event sponsorship and ticket sales:						
RPS Music Awards	-	81,838	81,838	-	81,838	75,559
Other RPS events	1,408	-	1,408	-	1,408	1,194
Grants and donations:						
Award making	-	6,250	6,250	14,500	20,750	56,615
Education, commissions and concert sponsorship	-	63	63	-	63	132,977
The Bicentenary Campaign	-	108,777	108,777	-	108,777	42,000
Administration fees and royalties	5,755	-	5,755	2,754	8,509	9,182
Total incoming resources	138,213	208,413	346,626	41,406	388,032	407,292
Resources expended						
Costs of generating funds:						
Investment management costs	28,945	-	28,945	-	28,945	27,500
Project planning and fundraising	34,664	30,013	64,677	-	64,677	63,244
Charitable activities:						
RPS Music Awards	17,700	81,838	99,538	-	99,538	96,571
Other RPS events	25,381	-	25,381	-	25,381	27,501
Award making	1,418	18,588	20,006	69,292	89,298	107,257
Education, commissions and concert sponsorship	43,249	115,801	159,050	-	159,050	81,615
Governance costs	35,711	-	35,711	-	35,711	30,001
Total resources expended	187,068	246,240	433,308	69,292	502,600	433,689
Net incoming / (outgoing) resources before transfers	(48,855)	(37,827)	(86,682)	(27,886)	(114,568)	(26,397)
Gross transfers between funds	-	-	-	-	-	-
Net incoming / (outgoing) resources before other recognised gains and losses	(48,855)	(37,827)	(86,682)	(27,886)	(114,568)	(26,397)
Other recognised gains and losses						
Unrealised gains / (losses) on investment assets	21,397	7,716	29,113	17,436	46,549	103,666
Realised gains / (losses) on investment assets	-	-	-	-	-	(993)
Net movement in funds for the year	(27,458)	(30,111)	(57,569)	(10,450)	(68,019)	76,276
Reconciliation of funds						
Total funds brought forward	1,194,287	454,737	1,649,024	997,554	2,646,578	2,570,302
Total funds carried forward	1,166,829	424,626	1,591,455	987,104	2,578,559	2,646,578

**The Royal Philharmonic Society
Balance Sheet
As at 31 August 2012**

	2012		2011	
	£	£	£	£
Fixed assets				
Tangible assets		426		108
Investments		2,446,264		2,378,660
		2,446,690		2,378,768
Current assets				
Stocks	16,092		564	
Debtors	60,493		49,140	
Cash at bank and in hand	121,637		277,288	
	198,222		326,992	
Creditors: amounts falling due within one year	(66,353)		(59,182)	
Net current assets		131,869		267,810
Net assets		2,578,559		2,646,578
 Unrestricted funds				
<i>Foundation Fund:</i>				
General Funds:				
Free reserves of the Society, represented by net current assets / (liabilities)	109,129		83,783	
Tangible fixed assets and investments, held for income generation to fund the day to day activities of the Society	757,221		814,729	
		866,350		898,512
Designated Funds:				
Funds set aside for specific future purposes and projects:				
Commissioning Fund	264,283		261,061	
The RPS Composition Prize Fund	36,196		34,714	
		300,479		295,775
Restricted funds				
Funds restricted to specific purposes:				
<i>Foundation Fund:</i>				
Bicentenary Campaign	40,210		42,000	
Drummond Fund	162,470		167,293	
Encore 2 Project	1,169		14,142	
New Generation Commissions Fund	2,073		2,073	
Philip Langridge Mentoring Scheme	120,066		127,748	
RVW Memorial Fund	-		6,982	
Salomon Prize Fund	-		860	
Susan Bradshaw Fund	98,638		93,639	
		424,626		454,737
<i>Linked Charities:</i>				
Emily Anderson Prize Fund	79,099		76,339	
Julius Isserlis Scholarship Fund	575,414		572,540	
The RPS Composition Prize Fund	56,619		55,883	
Sir John Barbirolli Memorial Foundation	256,474		268,461	
<i>Other Restricted Funds:</i>				
Elgar Bursary Fund	19,498		24,331	
		987,104		997,554
Total funds		2,578,559		2,646,578

**The Royal Philharmonic Society
Report of the Council and Summarised Accounts
For the Year Ended 31 August 2012**

Council's Statement

The summarised accounts on pages numbered 5 and 6 have been extracted from the Society's Annual Report and Financial Statements which were approved by the Council on 12 December 2012 and on which the Society's auditors gave an unqualified opinion. Copies of the full Annual Report and Financial Statements have been filed with the Registrar of Companies and the Charity Commission.

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

John Gilhooly
Chairman

Signed on behalf of the Council

12 December 2012

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

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

Respective responsibilities of the members of the Council and auditors

You are responsible as members of the Council for the purposes of Company Law for the preparation of summarised accounts. We have agreed to report our opinion on the summarised accounts' consistency with the full financial statements, on which we reported on 12 December 2012.

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 2012.

Christopher Bush ACA
Senior Statutory Auditor

For and on behalf of

Clarity
Chartered Accountants and Statutory Auditors

12 December 2012