



ROYAL PHILHARMONIC ORCHESTRA LIMITED

Company Number 00763836

Registered Charity Number 244533

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2020

Royal Philharmonic Orchestra Limited
Consolidated Report and Financial Statements

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Company Information

President

Aline Foriel-Destezet

Directors

Benjamin Cunningham (Chair)
Matthew Knight (Vice Chair)
James Williams (Managing Director)
Charlotte Ansbergs
Elizabeth Case (nee Kistruck)
Shana Douglas
Charles Fairweather
Patrick Flanagan
Jonathan Hallett
Phillip Keller
Peter Lumley
Sali-Wyn Ryan

Company Secretary

Ann Firth

Independent Auditor

Moore Kingston Smith LLP
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London EC1M 7AD

Bankers

Bank of Scotland
Pentland House
8 Lochside Avenue
Edinburgh EH12 9DJ

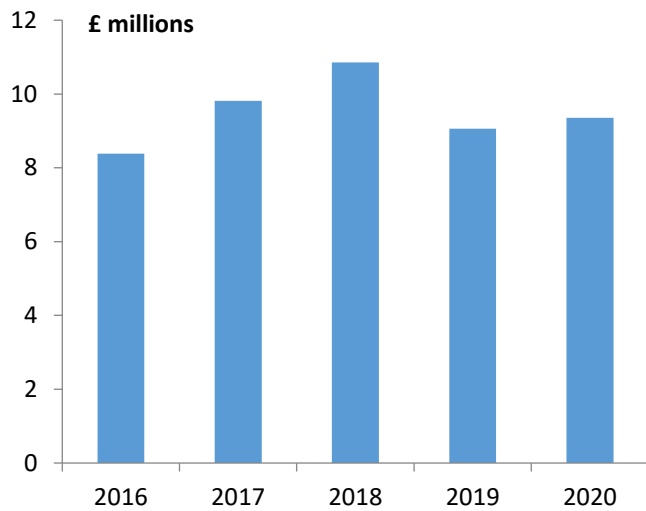
National Westminster Bank
Regent Street Branch
250 Regent Street
London W1B 3BN

Registered Office

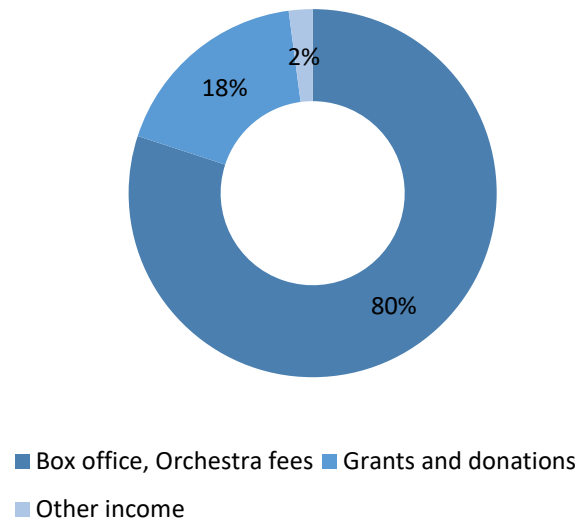
16 Clerkenwell Green
London EC1R 0QT

Financial Headlines Charts

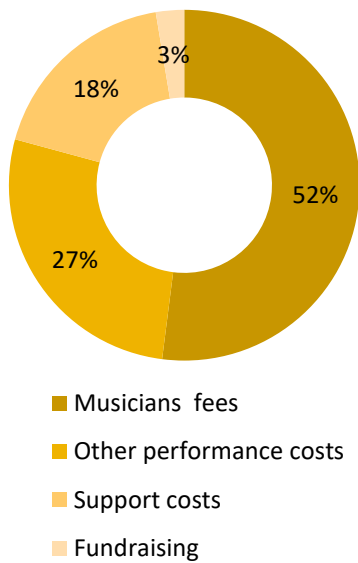
Five year income trend



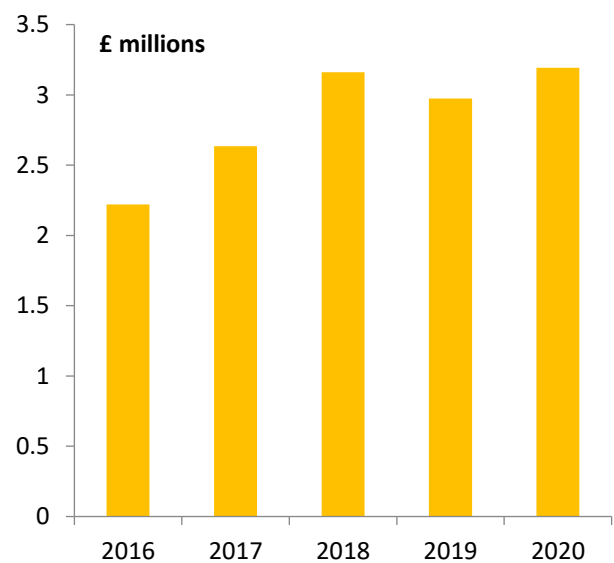
2020 Income



2020 Costs



Five year Free Reserves



Report of the Trustees for the year ended 31 March 2020

The Trustees, who are also Directors of the Royal Philharmonic Orchestra Limited for the purposes of the Companies Act 2006, present their annual report and the consolidated financial statements of the group for the year ended 31 March 2020. These comply with the Companies Act 2006 and the Charities Act 2011. The Trustees have also adopted the provisions of the 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, issued in July 2014 and updated in February 2016 and October 2018. The Trustees, in preparing the strategic report, have complied with s414C of the Companies Act 2006.

References to '2020', '2019', '2018' and '2017' in this report mean the years ended 31 March 2020, 31 March 2019, 31 March 2018 and 31 March 2017 respectively.

The COVID-19 pandemic has impacted the company's operations from mid-March 2020. These impacts are explained in the Strategic report under the Activities and Performance section on page 4 and the Principal Risks and Uncertainties section on page 9.

STRATEGIC REPORT

Objects

The Royal Philharmonic Orchestra Limited is established to promote, maintain and advance education, particularly musical education and to encourage the arts. The Orchestra continues to be totally committed to its twin objectives of making music of the highest quality and reaching the widest possible audience. The Orchestra plays an important role in enriching people's lives whilst striving to further its charitable purposes for the public benefit, both in the concert hall and in the community.

Public Benefit

The Royal Philharmonic Orchestra and Royal Philharmonic Concert Orchestra demonstrate their reach across the public at large through the diversity of orchestral music performed and the numerous locations in which they appear. In addition, a majority of Royal Philharmonic Orchestra concerts in the United Kingdom (including London), involve direct engagement with the public or have a learning or enrichment activity attached to them, such as an open rehearsal or a music making workshop. The Orchestra's programme also features work with groups that may not easily be able to access musical experiences such as the visually impaired, children with special educational needs, prisoners and refugees.

The Orchestra works with schools and universities in the United Kingdom to deliver part of their musical education curriculum. It has also formed partnerships with orchestras and institutions outside the United Kingdom to share community and education outreach expertise, enabling those orchestras in the future to be promoters of musical education and the arts, for the benefit of the public in their localities. Musical teaching professional development is provided each year, for members of the Orchestra, teachers in the education sector and workshop leaders.

The Orchestra also works in the health sector, in stroke rehabilitation and mental health services, harnessing the power of music to support improvements in health and wellbeing. Positive impact in this area is reported by participants. The stroke rehabilitation programme, STROKESTRA®, is being clinically evaluated which will provide objective measurement of the effects.

Report of the Trustees for the year ended 31 March 2020 (continued)

Operating at the highest professional artistic levels, the Orchestra is able to develop the musical talents of orchestral musicians, soloists and conductors and regularly features a diverse range of young and emerging artists in its programmes.

Highlights of the year reported on elsewhere in this report also set out the public benefit of activities. The Trustees can therefore confirm that the Royal Philharmonic Orchestra Limited has complied with the duty in section 17 of the Charities Act 2011 to have due regard to the guidance on public benefit published by the Charity Commission of England and Wales.

Vision, Mission and Values

The vision, mission and values of the RPO have been drawn from strategic planning and dialogue involving the perspectives of the Orchestra membership, staff, audiences and partners and are at the heart of the 2019 to 2022 Business Plan:

Vision

The Royal Philharmonic Orchestra aspires to:

- be an orchestra for the modern world, unafraid to push boundaries
- place orchestral music at the heart of contemporary society, deepening engagement with communities and creative partners
- be a respected cultural ambassador locally, nationally and internationally

Mission

The Royal Philharmonic Orchestra's mission is to enrich lives through orchestral experiences that are uncompromising in their excellence and inclusive in their appeal.

Values

- Excellence – we strive to achieve ambitious goals across our organisation
- Collaboration – in partnership, we achieve more together
- Inclusivity – great orchestral experiences must be accessible to all
- Resilience – our versatility is key to our success
- Responsibility – the talents of our musicians must be used for the benefit of everyone
- Passion – the driving force within the RPO

Activities and performance

Royal Philharmonic Orchestra (RPO)

The RPO has performed 157 full orchestral concerts in 2020 (2019 – 174), including 133 concerts in 31 cities and towns in the United Kingdom and 25 concerts overseas, reaching an audience of over 380,000. During the year the Orchestra undertook six tours, visiting Austria, Belarus, Germany, Italy, Kuwait, Poland and Slovakia and the USA. Overseas performances included the Orchestra's biennial US tour in January 2020 with Pinchas Zukerman and Mark Wigglesworth and tours with both Pinchas Zukerman to Italy and Grzegorz Nowak to Poland.

Report of the Trustees for the year ended 31 March 2020 (continued)

Vasily Petrenko's appointment as Music Director from 2021 was marked with a concert at London's Southbank Centre June 2019. A Central European tour planned for March 2020 with Vasily Petrenko was unfortunately cancelled due to the COVID-19 pandemic but two dates have been rescheduled for April 2021.

Performances in London have continued at the Orchestra's three main London venues, Cadogan Hall, the Royal Albert Hall and the Royal Festival Hall, achieving on average 78% capacity across the year (2019 – 74% capacity). In November 2019, the RPO was appointed the first Associate Orchestra of the Royal Albert Hall strengthening the artistic partnership between these two institutions.

The Orchestra's concerts at Cadogan Hall, with Alexander Shelley, Principal Associate Conductor, included the final concert in his series titled "Seeking New Horizons" featuring composers who left their homeland and the effect this had on their music. The new series of 360° concerts with Alexander Shelley featured the work of Shostakovich and Wagner and musical influences and relationships that inspired them. The RPO's Artist in Residence programme at Cadogan Hall, which began with the violinist Esther Yoo in 2019, continued in 2020 with the cellist Kian Soltani performing three concerts between June and November 2019.

In addition to the Orchestra's titled conductors and Music Director designate, the roster of guest conductors included Mark Wigglesworth, Alpesh Chauhan, Thierry Fischer, Kerem Hasan, Domingo Hindoyan, Valentina Peleggi, Cristian Măcelaru, Andris Poga and Robert Trevino..

The RPO performed at 16 regional residencies in 2020 as well as a further 14 cities and towns around the United Kingdom, delivering performances and repertoire consistent with the musical experience offered in London. "Meet the Musicians" sessions prior to concerts, were offered at regional venues, where possible, providing opportunities for audiences and musicians to engage directly. In 2020, it has been challenging and in some cases, not possible, to sustain the level of visits outside London. In part this is because local authorities and the venues they support have faced financial pressures, requiring more commercial income to sustain the venues.

The RPO undertook 40 recording projects in 2020 over 140 recording sessions, covering symphonic works, James Bond film music and orchestral versions of albums by Johnny Cash, Vera Lynn, Diana Ross and Rod Stewart. Projects in the year included music composed by Christopher Tin. The Orchestra's recordings released in the year included the American cellist Sara Sant'Ambrogio's recording of cello concertos by Heinrich Sutermeister (released May 2019)

The RPO works closely with the British Council, the United Kingdom Department for International Trade and the Foreign and Commonwealth Office as well as overseas cultural bodies, to enhance international cultural relationships and the RPO Managing Director was invited in November 2019 to give a keynote speech as part of the Beijing Forum for Symphonic Music held at NCPA, Beijing.

Royal Philharmonic Concert Orchestra (RPCO)

The 2020 financial year saw the RPCO perform with its usual diverse range of performances, 39 in total, reaching an estimated 150,000 audience members. As well as collaborations with very high profile artists such as Andrea Bocelli, Jose Carreras and Sheku Kanneh-Mason, performances included orchestral arrangements of Elvis Presley songs, a tribute to Queen and premieres of film scores from Pinewood Studios, Hollywood and Bollywood. Other activity included video computer games scores, private parties and a fun comedy night at the Royal Albert Hall with film score writers, Michael Giacchino and David Arnold.

Report of the Trustees for the year ended 31 March 2020 (continued)

There were fewer summer outdoors engagements in the year to 31 March 2020, affected by sparser promoter and local authority budgets as well as the weather and a reduction in the number of live film score performances at the Royal Albert Hall.

Touring included a return to Gibraltar, where the Concert Orchestra was welcomed back by the Chief Minister of Gibraltar and a visit to Athens' Megaron Hall for a performance of Mozart and Beethoven piano concertos directed from the piano by the soloist. There was also a venture into a new territory for the Royal Philharmonic brand, with a visit to the Tantora Festival in north-west Saudi Arabia.

RPO Resound

RPO Resound, the RPO's Community and Education arm, delivered 413 learning and participatory sessions in 2020 (383 in 2019), involving 12,449 individual participants. The Orchestra has worked with 100 educational establishments including seven Higher Education Institutes to deliver part of their musical education curriculum.

In April 2019, the Orchestra delivered coaching, training and creative composition sessions in Kuwait to around 181 school aged children and teachers, culminating in a pre-concert foyer performance, in a project delivered in partnership with the British Council. The Orchestra's international community outreach work has also included projects with schools in New York and the Children's Museum of Manhattan, as well as staff delivering presentations on best practice in arts & health delivery in Canada and Denmark.

Music & Health remains a strong strand for RPO Resound. After completing a pilot stroke rehabilitation project in 2017, with patients reporting positive outcomes, fundraising and preparatory work was undertaken in 2018 and 2019 for a three-year STROKESTRA® stroke rehabilitation project in Hull, which commenced in 2020. The rehabilitation programme will be clinically evaluated to measure the health benefits. A pilot project was also rolled out in Stoke-on-Trent and STROKESTRA® has been selected for presentation at NHS and international health conferences.

RPO Resound continued its partnership with the Royal Society for Blind Children and M&G Investments, working with visually impaired young Londoners on a special collaboration with the Science Museum, drawing compositional inspiration from its collection and performing in the museum itself. RPO Resound organised activities in six regional residencies (Hull, Northampton, Reading, Lowestoft, Croydon and Crawley), 14 counties, 9 London Boroughs and 4 international locations during the twelve months to March 2020.

Beyond performance and creative activities, RPO Resound's programmes have incorporated practical activities to create career pathways in the orchestral sector and develop wider creative industry skills amongst a more diverse range of people. These include various Higher Education Institute collaborations building journalism and digital marketing skills, music production and video game composition work, and a disabled music leader project. In total there were 1,186 attendances by teachers and professionals gaining training, learning and new music education experiences across all of RPO Resound's programmes.

Royal Philharmonic Orchestra Limited
Report of the Trustees for the year ended 31 March 2020 (continued)

Marketing, Press & PR

The locally tailored ticketing and programming strategies developed with three key regional residencies in 2019 continued. A new 'welcome postcard' was introduced to place on the seats of first time attenders of an RPO concert and trialled successfully at Cadogan Hall and one regional residency. Pre-concert talks, "Meet the Musicians" sessions and open rehearsals are examples of opportunities taken for musicians and audiences to engage with each other directly to share an enthusiasm for orchestral music.

New artistic formats, such as 'The Beauty of Ballet' programme at the Royal Albert Hall attracted a new and capacity audience and as part of its commitment to diversify its audience and reach under-represented groups, the RPO's

digital marketing manager attended the Audience Diversity Academy and ran a successful pilot project with BAME audiences in Croydon, in partnership with Croydon BAME Forum influencer, Lee Townsend.

The Royal Philharmonic Orchestra's total live audience (excluding Concert Orchestra audiences), increased by 30% compared to the previous year, primarily due to Rod Stewart concerts at the O2 in London and an outdoor concert with Anne-Sophie Mutter in Munich. The last six weeks of the financial year were affected by COVID-19, which deterred audiences and led to postponements or cancellations of 11 RPO concerts. Even in normal circumstances, the RPO is exposed to box office achievement in the regions and at its Own promotions concerts in London. Throughout the planning cycles it continues to vary its programmes, learn from audience data and work with venues on ticket pricing and marketing to improve results.

Public engagement with the RPO on social media has continued to grow. Instagram followers more than doubled over the previous year to 10,800. Facebook reach increased by a further 5% over the year to over 117,000 users and 16.8 million users listened to over 6.6 million of music by the RPO on Spotify.

The Orchestra's ongoing programme of consumer research with national pollsters understanding the UK public's relationship with orchestral music continued, achieving significant coverage in national and international media. An annual summary report of this new research entitled 'A new era for orchestra musical music' was shared with networks and partners across the world.

Financial Review

The results for the year to 31 March 2020 and the preceding financial year are set out in the Consolidated Statement of Financial Activities on page 20.

Total group income in the year was £9,356,729 (2019 - £9,062,037), a rise of £294,692 or 3%. 80% (2019 – 80%) of the income for the year is performance income (comprising box office receipts, orchestra fees and hire), 10% (2019 – 10%) Arts Council England funding, 8% (2019 -7%) other grants, donations and sponsorship and 2% (2019 - 3%) other income. The £294,692 increase in income is attributable to the biennial cycle of major US tours partly offset by cancellations of a Central European tour and concerts in the second half of March 2020, due to COVID-19. Income in 2019 also included £42,573 arising from the revaluation of currency bank accounts which is not repeated in 2020.

The Arts Council core funding grant of £946,394 in 2020, remains the same as the previous year. Other grants and sponsorship have increased by 23% to £727,526 following a 20% increase last year. As in 2019, contributed income

Report of the Trustees for the year ended 31 March 2020 (continued)

includes the support of the American Friends of the RPO, funds raised from supporter events, RPO Resound project grants and donations, sponsorships of concerts across England and the support of Corporate and Chair partners.

Expenditure, including use of restricted reserves brought forward from 2019, was £9,777,223, a £288,573 or 3% increase over 2019, largely resulting from the same factors as the year on year increase in income. Expenditure included £288,075 utilisation of restricted reserves, compared to £199,787 in 2019. The cost of raising funds decreased by 6%, because a supporter event planned for March 2020 was cancelled due to the emergence of COVID-19.

Net expenditure before taxation for the year was a £420,494 deficit, similar to the level in 2019 (£426,613). The £618,016 (2019 - £595,268) support provided for orchestral performances through Orchestra tax relief is now a necessary component of the RPO's funding model given the context of reduced local authority funding for cultural activities and performance venues and hardening of fees in the commercial market. After Orchestra tax relief, the net result for the year was a £197,522 surplus (2019 £168,655 surplus). £16,176 of the surplus is restricted funds compared to £51,477 in 2019.

Reserves

There have been net additions to Restricted Funds in 2020 of £16,176 (2019 - £51,477) primarily due to grants for a three-year STROKESTRA® (stroke rehabilitation) project in Hull and from the John Lyons Charity for the Ensemble Explosion project in Brent.

The £181,346 surplus of unrestricted funds includes Orchestra Tax relief of £618,046 which is not received until six to nine months after the year end. The surplus was expected to enable the Orchestra to invest in artistic programming and organisational systems and resources over the remaining years of the 2018 to 2022 Business Plan period, developing artistic programming under the leadership of Vasily Petrenko as Music Director designate from August 2020 and move the administrative office to Wembley Park. COVID-19 has significantly affected the Orchestra's operations and the surplus has enabled the Orchestra to weather the impacts of the closure of concert halls and recordings studios across 2020. The impact of COVID-19 on operations and the mitigations undertaken by the company are explained under Principal Risks and Uncertainties on page 9.

The RPO's reserves policy is to hold minimum free reserves (defined as unrestricted reserves excluding fixed assets and share capital) at a level equivalent to three months unrestricted expenditure and no less than £2 million. Free reserves are held to enable the RPO to meet commitments as they fall due, to protect against financial risks which may crystallise (largely factors arising from the exposure to variable income levels and cost commitments and income diverging) and to finance investments and improvements which go beyond normal annual spend. The free reserves held at 31 March 2020 will enable the RPO to withstand the immediate effects of the shut-down of performance venues and recording studios caused by the COVID-19 pandemic.

At 31 March 2020, free reserves, stood at £3,192,134 (2019 - £2,973,413), equating to three and a half months budgeted unrestricted expenditure.

Future Plans

Vasily Petrenko will take up his position as Music Director of the RPO from the 2021-2022 orchestral season. The Orchestra plans a growing number of performances and tours with its new Music Director, including a classical season at the Royal Albert Hall.

Report of the Trustees for the year ended 31 March 2020 (continued)

In December 2019, the RPO announced its partnership with Quintain and its intention to move the Orchestra's administrative office to Wembley Park, Brent. The Orchestra has a long-standing partnership with Brent Music Service spanning over two decades, which most recently included a three year schools' project "7 UP" funded by the John Lyons Charity in the borough. A successor project, Ensemble Explosion commenced in 2020. It had been expected that the move to Wembley Park would take place over the summer of 2020, but this has been postponed as a result of the effects of COVID-19 on the Orchestra's operations. The move is expected to take place when the outlook is more certain and the project is logistically and financially possible.

Despite the setback of COVID-19, the core elements of the RPO's plans for the future remain. The RPO will continue with its commitment to work with the finest artists in the world, thereby attracting and retaining the most talented orchestral musicians. International touring, a strong London concert season and a UK regional touring programme all sitting alongside Community and Education outreach, remains the framework of the Orchestra's activities.

However, the Orchestra will continue to innovate and respond to the new realities, making more use of digital platforms including "hybrid" concerts (both live to audiences and streamed) and focus its efforts on widening the talent pool of musicians and staff as part of its ongoing commitment to inclusion and diversity.

The RPO will continue to develop and diversify the audience for orchestral music and increase communication between audiences, beneficiaries, stakeholders and the Orchestra.

Principal Risks and Uncertainties

The Trustees have established procedures for considering the significant risks to which the company is exposed and the measures to mitigate the impact of those risks. These procedures include tasking the Audit Committee to review the overall risk profile of the Orchestra, the mitigating controls currently in place and additional actions proposed for the next twelve months; a review which is generally undertaken twice a year.

During the year, the risks of the departure of the UK from the European Union have been a particular focus. From February 2020, the COVID-19 pandemic has been the principal risk to the work of the Orchestra and the livelihoods of its musicians and staff.

The risk of a lean schedule of performances has been recognised for many years and the Orchestra's management has successfully mitigated this by diversifying the work of the Orchestra and its income sources. The COVID-19 pandemic and the consequent shut-down of performance venues and recording studios is unprecedented in its scale. The principal measures taken to survive the shut-down have been to reduce outgoings and claim the UK government furlough grant in respect of staff temporarily laid off. Self-employed musicians have claimed UK government income-support grants, where they are eligible to do so.

Local authority funding constraints were significantly affecting the Orchestra's ability to sustain and grow its regional residency programmes, prior to the COVID-19 pandemic. There is a risk that the prolonged closure of venues, because of COVID-19 social distancing requirements, puts reopening of venues beyond reach for the foreseeable future, because small audience sizes are not financially viable. The RPO is working to sustain a portfolio of residencies, by, for example, taking small-scale performances and new offerings out into the community and taking up opportunities within residencies that are ready to invite performers again.

The departure of the UK from the European Union risks increasing the costs of European touring to the point that it becomes unviable, because social security taxes may be levied on UK performers touring Europe and because the logistics of transporting instruments may involve additional time (and therefore cost) and new fees. EU artists may

Report of the Trustees for the year ended 31 March 2020 (continued)

face restrictions on working in the UK with the Orchestra, which will be to the detriment of cultural exchange and artistic excellence. The RPO is working with the Association of British Orchestras and government to ensure that commitments made as far ahead as 2023 with European partners and venues can be maintained.

Going Concern

The RPO receives 90% of its annual income from box office sales and engagement fees, which ceased entirely with the closure of performance venues and recording studios in mid March 2020, caused by the COVID-19 pandemic. The Orchestra has retained its annual Arts Council Grant and now expects this to continue for a further year to

March 2023. The RPO has a good pipeline of future work and in many cases scheduled events which have not been able to go ahead have been postponed or replaced by an equivalent date in a future year. The Orchestra is particularly grateful for support from a major benefactor for future concerts.

The major outgoings of the company are event-related, including fees paid to self-employed orchestral musicians, soloists and conductors. These are not incurred unless events take place and therefore the company is able to reduce a significant proportion of costs in line with income.

In the absence of events, the majority of employed staff were furloughed from April 2020 and senior management took a reduction in pay. The UK government furlough grant will cover a substantial share of the costs of retaining furloughed staff until the end of October 2020. Combined with reducing office costs and discretionary spend, administrative support and fundraising costs in the year to 31 March 2021 are forecast to be well below normal budget levels. In October 2020, the RPO was awarded a grant of £996,702 from Arts Council England's Culture Recovery Fund package, which will enable the Orchestra to rebuild over the period November 2020 to March 2021.

The Trustees have required management to undertake scenario planning, as a range of outcomes in the financial years to 31 March 2021 and 2022 are still possible, given the uncertainty surrounding the lifting of social distancing measures and audience confidence in returning to the concert hall. These scenarios indicate that reserves will cover unavoidable outgoings throughout both years, with further cost reductions being made if incomes do not begin to rebuild through 2021. Therefore the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Hence, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

DIRECTORS' REPORT

Reference information

Reference information, administrative details and key advisors are set out on page 1 of this report and changes of directors during the year are set out below.

Background and Constitution

The Royal Philharmonic Orchestra Limited (also known as the RPO) is a charity registered with the Charity Commissioners for England and Wales (registration no. 244533) and is a company incorporated in England and Wales under the Companies Acts, as a company limited by shares (company no. 763836). Incorporated in 1963, the company is governed by its Memorandum of Association and Articles of Association. All full playing members of the Orchestra are required to hold 100 ordinary shares of £10 each.

Report of the Trustees for the year ended 31 March 2020 (continued)

The Royal Philharmonic Orchestra Limited has a wholly owned trading subsidiary, RPO Promotions Limited (company no. 04028129), previously named RPO Licensing Limited, which acts as a creative producer of orchestral concerts for the RPO.

Governance

The Directors of RPO Limited, who also act as the Board of Trustees, are responsible for the overall governance of the company. The Directors during the year to 31 March 2020 and up to the date of this report are:

Benjamin Cunningham (Chair)
Matthew Knight (Vice Chair)
James Williams (Managing Director)
Charlotte Ansbergs – appointed 3 October 2019
Elizabeth Case (nee Kistruck)
Shana Douglas
Charles Fairweather
Patrick Flanagan – appointed 3 October 2019
Jonathan Hallett
Phillip Keller
Chian Lim – resigned 3 October 2019
Peter Lumley

The Company's Articles of Association were revised on 30 October 2018 to expand the maximum number of Directors, to introduce fixed terms for non-executive Directors and to provide that the Board will always include both male and female Directors. Under the Articles, the Board will comprise a minimum of seven Directors and a maximum of thirteen, including the Managing Director. Other than the Managing Director, the maximum number of Directors comprises seven members of the Orchestra and five non-executives. There have been seven player Directors and four non-executive Directors throughout the year.

Directors are appointed either by votes of members at the annual general meeting or, to fill a vacancy until the next annual general meeting, by a majority of directors. Non-executive Directors are recommended by the Nominations Committee and appointed on the basis of their skills and experience and in relation to the needs of the company. Since 30 October 2018, the term of office for non-executive Directors has been set at five years with the potential to be reappointed for a further five year term. To transition to the new fixed terms, non-executive Directors who at 30 October 2018, had held office for more than five years, resigned and offered themselves for re-election. Player-member Directors are appointed for a three year term of office. Each year, eligible members of the Orchestra may be nominated for election to the Board to fill any vacancies, including any player Directors who have completed one or more three year terms.

The Board of Trustees meets four times a year to ensure robust governance and deal with all major issues that concern the well-being of the Orchestra. In June 2019, the Board undertook its annual self-evaluation, assessing governance against the Charity Commission Governance code. The Board identified communication to stakeholders, inclusion and diversity and increasing agenda time allocated to strategic matters as areas to focus on over the next 12 to 18 months. The Board subsequently reviewed and revised its terms of reference and those of its committees.

Report of the Trustees for the year ended 31 March 2020 (continued)

During 2020, the Board oversaw the plans to relocate the administrative office and approved the decision to move to Wembley Park, announced in December 2019. In September 2019, the Board approved an Inclusion and Diversity policy and tasked management with developing an Action plan to bring the policy to life.

The Audit Committee, a sub-group of the Board of Trustees, is chaired by a Non-Executive Director and meets prior to each Board meeting to monitor the Orchestra's financial internal controls, governance and risk management. External advisors are invited to attend the Audit Committee when additional expertise is required. In 2020, the Committee has focused on the finances of the planned move to Wembley Park, fundraising, the risks of the Brexit process and, towards the end of the financial year, on the ramifications of COVID-19 on the finances of the Orchestra.

Remuneration policy

The Audit Committee is responsible for making recommendations to the Board on the remuneration of the Managing Director and the remuneration framework for other staff. The Non-Executive Directors are responsible for approving the framework for musicians' fees and the service fees of the Chair and Vice Chair.

Induction and Training of Directors

Newly appointed Directors receive a Directors' Handbook and briefings from the Chair, Managing Director and Heads of Department. Guidance on regulatory change and best practices are circulated or reported to Directors and briefings are provided in groups or one-to-one as required. Directors are encouraged to attend available training and sector updates.

Organisation and Management

The Royal Philharmonic Orchestra (RPO) is one of the world's leading symphony orchestras with a reputation for quality, versatility and diversity in the repertoire it performs, reaching audiences of over 300,000 annually. The RPO performs regularly in London, at its London residency, Cadogan Hall and at the Royal Albert Hall and the Royal Festival Hall. During 2020, the RPO held eight Principal residencies outside London, at Cambridge, Crawley, Croydon, Hull, Lowestoft, Northampton, Reading and Scunthorpe and eight other regional partnerships. In many of these locations, the RPO is the sole provider of professional orchestral concerts. As the RPO performs in so many areas of the UK, it has the widest reach and largest audience of any of England's orchestras. Overseas tours are also an integral part of the RPOs performance calendar every year.

RPO Ltd formed The Royal Philharmonic Concert Orchestra (RPCO) in 1987, which performs a broad programme of symphonic, light classical and popular music, working with internationally renowned classical and popular artists, in the UK and overseas. The RPCO is estimated to play to an annual audience of over 200,000.

RPO Resound is the RPO's community and education programme, which operates largely outside London, supporting the UK residency programme. Working in partnership with the music education sector and charity partners, this comprehensive programme reaches the young and the old, the disadvantaged and those restricted through ill-health or disability. The RPO Resound programme has also been shown to increase the number of first time attendees at the Orchestra's concert performances.

RPO Ltd's management services are provided from its office in Clerkenwell, London. Key management of the orchestra are the Managing Director and Deputy Managing Director, who lead a senior management team. The heads of the six departments – Concerts Management, Royal Philharmonic Concert Orchestra, Marketing, Development, Finance, and Community and Education, all report directly to the Managing Director, who in turn

Royal Philharmonic Orchestra Limited
Report of the Trustees for the year ended 31 March 2020 (continued)

reports to the Board of Trustees. This team comprises experienced staff with a range of skillsets who continue to develop their ability to fulfil the Orchestra's objectives in all aspects of its work, whether delivering world-class performances or enabling the education and community work of RPO Resound.

Related Parties

The Royal Philharmonic Orchestra Trust is an independently controlled but connected charity registered with the Charity Commissioners for England and Wales (registration no. 232270). It was established on 9th November 1963 with the objective of the advancement of the musical education of mankind and in particular promoting, encouraging and supporting the practice and performance of orchestral music by the Royal Philharmonic Orchestra. The Royal Philharmonic Orchestra Trust has provided considerable support to the Orchestra over the years.

The principal asset of the Royal Philharmonic Orchestra Trust is a freehold property which is occupied by the administrative offices of the Orchestra. Rent of £78,945 for the year, was waived by the Trust (2019 - £108,000). At 5th April 2020, net assets in the unaudited accounts of the Royal Philharmonic Orchestra Trust were £544,437 (2019 -£494,743), which included cash of £69,852 (2019 - £20,158).

The American Friends of the Royal Philharmonic Orchestra ("American Friends") is a corporation registered in the United States District of Columbia, with a 501 (c) (3) charitable tax exempt status. The purposes of the organisation are to educate the public regarding classical music and to promote the educational efforts of the Royal Philharmonic Orchestra and similar classical music organisations in the United States. The Directors of the American Friends in the year were David Albright, Les Bider, Barry Bloom (President), Rick Chapman, Huw Davies (Vice President and Secretary), Eileen Foley, James LoGatto, Harry Macklowe, James Mead (Treasurer), Michele Park and Robin Vince.

In the year to 31 March 2020, the American Friends made contributions of £213,013 (2019 - £120,506) to the RPO to support the Orchestra's tour to the United States in January 2020 and to undertake workshops and performances as part of a shorter visit in November 2019. These included workshops at the Children's Museum of Manhattan, a creative composition and performance project at the Nellie A Thornton High School as part of the Performing and Visual Arts Magnet program and a workshop with student string players and a performance at the Milton Hershey School, Pennsylvania.

At 31 December 2019, net assets in the unaudited accounts of the American Friends were \$197,186 (2018 \$210,204), including cash of \$196,767 (2018 - \$209,994) and other net receivables (2018 – net receivables).

Fundraising

The Royal Philharmonic Orchestra (RPO) is extremely grateful for the financial support that it receives from private benefactors, corporate sponsors and Trusts and Foundations. Together, these supporters help underpin the Orchestra's artistic objectives and outreach remit.

The Development Department's strategy is based around securing memberships and gifts through the following supporter groups:

- American Friends of the Royal Philharmonic Orchestra
- Music Director's Club
- RPO Chair Partners
- RPO 1946 Club (Legacy Giving)

Royal Philharmonic Orchestra Limited
Report of the Trustees for the year ended 31 March 2020 (continued)

- RPO Young Professionals Club
- Signature Corporate Partners
- Trusts and Foundations

Corporate partners include Northern Trust, Boldfield, Chestertons, Elephant Communications, Calderwood Wealth Management, Red Carnation Hotels and St James's Place.

The RPO is committed to fundraising best practice, is registered with the Fundraising Regulator and complies with data protection regulations, including the General Data Protection Regulation, introduced in May 2018. The Orchestra's Development Department maintains a considerate, unintrusive approach to fundraising and does not undertake cold-calling or employ third parties to raise funds. The RPO enjoys very positive and enthusiastic relationships with its supporters who in turn introduce potential new benefactors and sponsors to the Orchestra. No complaints have been received and all fundraising activity is reviewed quarterly by the Audit Committee.

Inclusion, Diversity and Equal Opportunities

The RPO seeks to offer diverse RPO and RPCO concert programmes and varied RPO Resound projects across the UK, including in areas of economic and social deprivation. It also seeks to be internally diverse and monitors gender diversity and other aspects of diversity when possible. As a condition of its funding agreement with Arts Council England (ACE), the RPO contributes to ACE's Creative Case for Diversity, in 2020 achieving a 'met' status with encouraging feedback on the Orchestra's progress to achieving a 'strong' status by 2021.

During the year, the RPO engaged a consultant to review current practices and external benchmarks and begin to develop an Action Plan to bring to life the new Inclusion and Diversity policy approved by the Board in September 2019. The broad aims of the Action plan are to improve workplace inclusion, expand the diversity of recruits to the staff and Orchestra and to contribute to a diverse talent pipeline. Since the year-end a cross-section of Members of the Orchestra, staff and Trustees have reflected on aspects of Inclusion and Diversity using the London Music Masters I'M IN toolkit.

The Inclusion and Diversity Action Plan is expected to be approved in the year ended 31 March 2021, although completion has been delayed by the COVID-19 lockdown and the short term focus on stabilising the company. The RPO's Inclusion and Diversity Committee, a cross-organisation body that reports to Senior Management, plays a continuing role in the development of inclusive practices within the RPO.

The gender balance on the Board at 31 March 2020 was 8 men and 4 women (compared to 3 women at last year end). The RPO senior leadership team at 31 March 2020 comprised 4 men and 3 women, whilst the overall gender balance across Members of the Orchestra was 43 men and 30 women (prior year 44/33) and across employees, was 12 men and 21 women (prior year 11/22).

Acknowledgements

The Trustees would like to express their appreciation and thanks to the people and organisations whose support enables the wide-reaching activities of the Orchestra. These include Arts Council England, the John Lyons Foundation, Northern Trust, M&G Investments, Croydon Relief in Need, Corporate and Individual Chair Partners, legacy givers, Members of the Friends of the RPO Scheme and supporters of the American Friends of the RPO.

The Trustees also appreciate the commitment of the Orchestra's musicians, management and support staff.

Royal Philharmonic Orchestra Limited
Report of the Trustees for the year ended 31 March 2020 (continued)

Auditors

Moore Kingston Smith LLP have indicated their willingness to continue in office as the company's auditors. A resolution to reappoint the firm as auditors will be proposed at the Annual General Meeting in accordance with the Companies Act 2006.

Statement of Trustees' Responsibilities

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

Company law requires Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group and of the income and expenditure of the group 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;
- Make judgements and estimates that are reasonable and prudent;
- 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 business.

The Trustees are responsible for keeping proper 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.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Annual Report is approved by the Trustees of the charity. The Strategic Report, which forms part of the Annual Report, is approved by the Trustees in their capacity as Directors in company law of the Charity.

By order of the Trustees



Benjamin Cunningham
Chair
22 October 2020

Independent Auditor's Report to the Members of the Royal Philharmonic Orchestra Limited

We have audited the financial statements of the Royal Philharmonic Orchestra Limited for the year ended 31 March 2020 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group and Parent Charitable Cash Flow Statement and notes to the financial statements, including a statement of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 1.3 of the financial statements which describe the impact of the coronavirus on the company's activities. Our opinion is not modified in this respect.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express and form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

**Independent Auditor's Report to the Members of the Royal Philharmonic Orchestra Limited
(continued)**

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

**Independent Auditor's Report to the Members of the Royal Philharmonic Orchestra Limited
(continued)**

Auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Royal Philharmonic Orchestra Limited
Independent Auditor's Report to the Members of the Royal Philharmonic Orchestra Limited
(continued)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Moore Kingston Smith LLP".

James Cross (Senior Statutory Auditor)

for and on behalf of

Moore Kingston Smith LLP
Statutory Auditor
Devonshire House
60 Goswell Road
London
EC1M 7AD

Date: 10 November 2020

Royal Philharmonic Orchestra Limited
Consolidated Statement of Financial Activities
For the year ended 31 March 2020

		Unrestricted Funds 2020 £	Designated Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Note						
Income						
Donations, grants and legacies						
	Arts Council England Grant	946,394	-	-	946,394	946,394
	Education and Community Grants	-	-	162,749	162,749	172,320
	Sponsorship and donations	423,275	-	141,502	564,777	420,658
Charitable Activities						
	Box office, orchestra hire and fees	7,487,472	-	-	7,487,472	7,270,340
	Other income	190,677	-	-	190,677	248,724
	Investment income	4,660	-	-	4,660	3,601
Total income	5	9,052,478	-	304,251	9,356,729	9,062,037
Expenditure on:						
	Raising funds	254,938	-	-	254,938	271,524
	Charitable activities	9,234,210	-	288,075	9,522,285	9,217,126
Total expenditure		9,489,148	-	288,075	9,777,223	9,488,650
Net (expenditure) / income before taxation	8	(436,670)	-	16,176	(420,494)	(426,613)
Tax credit	8	618,016	-	-	618,016	595,268
Net movement in funds for the year		181,346	-	16,176	197,522	168,655
Total funds brought forward		3,425,721	25,000	178,433	3,629,154	3,460,499
Total funds carried forward		3,607,067	25,000	194,609	3,826,676	3,629,154

The Statement of Financial Activities discloses the same information as would be contained in the income and expenditure account. There were no recognised gains and losses in the current or preceding financial year other than those dealt with in the Statement of Financial Activities. All income and expenditure relates to continuing activities.

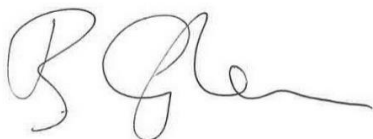
The notes on pages 23 to 41 form part of these financial statements

Royal Philharmonic Orchestra Limited
Consolidated and Charity Balance Sheets
at 31 March 2020

	Note	Consolidated		Charity	
		2020	2019	2020	2019
		£	£	£	£
Fixed Assets					
Tangible assets	14	342,550	379,095	342,550	379,095
Intangible assets	15	1,383	2,213	1,383	2,213
Investments	16	-	-	2	2
		343,933	381,308	343,935	381,310
Current Assets					
Debtors	17	1,042,370	1,522,402	1,039,543	1,519,892
Cash at bank and in hand		3,534,888	3,151,747	3,534,412	3,151,075
		4,577,258	4,674,149	4,577,258	4,670,967
Creditors : Amounts falling due within one year	18	(1,094,515)	(1,426,303)	(1,091,214)	(1,423,123)
Net Current Assets		3,482,743	3,249,846	3,482,743	3,247,844
Total Assets less Current Liabilities		3,826,676	3,629,154	3,826,676	3,629,154
Net Assets	19	3,826,676	3,629,154	3,826,676	3,629,154
Funds					
Called up share capital	20	71,000	71,000	71,000	71,000
Unrestricted funds		3,536,067	3,354,721	3,536,067	3,354,721
Designated funds	21	25,000	25,000	25,000	25,000
Restricted funds	22	194,609	178,433	194,609	178,433
Total Funds	23	3,826,676	3,629,154	3,826,676	3,629,154

The notes on pages 23 to 41 form part of these financial statements.

Approved by the board and authorised for issue on 22 October 2020.



Benjamin Cunningham

Chair

Royal Philharmonic Orchestra Limited
Consolidated Statement of Cash Flows
For the year ended 31 March 2020

	Note	2020 £	2019 £
Net Cash provided by operating activities	a	406,833	94,731
Cash flows from / (to) investing activities			
Bank interest		4,660	3,601
Proceeds from the sale of property plant and equipment		-	5,400
Purchase of property, plant and equipment		(28,352)	(330,804)
Net cash used in investing activities		(23,692)	(321,803)
Change in cash and cash equivalents		383,141	(227,072)
Cash and cash equivalents:			
At the beginning of the year		3,151,747	3,378,819
At the end of the year		3,534,888	3,151,747

Cash and cash equivalents were all cash in hand or at bank at 31 March 2020 and 2019.

a. Reconciliation of Net movement in funds to Net Cash provided by operating activities

	2020 £	2019 £
Net movement in funds	197,522	168,655
Depreciation charges	64,718	26,239
Amortisation of intangible assets	830	830
Investment income	(4,660)	(3,601)
Profit on disposal of fixed assets	179	(5,400)
Decrease in debtors	480,032	15,826
(Decrease) in creditors	(331,788)	(107,818)
Net cash provided by operating activities	406,833	516,542

**Notes to the Financial Statements
For the year ended 31 March 2020**

1. Accounting policies

a. Scope of the Financial Statements

The financial statements of the Royal Philharmonic Orchestra Limited (RPO Ltd), present the consolidated financial statements of the RPO Ltd and its subsidiary RPO Promotions Ltd comprising the Group Statement of Financial Activities (SOFA), the Group and Parent Charity Balance Sheet and the Group and Parent Charity Statement of Cash Flows.

b. Basis of Consolidation

The group financial statements consolidate on a line by line basis, the financial statements of the charitable company RPO Ltd and its subsidiary RPO Promotions Ltd, made up to 31 March 2020.

c. Accounting Convention

The financial statements have been prepared in accordance with the United Kingdom Accounting Standards, in particular 'FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

RPO Ltd is a public benefit entity for the purposes of FRS 102 and a registered charity. Its financial statements are therefore also prepared in accordance with the "Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102" (Charities SORP (FRS 102)).

The financial statements have been prepared on a going concern basis and under the historical cost convention. The principal accounting policies are set out below and have been applied consistently throughout the year.

The financial statements are prepared in sterling, the functional currency of the charitable company and its subsidiary. Monetary amounts are rounded to the nearest pound.

c. Going concern

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered the impact of the COVID-19 pandemic as well as other possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements.

The RPO receives 90% of its monthly income from box office sales and engagement fees, which ceased entirely with the closure of performance venues and recording studios in mid March 2020, caused by the COVID-19 pandemic. The Orchestra has retained its annual Arts Council Grant and now expects this to continue for a further year to March 2023. The RPO has a good pipeline of future work and in many cases scheduled events which have not been able to go ahead have been postponed or replaced by an equivalent date in a future year. The Orchestra is particularly grateful for support from a major benefactor for future concerts.

The major outgoings of the company are event-related, including fees paid to self-employed orchestral musicians, soloists and conductors. These are not incurred unless events take place and therefore the company is able to reduce a significant proportion of costs in line with income.

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2020 (continued)

In the absence of events, the majority of employed staff were furloughed from April 2020 and senior management took a reduction in pay. The UK government furlough grant will cover a substantial share of the costs of retaining furloughed staff until the end of October 2020. Combined with reducing office costs and discretionary spend, administrative support and fundraising costs in the year to 31 March 2021 are forecast to be well below normal budget levels.

The Trustees have required management to undertake scenario planning, as a range of outcomes in the financial years to 31 March 2021 and 2022 are still possible, given the uncertainty surrounding the lifting of social distancing measures and audience confidence in returning to the concert hall. These scenarios indicate that reserves will cover unavoidable outgoings throughout both years, with further cost reductions being made if incomes do not begin to rebuild through 2021. Therefore, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and for a period of no less than 12 months from the date of approval of these financial statements. Hence, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

d. Significant accounting estimates and judgements

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Trustees to have the most significant effects on amounts recognised in the financial statements:

- Entitlement to donations and sponsorship may arise prior to, or after, amounts being received as cash. Judgement is therefore required to determine that entitlement conditions have been met.
- The music library is capitalised as a fixed asset and has not been depreciated because in the Trustees' judgement, it has retained its economic value at the end of each financial year.

e. Statement of financial activities

As the company is a registered charity it has adapted the Companies Act formats to reflect the special nature of the charity's activities.

Income

Income comprises box office receipts, hire of the Orchestra in respect of concerts, recordings, engagements and tours; grants, including Arts Council grants; sponsorship fees and advertising, excluding VAT. The income and result for the year are wholly attributable to the principal activities of the charity and its subsidiary.

The income of the charity includes the recharge of costs to its subsidiary, RPO Promotions Limited, which is eliminated on consolidation. Therefore the income of the charity is higher than the income of the group as explained in note 5.

Donations and legacies

Grants, donations (including legacies) and sponsorship are accounted for on a receivable basis and are credited to the Statement of Financial Activities when the conditions for receipt are met. Where grants are received for performances in future accounting periods, these are treated as deferred income.

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2020 (continued)

Accounting policies (continued)

Expenditure

Performance related costs consist of performers' fees, venue and other costs, including marketing, which are specific to arranging performances. Support costs have been allocated to activity cost categories on a basis consistent with the use of resources. These include indirect costs that have been apportioned on the basis of time estimated to have been spent by management in governing the charity. Governance costs include those costs incurred in the governance of the charity and are primarily associated with compliance with constitutional and statutory requirements.

Leases

Rentals under operating leases are charged to the Statement of Financial Activities in the period to which they relate.

Pensions

The charitable company operates a defined contribution workplace pension scheme. Contributions have been made in respect of eligible employees, either to this workplace scheme, or to employees' personal pension arrangements, unless employees have opted not to participate in any scheme. Musicians' fees include pension allowances which may be paid to members who have eligible personal pension arrangements. Contributions are charged to the Statement of Financial Activities on an accruals basis.

f. Tangible Fixed Assets

Fixed assets of £2,500 or more are capitalised and the cost is written off on a straight line basis over the expected useful lives of the assets concerned, except in the case of the library which is not depreciated because it has retained its economic value at the end of each year. The expected useful lives of the depreciated assets are as follows:

Concert equipment	4 years
Office fittings and equipment	5 years
Warehouse fittings and equipment	10 years
Motor vehicles	7 years
Computer equipment	3 years

g. Foreign Currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

h. Designated funds

Designated funds are those which have been applied or reserved by the Trustees for a specific purpose and are set out in note 21.

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2020 (continued)

Accounting policies (continued)

i. Restricted funds

Restricted funds are those which are used in accordance with restrictions specified by donors or which have been raised by the Charity for particular purposes. The purposes for which restricted funds are held are analysed in note 22.

j. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

k. Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 17 and 18 for the debtor and creditor notes.

l. Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2020 (continued)

2. Comparative Consolidated Statement of Financial Activities for the year to 31 March 2019

		Unrestricted Funds 2019 £	Designated Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Note					
Income					
Donations, grants and legacies					
	Arts Council England Grant	946,394	-	-	946,394
	Grants for RPO Resound	-	-	172,320	172,320
	Sponsorship and donations	341,714	-	78,944	78,944
Charitable Activities					
	Box office, orchestra hire and fees	7,170,340	-	-	7,170,340
	Other income	248,724	-	-	248,724
	Investment income	3,601	-	-	3,601
Total income	5	8,810,773	-	251,264	9,062,037
Expenditure on:					
	Raising funds	271,524	-	-	271,524
	Charitable activities	9,017,339	-	199,787	9,217,126
Total expenditure		9,288,8630	-	199,787	9,488,650
Net income before taxation	8	(478,090)	-	51,477	(426,613)
Tax credit	9	595,268	-	-	595,268
Net movement in funds for the year		117,178	-	51,477	168,655
Total funds brought forward		3,308,543	25,000	126,956	3,460,499
Total funds carried forward		3,425,721	25,000	178,433	3,629,154

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2020 (continued)

3. Summary Financial Performance of the Parent Charity

	Note	<u>Total Funds 2020 £</u>	<u>Total Funds 2019 £</u>
Income			
Donations, grants and legacies			
Arts Council England Grant		946,394	946,394
Grants for RPO Resound		162,749	172,320
Sponsorship and donations		564,777	420,658
Charitable Activities			
Box office, orchestra hire and fees		7,487,472	7,270,340
Other income		190,677	248,724
Intercompany income		5,380,960	5,050,463
Investment income		4,660	3,601
Total income	5	<u>14,737,689</u>	<u>14,112,500</u>
Expenditure on:			
Raising funds		254,113	270,729
Charitable activities		<u>14,286,054</u>	<u>13,673,116</u>
Total expenditure		<u>14,540,167</u>	<u>13,943,845</u>
Net movement in funds in the year		197,522	168,655
Total funds brought forward		<u>3,629,154</u>	<u>3,460,499</u>
Total funds carried forward		<u>3,826,676</u>	<u>3,629,154</u>

Royal Philharmonic Orchestra Limited
Notes to the financial statements
For the year ended 31 March 2020 (continued)

4. Statement of Subsidiary's activities

RPO Promotions Limited is a wholly owned subsidiary of the Royal Philharmonic Orchestra Limited which is commissioned to produce certain RPO concerts which are eligible for orchestra tax relief.

The trading results of RPO Promotions Limited and its assets, liabilities and funds at the year-end are summarised below.

	2020	2019
	£	£
Turnover	4,769,511	4,461,539
Cost of Sales	(4,906,104)	(4,461,539)
Gross Loss	(136,594)	(161,191)
Administration Expenses	(481,423)	(434,077)
Operating Loss for the year	(618,016)	(595,268)
Taxation	618,016	595,268
Profit / (loss) for the year after Tax	-	-
Assets	618,495	595,940
(Liabilities)	(618,493)	(595,938)
Net Funds	2	2

5. Income Analysis

	By Source of Funds		By Location of Activity	
	2020	2019	2020	2019
	£	£	£	£
United Kingdom	6,714,591	6,777,394	7,365,369	7,261,324
Europe	743,243	1,727,738	683,942	1,452,709
USA	1,617,680	374,484	1,011,007	25,637
Other	281,215	182,421	296,411	232,367
	9,356,729	9,062,037	9,356,729	9,062,037
Intercompany income	5,380,960	5,050,463	5,380,960	5,050,463
Total Charity income	14,737,689	14,112,500	14,737,689	14,112,500
Less: intercompany income	(5,380,960)	(5,050,463)	(5,380,960)	(5,050,463)
Total Consolidated income	9,356,729	9,062,037	9,356,729	9,062,037

Royal Philharmonic Orchestra Limited
Notes to the financial statements
For the year ended 31 March 2020 (continued)

6. Expenditure Analysis

Note	2020 £	2019 £
Cost of raising funds		
Musicians' fees and associated costs	4,747	9,078
Venue costs	-	11,900
Travel related and other costs	13,398	40,711
Advertising and marketing costs	115	49
Support costs 7	236,678	209,786
Total cost of raising funds	254,938	271,524
Cost of charitable activities		
Musicians' fees and associated costs	5,096,062	5,271,144
Venue costs	380,857	249,414
Travel related and other costs	2,003,980	1,590,000
Advertising and marketing costs	274,125	320,745
Support costs 7	1,777,261	1,685,823
Total cost of charitable activities	9,522,285	9,217,126

7. Support costs

Support costs have been allocated to activities based on estimates of staff time or use of resource.

	Cost of raising funds £	Charitable £	Governance £	Total 2020 £
Staff and staff related costs	177,774	1,259,365	113,507	1,550,646
General office costs	6,253	205,810	1,131	213,194
Legal, professional and marketing costs	13,379	127,155	-	140,534
Finance and depreciation charges	6,538	86,727	-	93,265
Audit	-	-	16,300	16,300
	203,944	1,679,057	130,938	2,013,939
Allocation of governance support costs	32,734	98,204	(130,938)	-
Total support costs	236,678	1,777,261	-	2,013,939

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2020 (continued)

Support costs (continued)

	Cost of raising funds £	Charitable £	Governance £	Total 2019 £
Staff and staff related costs	160,982	1,221,074	120,399	1,502,455
General office costs	5,180	207,204	980	213,364
Legal, professional and marketing costs	6,899	105,932	-	112,831
Finance and depreciation charges	2,444	48,770	-	51,214
Audit	-	-	15,745	15,745
	175,505	1,582,980	137,124	1,895,609
Allocation of governance support costs	34,821	102,843	(137,124)	-
Total support costs	209,786	1,685,823	-	1,895,609

Staff and staff related costs includes salaries, national insurance, pension, training and recruitment

8. Net income

Net income is stated after charging:

	2020 £	2019 £
Operating lease rentals	92,054	63,000
Auditor's remuneration for annual audit	16,300	15,745
Auditor's fees for taxation services	3,865	3,750
Depreciation of owned assets	64,718	26,239
Amortisation of intangible assets	830	830

9. Taxation

The Royal Philharmonic Orchestra Limited (RPO Ltd) is a registered charity and is thus exempt from tax on income and gains falling within part 11 of the Corporation Taxes Act 2010 or s256 of the Taxation of Chargeable Gains Act 1992, to the extent that these applied to its charitable objectives. No tax charges have arisen in the charity in either 2020 or 2019.

The subsidiary RPO Promotions Ltd has no taxable profits in 2020 or 2019. It was eligible to claim Orchestra Tax relief in 2020 of £618,016 (2019 - £595,268).

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2020 (continued)

10. Staff costs

	<u>2020</u> £	<u>2019</u> £
Salaries	1,433,403	1,376,322
Social security costs	153,641	150,138
Pension costs	83,171	66,771
Other short term benefits	1,884	1,717
	<u>1,672,099</u>	<u>1,594,948</u>

The number of employees whose total employee benefits (excluding pension contributions but including benefits in kind) in excess of £60,000 were:

	<u>2020</u> Number	<u>2019</u> Number
£60,000 - £70,000	1	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£100,001 - £110,000	1	1
£160,001 - £170,000	1	-
£190,001 - £200,000	-	1

The average number of people employed by the company during the year was as follows:

	<u>2020</u> Number	<u>2019</u> Number
Concerts Management	15	15
Community and Education	3	3
Marketing	6	6
Development	3	3
Management, Finance and Administration	6	5
Total	<u>33</u>	<u>32</u>

Royal Philharmonic Orchestra Limited
Notes to the financial statements
For the year ended 31 March 2020 (continued)

11. Key management

Key management is defined as the Board of Trustees (including the Managing Director) and the Deputy Managing Director. Including social security costs, benefits in kind and pension contributions, remuneration of key management was £345,437 (2019 - £371,087), comprising remuneration of the Managing Director, Deputy Managing Director, Chair and Vice Chair.

12. Directors' emoluments

Total directors' emoluments including benefits in kind and pension contributions, were £220,344 (2019 – £220,880). The only members of the Board who receive payment for their managerial and administrative services to the company, are the Chair, Vice Chair and Managing Director. The emoluments of the highest paid director fell within the range £200,001- £210,000 (2019 £200,001 - £210,000). Expenses reimbursed to the highest paid director in each year totalled £14,779 (2019 - £16,573) in respect of travelling and subsistence costs.

13. Transactions involving directors and other related parties

Directors – Orchestral performance fees

The directors who are playing members of the Orchestra receive performance fees on the same scale as those paid to other playing members, as permitted under the company's Articles of Association. The performance fees paid during the period in which they were directors are as follows:

	2020 £	2019 £
Charlotte Ansbergs (appointed 3 October 2019)	26,579	-
Benjamin Cunningham	46,392	46,958
Shana Douglas (appointed 30 October 2018)	50,908	22,367
Patrick Flanagan (appointed 3 October 2019)	21,205	-
Fraser Gordon (resigned 30 October 2018)	-	18,510
Jonathan Hallett	50,492	48,124
Matthew Knight	37,713	40,792
Chian Lim (resigned 3 October 2019)	16,812	36,526
Sali-Wyn Ryan (appointed 30 October 2018)	44,776	22,905
Adam Wright (resigned 27 March 2019)	-	57,595
	294,877	293,777

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2020 (continued)

Transactions involving Directors and other related parties (continued)

Directors – Other transactions

Directors made donations totalling £19,313 in the year (2019 - £2,400).

One director purchased some surplus catering stock at cost. Last year, tickets for a concert were purchased via a director and that director reimbursed.

Loans to members of the Orchestra

The Board may approve loans to members of the Orchestra to further the purposes of the charity, generally for the purchase or repair of musical instruments. Interest is charged at 4% of the outstanding loan balance and repayments are made monthly.

Loans during each year were:

Player	Loan Purpose	Original Loan £	Balance at		
			1 April 2018 £	31 Mar 2019 £	31 Mar 2020 £
T Milne	Purchase of viola	5,000	4,490	2,869	1,182
M Perry	Purchase of timpani	10,000	-	-	8,682
K Saunders	Purchase of horn	7,900	5,205	3,200	1,294
J Valentinaviciute	Purchase of violin	10,000	5,187	1,597	-
Total receivable			14,882	7,666	11,158

Royal Philharmonic Orchestra Trust

The Royal Philharmonic Orchestra Trust, an independently controlled, but connected charity, held a minority shareholding in RPO Ltd at the end of the financial year of 500 shares (2019: 900 shares). In addition, amounts receivable from the Trust at 31 March 2020 were £1,000 (2019 - £5,000).

American Friends of the Royal Philharmonic Orchestra

The American Friends of the Royal Philharmonic Orchestra (American Friends) is a charity registered in the United States of America, with charitable purposes similar to those of RPO Ltd. There were no amounts receivable from or payable to the American Friends at 31 March 2020 (2019 - £645 receivable from the American Friends).

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2020 (continued)

Transactions involving Directors and other related parties (continued)

Transactions between parent charity and subsidiary

The Royal Philharmonic Orchestra Limited commissioned its subsidiary RPO Promotions Limited to produce certain RPO concerts, for which a fee of £4,769,511 (2019 - £4,462,539) is payable by the Royal Philharmonic Orchestra Limited to its subsidiary and in respect of which production costs of £5,380,960 (2019 - £5,050,463) are receivable from the subsidiary.

The balance owed by RPO Promotions Limited to the parent charity at 31 March 2020 is £615,192 (2019 - £592,757), as set out in note 17.

14. Tangible Fixed assets

Consolidated and Charity

	Computer Equipment £	Motor Vehicles £	Library £	Concert Equipment £	Office and Warehouse Fittings and equipment £	Total £
Cost						
At 1 April 2019	60,735	320,689	46,889	214,456	137,461	780,230
Additions	17,712	-	-	10,640	-	28,352
Disposals	(5,749)	-	-	(83,567)	-	(89,316)
At 31 March 2010	72,698	320,689	46,889	141,529	137,461	719,266
Depreciation						
At 1 April 2019	48,534	24,794	-	214,456	113,351	401,135
Charge in the year	8,602	44,384	-	1,773	9,959	64,718
Disposals	(5,570)	-	-	(83,567)	-	(89,137)
At 31 March 2010	51,566	69,178	-	132,662	123,310	376,716
Net Book Value						
At 31 March 2020	21,132	251,511	46,889	8,867	14,151	342,550
At 31 March 2019	12,201	295,895	46,889	-	24,110	379,095

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2020 (continued)

15. Intangible fixed assets

Consolidated and Charity

	<u>Total £</u>
Cost	
At 1 April 2019 and 31 March 2020	<u>3,320</u>
Depreciation	
At 1 April 2019	<u>1,107</u>
Charge in the year	<u>830</u>
At 31 March 2020	<u>1,937</u>
Net Book Value	
At 31 March 2020	<u><u>1,383</u></u>
At 31 March 2019	<u>2,213</u>

16. Investments

Charity

	<u>2020 £</u>	<u>2019 £</u>
Shares in group company at cost	<u>2</u>	<u>2</u>

The charitable company has a wholly owned subsidiary, RPO Promotions Limited (previously RPO Licensing Limited), registered in England and Wales. The aggregate capital and reserves of RPO Promotions Limited amounted to £2 at 31 March 2020 and 2019. The activities of RPO Promotions Limited are explained in note 4.

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2020 (continued)

17. Debtors

	Consolidated		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	268,614	601,027	268,614	601,027
Current tax recoverable	618,019	595,267	-	-
Amounts owed by group undertakings	-	-	615,192	592,757
Other debtors	28,933	29,104	28,933	29,104
Prepayments and accrued income	126,804	297,004	126,804	297,004
Total Debtors	<u>1,042,370</u>	<u>1,522,402</u>	<u>1,039,543</u>	<u>1,519,892</u>

18. Creditors: Amounts falling due within one year

	Consolidated		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	67,930	72,260	67,930	72,260
Musicians' fees	286,982	462,175	286,982	462,175
Social security and other taxes	137,443	175,440	137,443	175,440
Other creditors	36,712	27,159	36,712	27,159
Accruals and billings in advance	565,448	689,269	562,147	686,089
	<u>1,094,515</u>	<u>1,426,303</u>	<u>1,091,214</u>	<u>1,423,124</u>

Other creditors includes £4,331 (2018 - £3,677) representing cash held on behalf of the Trustees of the Royal Philharmonic Orchestra Sickness and Benevolent Fund.

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2020 (continued)

19. Analysis of net assets between funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
As at 31 March 2020				
Fixed assets	343,933	-	-	343,933
Current assets	4,354,528	25,000	197,730	4,577,258
Current liabilities	(1,091,394)	-	(3,121)	(1,094,515)
	3,607,067	25,000	194,609	3,826,676
As at 31 March 2019				
Fixed assets	381,308	-	-	381,308
Current assets	4,470,716	25,000	178,433	4,674,149
Current liabilities	(1,426,303)	-	-	(1,426,303)
	3,425,721	25,000	178,433	3,629,154

20. Called up share capital

	2020 £	Authorised 2019 £	Allotted and Fully Paid 2020 £	2019 £
Ordinary shares of £10 each	100,000	100,000	71,000	71,000

The company's Memorandum of Association prohibits the payment of dividends, return of capital or distribution of surplus funds to the shareholders in the event of the winding up of the company. All ordinary shares carry full voting rights.

21. Designated fund

	2020 £	2019 £
Seed investment for endowment fund	25,000	25,000

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2020 (continued)

22. Restricted funds

	Fundraising projects £	Community and Education projects £	Other projects £	Total Funds £
Year to 31 March 2020				
Balance at 1 April 2019	84,043	94,390	-	178,433
Received during the year:				
Trusts, foundations and local authorities	-	107,168	113,582	220,750
Donations/sponsorship	-	55,581	27,920	83,501
Expenditure during the year	-	(146,573)	(141,502)	(288,075)
Balance at 31 March 2020	84,043	110,566	-	194,609
Year to 31 March 2019				
Balance at 1 April 2018	88,071	38,885	-	126,956
Received during the year:				
Trusts, foundations and local authorities	8,000	145,324	12,250	165,574
Donations / sponsorship	22,720	22,720	35,974	85,690
Expenditure during the year	(34,748)	(116,815)	(48,224)	(199,787)
Balance at 31 March 2019	84,043	94,390	-	178,433

Fundraising project reserves held at 1 April 2018 arose from a fundraising Gala in March 2016 at Buckingham Palace, celebrating the 70th anniversary of the Royal Philharmonic Orchestra. During the year to March 2019, funds were raised to support the Orchestra's purchase of an orchestral truck and to undertake supporter engagement events and a community performance for the American Friends of the Royal Philharmonic Orchestra in New York and Pennsylvania.

Community and Education projects cover a range of participatory activities in the community, public spaces and health settings and with under-represented and hard to reach groups, schools, families and patients.

Other projects during both years were concerts and recordings which were supported by restricted donations.

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2020 (continued)

23. Reconciliation of movement in funds

	Total Unrestricted Funds				
	Called-up Share Capital	Other Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£	£
Year to 31 March 2020					
Balance at 1 April 2019	71,000	3,354,721	25,000	178,433	3,629,154
Income	-	9,052,478	-	304,251	9,356,729
Expenditure	-	(9,489,148)	-	(288,075)	(9,777,223)
Tax credit	-	618,016	-	-	618,016
Balance at 31 March 2020	71,000	3,536,067	25,000	194,609	3,826,676
Year to 31 March 2018					
Balance at 1 April 2018	71,000	3,237,543	25,000	126,956	3,460,499
Income	-	8,810,773	-	251,264	9,062,037
Expenditure	-	(9,288,863)	-	(199,787)	9,488,650
Tax credit	-	595,268	-	-	595,268
Balance at 31 March 2019	71,000	3,354,721	25,000	178,433	3,629,154

24. Operating lease commitments

The company has annual operating lease commitments as follows:

	Land and Buildings 2019 £	Land and Buildings 2019 £
Commitments arising in:		
Less than one year	171,000	63,000
Two to five years	168,550	123,550
	339,550	186,550

The leases relate to the company's premises in London, UK: a warehouse in Greenford and offices in Clerkenwell.

The lease for the warehouse in Greenford commenced in June 2012 for a term of ten years with a tenant's option to break in mid-June 2017 which was not exercised. The mid-term rent review increased the annual rent from 11 June 2017 until the end of the lease.

Royal Philharmonic Orchestra Limited
Notes to the Financial Statements
For the year ended 31 March 2020 (continued)

The company has leased its premises in Clerkenwell since August 1986, and has benefitted from a rent waiver by the landlord, the RPO Trust, in recent years. Rent, at a current market rate, was reinstated from 24 December 2019. The lease is currently expected to end in March 2022.

25. Capital Commitments

The company had no capital commitments at 31 March 2020 or 31 March 2019.