



**ROYAL PHILHARMONIC ORCHESTRA LIMITED**

**Company Number 00763836**

**Registered Charity Number 244533**

**CONSOLIDATED REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2021**

Royal Philharmonic Orchestra Limited  
**Consolidated Report and Financial Statements**

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**Company Information**

**Patron**

HRH The Prince of Wales

**Music Director Designate**

Vasily Petrenko

**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

Devonshire House

60 Goswell Road

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

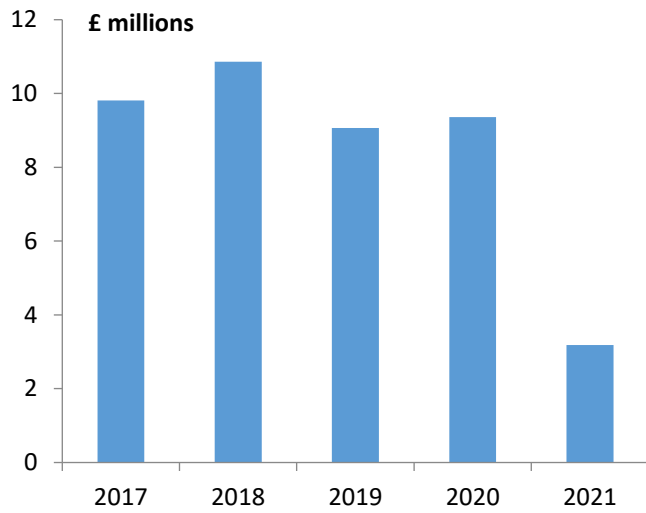
**Registered Office**

16 Clerkenwell Green

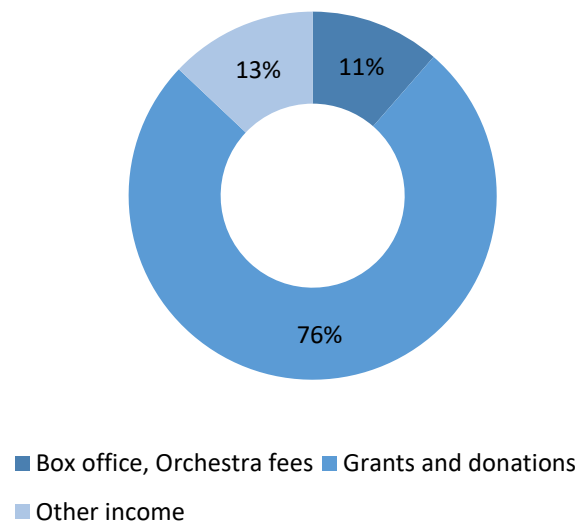
London EC1R 0QT

## Financial Headlines Charts

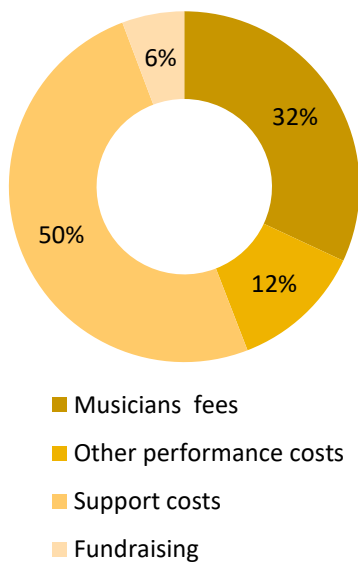
**Five year income trend**



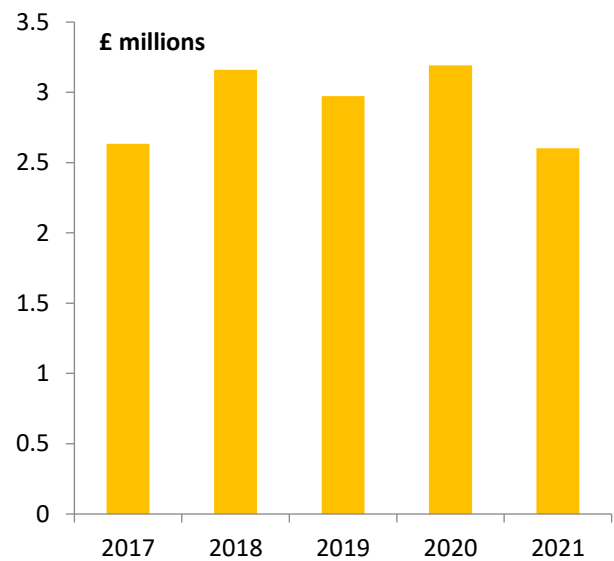
**2021 Income**



**2021 Costs**



**Five year Free Reserves**



**Report of the Trustees for the year ended 31 March 2021**

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 2021. 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 '2021' and '2020' in this report mean the years ended 31 March 2021 and 31 March 2020, 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 2021 (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.

The Orchestra's usual extensive live performance programme, has been derailed in 2021 by COVID-19. However, highlights of the year reported on elsewhere in this report still demonstrate 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)**

Throughout the year to 31 March 2021, COVID-19 and the ensuing public health and travel restrictions have curtailed the normal activities of the Orchestra. For most months of the year, concert halls were closed and in periods of time when some were open to the public, audience sizes and orchestra strength were severely cut by social distancing requirements. Whereas in a typical year, the Orchestra would perform some 160 concerts and visit around 30 towns and cities around the UK, only nine public concerts took place, of which six were in London. No international touring was able to take place.

**Report of the Trustees for the year ended 31 March 2021 (continued)**

The Orchestra kept alive its touring offer to residencies and venue partners around the country, but despite strenuous efforts, without financial certainty and confidence that a wider programme of venue events was possible, most partners declined, at least until later in 2021. The majority of concert performances taking place in the year, were filmed events for later online streaming, made possible thanks to the RPO being awarded a Culture Recovery Fund grant. 16 performances were recorded and streamed online in the year, with a further 13 recordings produced to be streamed later in 2021. The RPO has played a significant role throughout 2021, representing the sector on various Government working groups to develop COVID-safe protocols and guidelines to allow the return of live performances and recordings.

Digital productions have enabled the Orchestra's music to reach audiences that might not usually attend an orchestral performance extending across the United Kingdom and overseas. These included performances with the RPO's Music Director Designate Vasily Petrenko, conducting a range of repertoire including Beethoven, Brahms, Ibert, Poulenc, Shostakovich, Stravinsky and Villa-Lobos and partnering with prestigious soloists including Nicola Benedetti and Jess Gillam. These included a joint concert between the Royal Philharmonic Orchestra, conducted by Vasily Petrenko and the China NCPA Orchestra, conducted by Lu Jia each performing a contemporary piece of the other's national culture within the concert. The China NCPA performed the Chinese premiere of *Coalescence* by Dani Howard, whilst the RPO performed *L'Eloignement* for String Orchestra by Qigang Chen. Restrictions imposed due to social distancing resulted in smaller ensemble 'Spotlight' projects, and gave rise to an opportunity to programme a more diverse range of music featuring under-represented composers such as Valerie Coleman, George Walker, Chevalier de St-Georges and Germaine Tailleferre.

At the start of the year, the Orchestra leapt to producing *#RPOAtHome* performances, led by the creativity of the Members of the Orchestra, performing individually and in groups. Britten's *Young Person's Guide to the Orchestra*, conducted and introduced by Alexander Shelley and filmed and produced by Orchestra Members, was a particular success and a novelty amongst other online music offerings. Launched in August 2020, it has been well received by young people and schools and shared in China via Beijing Forum for the Performing Arts.

In October 2020, the Orchestra recorded a performance of John Rutter's *Christmas Celebration* in St Alban's Cathedral, conducted by the composer with the soloists Melanie Marshall, Roderick Williams and VOCES8 with the BBC Young Chorister of 2020, Alexander Olleson. The film, launched leading up to Christmas 2020, was made possible through a generous donation received from the American Friends of the Royal Philharmonic Orchestra and sold over 6,500 online tickets.

Ending the year, March 2021 saw the Orchestra perform with the distinguished sarod player, Ustad Wajahat Khan. This collaboration is expected to be released online later in 2021.

The Orchestra was thrilled to be the first orchestra to return to the recording studio in June 2020 after the United Kingdom's first national lockdown, with a recording with the jazz artist Melanie Gardot. This was one of 14 recording projects in the year, less than half the usual annual level. Sessions included recordings with Mark Bebbington and Jae Hyuck Cho as well as music by Peter Grant, Howard Carpendale and Jonathan Antoine.

**Royal Philharmonic Concert Orchestra (RPCO)**

The RPCO performs when engaged by promoters and venues and does not take box office risk or receive any subsidy. During the pandemic and associated UK lockdowns and travel restrictions, engagements were not

**Report of the Trustees for the year ended 31 March 2021 (continued)**

financially viable for promoters and the RPCO did not perform during the year to 31 March 2021. In a typical year, the RPCO would perform around 50 concerts in the UK and abroad to a total audience of 150,000.

**RPO Resound (Community and Education programme)**

As a result of the pandemic, the Orchestra's Community and Education arm RPO Resound, switched to digital delivery of workshops and performances, for most of the year. This entailed a rapid learning curve in digital collaboration and audio and film recording techniques for the RPO Resound staff team, musicians and music leaders. In a typical year, RPO Resound would work around the United Kingdom at the Orchestra's regional residencies and within schools and community locations as well as undertaking projects abroad. Whilst travel to participants and communities was not possible, switching to digital delivery enabled projects to reach new areas of the country and additional community groups. The programme has also supported young people with outlets for musical expression and development and social interaction in this particularly difficult year.

During calendar year 2020, 8,000 Brent school children and young members of Brent Music Service orchestras worked with members of the Royal Philharmonic Orchestra, the composer and music leader James Redwood and the poet Momtaza Mehri to write an anthem, celebrating the borough's year as the London Mayor's London Borough of Culture 2020. Replacing a planned public performance, the final stage of the creative process involved young musicians and choir members taking part in digital workshops to create a filmed performance of *Anthem for Brent 2020*.

Beginning in January 2021, RPO Resound partnered with Orchestras Live on its inclusive youth ensemble project *Share Sound*, working with two of the six participating Music Service areas, in Norfolk and Cumbria. The digital approach enables young and professional musicians to meet, create, rehearse and perform, despite the pandemic restrictions. The culmination event will enable young musicians from six Music Service areas to meet virtually and perform together in July 2021.

Continuing the *Lullaby Project*, in November and December 2020, the Royal Philharmonic Orchestra and Irene Taylor Trust worked with six parents in Ipswich at risk of homelessness, to produce lullabies for their children. The parents worked one-on-one with musicians to devise their songs, which were then arranged by a professional composer and performed by an RPO sextet and vocalist. Parents and their children joined livestream rehearsals of their songs to develop the final creative before they were professionally recorded. Family music workshops were also run with Pimlico Toy Library. These were delivered by live stream in July 2020 with Orchestra musicians performing from St James Church Clerkenwell, to families across Westminster.

The Orchestra's STROKESTRA® stroke rehabilitation project in Hull was held back at the start of the pandemic, but was also converted to an online programme. This enabled the programme to reach new aphasia groups across the UK. The STROKESTRA® at Home music-based activity videos continue to be available for use at home or in group settings.

RPO Resound continued its partnership with the Royal Society for Blind Children, working with visually impaired young Londoners. The project, supported by St James Place Foundation, was originally planned to culminate in a live orchestrated performance at the Foundation Gala at the Royal Albert Hall. Instead, it became the first RPO Resound online workshop project for visually impaired young people. In workshops held in August 2020, the young



**Report of the Trustees for the year ended 31 March 2021 (continued)**

musicians created and recorded music which was woven together to produce a video, *Hopes and Dreams*, in September 2020.

**Marketing, Press & PR**

The Orchestra's engagement with the public through its website and social media has been growing over the last few years, but these digital channels truly dominated marketing and public interactions in the year to 31 March 2021. In the initial months of the COVID-19 lockdown in the United Kingdom, visits to the website trebled and social media followers increased seven-fold.

Novel resources made available on the website included the RPO's own versions of Top Trumps; Orchestral Scores and Composer Scores. At home, the Orchestra Members offered "Buddy phone calls" to Orchestra supporters on request. These provided conversation, music and personal insights into the musical world, which was warmly welcomed by those taking up the offer.

The RPO's streamed performances have provided a mix of ticketed and free online events, with free streams making up the majority, which was possible with the support of the Culture Recovery Fund. 2021 was the first year that the Orchestra has used a digital ticketing platform for online events, with £10 tickets marketed alongside the opportunity to donate to the Orchestra's work.

The RPO achieved an array of media coverage across the year, including radio interviews, reports on the RPO's consumer research into aspects of orchestral music and BBC coverage of the Orchestra being the first artists to return to Abbey Road studios, in June 2021.

**Impact and Relevance**

Research undertaken by the RPO across the year, summarised in the *RPO Insights report 2020*, recorded the vital role music has played across the past year in supporting people's mental health and wellbeing, as well as growing interest in listening to orchestral music and interest in learning a musical instrument during the pandemic. 51% of the United Kingdom population were found to have listened to orchestral music during the lockdown, rising to 57% of under 35s. 71% of listeners of orchestral music cited tangible and lasting positive impacts on their mood and well-being. The RPO also contributed to a joint report with the BPI and Deezer (Classical Revival in 2020) on the growth in streaming classical music, which has seen a 17% year on year increase and streamers under 35 accounting for 69% of classical music played globally.

The RPO has sought to be accessible to new and existing audiences alike. Returning to the concert hall whenever possible during the pandemic, concerts have featured the musicians and conductors talking about their music making and the context of the music. Peaks of interest in plays of *#RPOAtHome* and streamed concerts has been seen where musicians talk as well as play.

The Orchestra has also taken music out of the concert hall. At Wembley Park in September 2020, 38 RPO musicians performed across the estate sparking interest in orchestral music as well as entertaining the public. RPO Resound continued its long running relationships in Brent culminating this year in the *Anthem for Brent* and the research and

**Report of the Trustees for the year ended 31 March 2021 (continued)**

concept design for a cross-arts programme at Wembley Park took place in the year, pointing to a sustained and deep involvement in the cultural life of the area.

**Financial Review**

The results for the year to 31 March 2021 and the preceding financial year are set out in the Consolidated Statement of Financial Activities on page 21.

Total group income in the year reduced by two thirds to £3,186,662 (2020 - £9,356,729) due to the impact of the COVID-19 pandemic on performances. Excluding additional public support in the year, through the Culture Recovery Fund and Coronavirus Job Retention Scheme, income reduced by 79%. 12% (2020 – 80%) of the income for the year is performance income (comprising box office receipts, orchestra fees and hire), 58% (2020 – 10%) Arts Council England funding, 17% (2020 - 8%) other grants, donations and sponsorship and 13% (2020 - 2%) other income.

As a result of the pandemic, the Royal Philharmonic Orchestra lost 100% of overseas tour income, RPCO fees and income from residencies outside London. Other performance income reduced by 91%, with a fraction of concerts, recordings and workshops able to go ahead and then at a reduced scale, with social distancing of musicians and audiences prevailing.

Arts Council England awarded a 1.84% inflationary increase in its core funding grant to the Orchestra for the year. The remaining 56% increase in Arts Council England funding was due to a Culture Recovery Fund award of which £897,032 has been recognised in the year.

Other grants and sponsorship represent a higher proportion of income in 2021 compared to the previous year, only because earned income has so drastically reduced. Compared to 2020, other grants and sponsorship have reduced by 32% to £549,237. Retaining the support of corporate donors and a growing range of donations from individuals, including online giving, donated ticket refunds as well as larger donations, have been hugely encouraging. However, severe constraints on the performances, recordings and outreach workshops that the Orchestra could undertake in the year due to the public health restrictions, have come with limitations on the opportunities to seek and utilise grants and other fundraising.

The £217,598 increase in other income is due to Coronavirus Job Retention Scheme grants of £295,929 (2020 – nil), offset by decreases in royalties and licensing income and incomes usually associated with events, such as CD sales and subscriptions.

Expenditure in 2021 was £3,579,518, a £6,197,705 or 63% decrease over 2020. The scale and causes of the reduction are in line with the reduction in income. There were no opportunities to hold supporter engagement events and costs associated with managing these and other fundraising activities were therefore not incurred, resulting in the cost of raising funds reducing by 19% compared to the previous year. Expenditure on the charitable activities of performance and outreach, which account for 94% of expenditure, reduced by 65%. This was achieved at the cost of far fewer performances and workshops and significantly, restructuring the administrative team, seeing 20% of staff leave the organisation and staff taking pay reductions and periods of furlough.

Net expenditure before taxation for the year was a £392,856 deficit. With few orchestral events in front of a public audience qualifying for an Orchestra tax relief credit, this deficit was only improved to £378,146 after tax relief. By

**Report of the Trustees for the year ended 31 March 2021 (continued)**

contrast, in 2020 net expenditure before taxation was a £420,494 deficit, but £618,016 Orchestra tax relief converted this to a net result after tax of a £197,522 surplus.

## **Reserves**

There have been net additions to restricted funds in 2021 of £48,389 (2020 - £16,176) primarily because it was not feasible to deliver some projects given COVID restrictions.

Designated reserves of £329,717 (2020 - £25,000) comprise a £250,000 residency development fund, a property dilapidations fund of £14,717, a concert fund of £40,000 and the £25,000 seed investment for an endowment fund brought forward from 2020. The residency development fund will be used to invest in artistic programming and organisational systems and resources to develop residencies, including the move of the administrative office to Wembley Park. The dilapidations fund relates to the current administrative office of the RPO. The concert fund was made possible by a donation and has been utilised in April 2021 to support recorded concerts conducted by the Orchestra's Music Director Designate, Vasily Petrenko with the pianists Stephen Hough and Paul Lewis.

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.

At 31 March 2021, free reserves, stood at £2,527,141 (2020 - £3,192,134), equating to three months (2020 - three and a half months) budgeted unrestricted expenditure.

## **Future Plans**

In April 2021, the Royal Philharmonic Orchestra was delighted to announce that HRH The Prince of Wales had accepted an invitation to become the Orchestra's Patron. The Prince of Wales has a life-long association with the Arts. During the pandemic, His Royal Highness spoke about the importance of protecting the Arts, stressing their enormous significance to life in the United Kingdom and to the economy.

In August 2021, Vasily Petrenko will take up his position as Music Director of the RPO. The Orchestra plans a growing number of performances and tours with its new Music Director, including a classical season at the Royal Albert Hall, where it holds the title of Associate Orchestra. 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.

The Orchestra's 75th anniversary will be celebrated in the autumn, providing an opportunity to communicate the purpose of the RPO and to promote the inspiration and excitement of orchestral music, which can be diverse and enjoyed by everyone.

The forthcoming financial year to March 2022 is expected to remain challenging, with COVID-19 disrupting plans and the implications of BREXIT on touring and recruitment yet to be fully tested. Nevertheless, the Orchestra plans to retain the core elements of its work: international touring, a strong London concert season and a UK regional touring programme all sitting alongside Community and Education outreach. The RPO is looking forward to

**Report of the Trustees for the year ended 31 March 2021 (continued)**

deepening its presence in the borough of Brent, London with a multi-arts and community-led project at Wembley Park in September 2021, in collaboration with local artists and young people.

During the year to March 2022, the RPO will develop its Strategic Plan for the five years April 2022 to March 2027 and define Year two of its Inclusion and Diversity Plan. The RPO's future plans will respond and contribute to Arts Council England's four investment principles at the heart of its ten-year *Let's Create Strategy*: Inclusivity and Relevance, Ambition and Quality, Dynamism and Environmental Responsibility.

**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. In addition, during 2021, the Board reviewed risks arising from the COVID-19 pandemic and the risks arising from the departure of the UK from the European Union.

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. However, the COVID-19 pandemic and the consequent shut-down of performance venues and recording studios in 2021 was unprecedented in its scale. The earned income which in typical years makes up 90% of the Orchestra's income, ceased almost entirely, necessitating an application to the Culture Recovery Fund. Measures taken to survive the pandemic also included staff redundancies as well as claiming the UK government furlough grant in respect of staff temporarily laid off and other cost savings. Self-employed musicians have claimed UK government income-support grants, where they are eligible to do so and the Orchestra has introduced minimum fee schemes during the year, particularly for Members who are not eligible for UK government income support. These measures will continue to be necessary beyond the financial year end, as venue and travel restrictions remain in place.

During 2021, the RPO worked to sustain a portfolio of residencies, by, for example, taking small-scale performances and new offerings out into the community, but few residencies were ready to invite performers again before June 2021 and only then with financial underwriting from the Culture Recovery Fund. The dates from which venues can operate at full capacity and international tours can take place remain very uncertain. Commercial promoters and festivals are unable to take the risk of financial commitments and further postponements and cancellations remain probable throughout 2022.

The departure of the UK from the European Union risks increasing the costs of European touring to the point that it becomes unviable. The additional costs include visa and work permit requirements, social security taxes which may be levied on UK performers touring Europe and more complex logistics involved in transporting instruments which may involve additional time (and therefore cost) and limit the number of concerts in a tour. These risks have not been tested during 2021 because the pandemic has curtailed the RPO's European tours to date. 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.

Royal Philharmonic Orchestra Limited  
**Report of the Trustees for the year ended 31 March 2021 (continued)**

**Going Concern**

The Orchestra's Business Plan for the year to 31 March 2022 envisaged three phases across the year. The first quarter has seen a programme of concerts and outreach workshops sustained by a second Culture Recovery Fund award together with the use of some reserves.

July to August 2021 was expected to be a period of commercial engagements and recordings, which would be self-financing. This model has been thrown into doubt by the United Kingdom Government's decision to delay the removal of capacity restrictions on indoor venues until mid-July 2021 at the earliest. Consequently revised financial plans include only firm income and a reduced number of projects for this period. 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, albeit at the expense of programming.

From September 2021 to March 2022, the RPO plans for a full schedule of work, subject to capacity and travel restrictions being lifted, so that the Orchestra can revert to its typical model of receiving the major share of its income from box office sales and engagement fees. The Orchestra has retained its annual Arts Council England grant for 2022 and now expects this to continue into 2023. It has a good pipeline of future work and is particularly grateful for support from a major benefactor for future concerts when capacity constraints have been lifted. Scenario planning for this period includes mitigations should income restrictions continue.

Forecasts for the years ended 31 March 2022 and 2023 indicate that reserves will cover unavoidable outgoings throughout both years, with further cost reductions being made if incomes do not begin to rebuild through 2022. 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.

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.

**Report of the Trustees for the year ended 31 March 2021 (continued)**

**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 2021 and up to the date of this report are:

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

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 at least four times a year to ensure robust governance and deal with all major issues that concern the well-being of the Orchestra. In the year, the Board met five times and received fortnightly updates from the Managing Director on the potential scenarios affecting the Orchestra and risk mitigation.

During the year the Board oversaw the steps taken to respond to the loss of earned income of furloughing staff and restructuring the administrative team as well as fee minimum schemes for Members. The Board received the annual safeguarding report and a report on the Hearing Protection Policy and noise measurement. The Board allocates time at each meeting to address progress on Inclusion and Diversity. In March 2021, the Board approved a brand refresh developed by a working party, which looks forward to the Orchestra's 75<sup>th</sup> Anniversary year in 2021-22.

**Report of the Trustees for the year ended 31 March 2021 (continued)**

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. The Committee met eleven times in the year to monitor the finances of the Orchestra and future financial scenarios, in view of the intense financial risks presented by the COVID 19 pandemic. The Committee approved the release of budgets for income support schemes for Members as well as applications for Culture Recovery Fund grants. In 2021, the Committee has also assessed the plans for moving the Orchestra's administrative office to Wembley Park which have been delayed by the COVID 19 pandemic.

**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. During 2021, this has also included approval of income support schemes for Members.

**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, at the Royal Albert Hall, where it is Associate Orchestra and the Royal Festival Hall. During 2021, 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 RPO's 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 four departments – Concerts Management, Business Development (incorporating marketing and development), Finance, and Community and Education, all report directly to the Managing Director, who in turn

**Report of the Trustees for the year ended 31 March 2021 (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 9<sup>th</sup> 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 £108,000 for the year was charged by the Trust, whereas in 2020, the Trust waived £78,945 rent and charged £29,055. At 5<sup>th</sup> April 2021, net assets in the unaudited accounts of the Royal Philharmonic Orchestra Trust were £626,897 (2020 - £518,488), which included cash of £178,033 (2020 - £69,852).

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 2021, the American Friends provided a donation of £37,985 to support a filmed concert in St Albans Cathedral of John Rutter's music conducted by the composer. In the previous year, the Orchestra toured the United States, undertaking workshops and performances and the American Friends contributed £213,013 to support this work.

At 31 December 2020, net assets in the unaudited accounts of the American Friends were \$253,302 (2019 \$197,186), represented by cash of \$261,977 (2019 - \$196,767) and other net payables (2019 – 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)
- RPO Young Professionals Club
- Signature Corporate Partners



Royal Philharmonic Orchestra Limited  
**Report of the Trustees for the year ended 31 March 2021 (continued)**

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. The Orchestra's Development Department maintains a considerate, unobtrusive 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 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. Far fewer in-person events have been logistically possible in 2021, but online concerts and workshops have reached new regions and communities.

An Inclusion and Diversity Action Plan for the period October 2020 to September 2021, was approved by the Board in the year. 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. In summer 2020, a cross-section of Members of the Orchestra, staff and Trustees reflected on aspects of Inclusion and Diversity using the Music Masters I'M IN toolkit. The RPO's Inclusion and Diversity Working Group, a cross-organisation body comprising musicians and staff was expanded in January 2021 and has met three times in the year. The Working Group monitors progress on the Action Plan at each of its meetings and recommends improvements to inclusive practices within the RPO.

Since the year end, over 80% of the Members of the Orchestra, staff and Trustees have participated in Inclusion and Diversity training.

The gender balance on the Board at 31 March 2021 was 8 men and 4 women, the same as at the previous year end. The RPO senior leadership team at 31 March 2021 comprised 2 men and 3 women, whilst the overall gender balance across Members of the Orchestra was 40 men and 31 women (prior year 43/30) and across employees, was 11 men and 26 women (prior year 12/21).

### **Acknowledgements**

The Trustees would like to express their appreciation and thanks to the people and organisations who support the Orchestra's wide-ranging programme of performances and outreach work. These include the Orchestra's President Mrs Foriel-Destezet, the John Lyons Foundation, Northern Trust, Cadogan Estates, Elephant Communications, St James's Place Foundation, the Garfield Weston Foundation, the Stavros Niarchos Foundation, the Dunhill Medical Trust, D'Oyly Carte Charitable Trust, the William Alwyn Foundation, 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 Orchestra is particularly grateful for public support through the pandemic in grants from the Department of Culture Media and Sport and Arts Council England and the Coronavirus Job Retention Scheme, as well as the self-employment income support scheme grants received directly by Members of the Orchestra.

The Trustees also thank the Orchestra's musicians and staff for their commitment and endurance during the particularly difficult past fifteen months.

Royal Philharmonic Orchestra Limited  
**Report of the Trustees for the year ended 31 March 2021 (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  
7 July 2021

**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 2021 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 2021 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.

**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.

*Moore Kingston Smith LLP.*

James Saunders (Senior Statutory Auditor)

for and on behalf of

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

Date: 12 July 2021

Royal Philharmonic Orchestra Limited  
**Consolidated Statement of Financial Activities**  
**For the year ended 31 March 2021**

		Unrestricted Funds 2021 £	Designated Funds 2021 £	Restricted Funds 2021 £	<b>Total Funds 2021 £</b>	Total Funds 2020 £
Note						
<b>Income</b>						
Donations, grants and legacies						
	Arts Council England Grants	1,860,840	-	-	<b>1,860,840</b>	946,394
	Education and Community Grants	-	-	106,405	<b>106,405</b>	162,749
	Sponsorship and donations	360,308	-	82,524	<b>442,832</b>	564,777
Charitable Activities						
	Box office, orchestra hire and fees	363,650	-	-	<b>363,650</b>	7,487,472
	Other income	411,837	-	-	<b>411,837</b>	190,677
	Investment income	1,098	-	-	<b>1,098</b>	4,660
<b>Total income</b>	5	<b>2,997,733</b>	-	<b>188,929</b>	<b>3,186,662</b>	9,356,729
Expenditure on:						
	Raising funds	205,305	-	-	<b>205,305</b>	254,938
	Charitable activities	3,233,674	-	140,539	<b>3,374,213</b>	9,522,285
<b>Total expenditure</b>		<b>3,438,979</b>	-	<b>140,539</b>	<b>3,579,518</b>	9,777,223
<b>Net (expenditure) / income before taxation</b>	8	<b>(441,246)</b>	-	<b>48,390</b>	<b>(392,856)</b>	(420,494)
Tax credit	8	14,710	-	-	<b>14,710</b>	618,016
Transfers between funds		(304,717)	304,717	-	-	-
<b>Net movement in funds for the year</b>		<b>(731,253)</b>	<b>304,717</b>	<b>48,390</b>	<b>(378,146)</b>	197,522
Total funds brought forward		3,607,067	25,000	194,609	3,826,676	3,629,154
<b>Total funds carried forward</b>		<b>2,875,814</b>	<b>329,717</b>	<b>242,999</b>	<b>3,448,530</b>	3,826,676

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 24 to 42 form part of these financial statements

Royal Philharmonic Orchestra Limited  
**Consolidated and Charity Balance Sheets**  
**at 31 March 2021**

	Note	<b>Consolidated</b>		<b>Charity</b>	
		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed Assets</b>					
Tangible assets	14	<b>277,120</b>	342,550	<b>277,120</b>	342,550
Intangible assets	15	<b>553</b>	1,383	<b>553</b>	1,383
Investments	16	<b>-</b>	-	<b>2</b>	2
		<b>277,673</b>	343,933	<b>277,675</b>	343,935
<b>Current Assets</b>					
Debtors	17	<b>216,781</b>	1,042,370	<b>213,747</b>	1,039,543
Cash at bank and in hand		<b>4,603,726</b>	3,534,888	<b>4,603,398</b>	3,534,412
		<b>4,820,507</b>	4,577,258	<b>4,817,145</b>	4,577,258
<b>Creditors : Amounts falling due within one year</b>	18	<b>(1,588,467)</b>	(1,094,515)	<b>(1,585,107)</b>	(1,091,214)
<b>Net Current Assets</b>		<b>3,232,040</b>	3,482,743	<b>3,232,038</b>	3,482,743
<b>Total Assets less Current Liabilities</b>		<b>3,509,713</b>	3,826,676	<b>3,509,713</b>	3,826,676
<b>Provisions for liabilities and charges</b>	19	<b>(61,183)</b>	-	<b>(61,183)</b>	-
<b>Net Assets</b>	20	<b>3,448,530</b>	3,826,676	<b>3,448,530</b>	3,826,676
<b>Funds</b>					
Called up share capital	21	<b>71,000</b>	71,000	<b>71,000</b>	71,000
Unrestricted funds		<b>2,804,814</b>	3,536,067	<b>2,804,814</b>	3,536,067
Designated funds	22	<b>329,717</b>	25,000	<b>329,717</b>	25,000
Restricted funds	23	<b>242,999</b>	194,609	<b>242,999</b>	194,609
<b>Total Funds</b>	24	<b>3,448,530</b>	3,826,676	<b>3,448,530</b>	3,826,676

The notes on pages 24 to 42 form part of these financial statements.

Approved by the board and authorised for issue on 7 July 2021.



Benjamin Cunningham

Chair



Royal Philharmonic Orchestra Limited  
**Consolidated Statement of Cash Flows**  
**For the year ended 31 March 2021**

	Note	2021 £	2020 £
<b>Net Cash provided by operating activities</b>	a	<b>1,067,115</b>	406,833
<b>Cash flows from / (to) investing activities</b>			
Bank interest		<b>1,098</b>	4,660
Proceeds from the sale of property plant and equipment		<b>625</b>	-
Purchase of property, plant and equipment		-	(28,352)
Net cash provided by / (used in) investing activities		<b>1,723</b>	(23,692)
<b>Change in cash and cash equivalents</b>		<b>1,068,838</b>	383,141
<b>Cash and cash equivalents:</b>			
<b>At the beginning of the year</b>		<b>3,534,888</b>	3,151,747
<b>At the end of the year</b>		<b>4,603,726</b>	3,534,888

Cash and cash equivalents were all cash in hand or at bank at 31 March 2021 and 2020. The charity has no net debt and therefore no net debt note is presented.

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

	2021 £	2020 £
<b>Net movement in funds</b>	<b>(316,963)</b>	197,522
Depreciation charges	<b>65,408</b>	64,718
Amortisation of intangible assets	<b>830</b>	830
Investment income	<b>(1,098)</b>	(4,660)
(Profit) / loss on disposal of fixed assets	<b>(603)</b>	179
Decrease in debtors	<b>825,589</b>	480,032
Increase / (decrease) in creditors	<b>493,952</b>	(331,788)
Increase in provisions for liabilities and charges	<b>61,183</b>	-
Net cash provided by operating activities	<b>1,067,115</b>	406,833

**Notes to the Financial Statements  
For the year ended 31 March 2021**

**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 2021.

**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 Orchestra's Business Plan for the year to 31 March 2022 envisaged three phases across the year. The first quarter has seen a programme of concerts and outreach workshops sustained by a second Culture Recovery Fund award together with the use of some reserves.

July to August 2021 was expected to be a period of commercial engagements and recordings, which would be self-financing. This model has been thrown into doubt by the United Kingdom Government's decision to delay the removal of capacity restrictions on indoor venues until mid-July 2021. Consequently revised financial plans include only firm income and a reduced number of projects for this period. The major outgoings of the company are event-related, including fees paid to self-employed orchestral musicians, soloists and conductors. These are not incurred

Royal Philharmonic Orchestra Limited  
**Notes to the Financial Statements**  
**For the year ended 31 March 2021 (continued)**

**Accounting policies (continued)**

unless events take place and therefore the company is able to reduce a significant proportion of costs in line with income, albeit at the expense of programming.

From September 2021 to March 2022, the RPO plans for a full schedule of work, subject to capacity and travel restrictions being lifted, so that the Orchestra can revert to its typical model of receiving the major share of its income from box office sales and engagement fees. The Orchestra has retained its annual Arts Council England grant for 2022 and now expects this to continue into 2023. It has a good pipeline of future work and is particularly grateful for support from a major benefactor for future concerts when capacity constraints have been lifted. Scenario planning for this period includes mitigations should income restrictions continue.

Forecasts for the years ended 31 March 2022 and 2023 indicate that reserves will cover unavoidable outgoings throughout both years, with further cost reductions being made if incomes do not begin to rebuild through 2022. 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 not less than twelve months from the date of signing 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.

Royal Philharmonic Orchestra Limited  
**Notes to the Financial Statements**  
**For the year ended 31 March 2021 (continued)**

**Accounting policies (continued)**

**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.

**Government grants**

Government grants relating to revenue are recognised in income on a systematic basis over the periods in which the entity recognises the associated costs for which the grant is intended to compensate. This includes £295,929 of Government assistance under the Coronavirus Job Retention Scheme (CJRS) relating to staff who were furloughed due to COVID 19.

Government grants which are for wider purposes, such as the Arts Council England National Portfolio grant are recognised when received.

**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

Royal Philharmonic Orchestra Limited  
**Notes to the Financial Statements**  
**For the year ended 31 March 2021 (continued)**

**Accounting policies (continued)**

**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.

**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 2021 (continued)**

**2. Comparative Consolidated Statement of Financial Activities for the year to 31 March 2020**

		Unrestricted Funds 2020 £	Designated Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Note					
<b>Income</b>					
Donations, grants and legacies					
	Arts Council England Grant	946,394	-	-	<b>946,394</b>
	Grants for RPO Resound	-	-	162,749	<b>162,749</b>
	Sponsorship and donations	423,275	-	141,502	<b>564,777</b>
Charitable Activities					
	Box office, orchestra hire and fees	7,487,472	-	-	<b>7,487,472</b>
	Other income	190,677	-	-	<b>190,677</b>
	Investment income	4,660	-	-	<b>4,660</b>
<b>Total income</b>	5	<b>9,052,478</b>	<b>-</b>	<b>304,251</b>	<b>9,356,729</b>
Expenditure on:					
	Raising funds	254,938	-	-	<b>254,938</b>
	Charitable activities	9,234,210	-	288,075	<b>9,522,285</b>
<b>Total expenditure</b>		<b>9,489,148</b>	<b>-</b>	<b>288,075</b>	<b>9,777,223</b>
<b>Net income before taxation</b>	8	<b>(436,670)</b>	<b>-</b>	<b>16,176</b>	<b>(420,494)</b>
Tax credit	9	618,016	-	-	<b>618,016</b>
Net movement in funds for the year		181,346	-	16,176	<b>197,522</b>
Total funds brought forward		3,425,721	25,000	178,433	3,629,154
<b>Total funds carried forward</b>		<b>3,607,067</b>	<b>25,000</b>	<b>194,609</b>	<b>3,826,676</b>

Royal Philharmonic Orchestra Limited  
**Notes to the Financial Statements**  
For the year ended 31 March 2021 (continued)

**3. Summary Financial Performance of the Parent Charity**

	Note	Total Funds 2021 £	Total Funds 2020 £
<b>Income</b>			
Donations, grants and legacies			
Arts Council England Grant		1,860,840	946,394
Grants for RPO Resound		106,405	162,749
Sponsorship and donations		442,832	564,777
Charitable Activities			
Box office, orchestra hire and fees		363,650	7,487,472
Other income		411,837	190,677
Intercompany income		125,192	5,380,960
Investment income		1,098	4,660
<b>Total income</b>	5	<b>3,311,854</b>	<b>14,737,689</b>
Expenditure on:			
Raising funds		204,466	254,113
Charitable activities		3,485,534	14,286,054
<b>Total expenditure</b>		<b>3,690,000</b>	<b>14,540,167</b>
<b>Net movement in funds in the year</b>		<b>(378,146)</b>	197,522
Total funds brought forward		3,826,676	3,629,154
<b>Total funds carried forward</b>		<b>3,448,530</b>	<b>3,826,676</b>

Royal Philharmonic Orchestra Limited  
**Notes to the financial statements**  
**For the year ended 31 March 2021 (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.

	<b>2021</b>	2020
	<b>£</b>	<b>£</b>
Turnover	117,198	4,769,511
Cost of Sales	(106,733)	(4,906,104)
Gross Loss	10,465	(136,594)
Administration Expenses	(25,175)	(481,423)
Operating Loss for the year	(14,710)	(618,016)
Taxation	14,710	618,016
<b>Profit / (loss) for the year after Tax</b>	<b>-</b>	<b>-</b>
Assets	15,038	618,495
(Liabilities)	(15,036)	(618,493)
Net Funds	2	2

**5. Income Analysis**

	<b>By Source of Funds</b>		<b>By Location of Activity</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
United Kingdom	<b>2,952,919</b>	6,714,591	<b>3,186,662</b>	7,365,369
Europe	<b>60,490</b>	743,243	-	683,942
USA	<b>111,809</b>	1,617,680	-	1,011,007
Other	<b>61,444</b>	281,215	-	296,411
	<b>3,186,662</b>	9,356,729	<b>3,186,662</b>	9,356,729
Intercompany income	<b>125,192</b>	5,380,960	<b>125,192</b>	5,380,960
<b>Total Charity income</b>	<b>3,311,854</b>	14,737,689	<b>3,311,854</b>	14,737,689
<b>Less: intercompany income</b>	<b>(125,192)</b>	(5,380,960)	<b>(125,192)</b>	(5,280,960)
<b>Total Consolidated income</b>	<b>3,186,662</b>	9,256,729	<b>3,186,662</b>	9,356,729



Royal Philharmonic Orchestra Limited  
**Notes to the financial statements**  
For the year ended 31 March 2021 (continued)

**6. Expenditure Analysis**

	Note	<u>2021</u> £	<u>2020</u> £
<b>Cost of raising funds</b>			
Musicians' fees and associated costs		-	4,747
Travel related and other costs		-	13,398
Advertising and marketing costs		-	115
Support costs	7	<u>205,305</u>	<u>236,678</u>
<b>Total cost of raising funds</b>		<u><u>205,305</u></u>	<u><u>254,938</u></u>
<b>Cost of charitable activities</b>			
Musicians' fees and associated costs		1,141,684	5,086,062
Venue costs		108,148	380,857
Travel related and other costs		314,929	2,003,980
Advertising and marketing costs		1,498	274,125
Support costs	7	<u>1,791,954</u>	<u>1,777,261</u>
<b>Total cost of charitable activities</b>		<u><u>3,374,213</u></u>	<u><u>9,522,285</u></u>

**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 2021 £
Staff and staff related costs	144,207	1,141,529	80,341	1,366,077
General office costs	26,762	294,581	6,203	382,611
Legal, professional and marketing costs	3,051	91,997	-	95,048
Finance and depreciation charges	5,130	130,318	-	135,448
Audit	-	-	18,075	18,075
	<u>179,150</u>	<u>1,658,425</u>	<u>104,619</u>	<u>1,997,259</u>
Allocation of governance support costs	26,155	77,546	(104,619)	-
<b>Total support costs</b>	<u><u>205,305</u></u>	<u><u>1,791,954</u></u>	<u><u>-</u></u>	<u><u>1,997,259</u></u>

Royal Philharmonic Orchestra Limited  
**Notes to the Financial Statements**  
**For the year ended 31 March 2021 (continued)**

**Support costs (continued)**

	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	(139,938)	-
Total support costs	236,678	1,777,261	-	2,013,939

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

**8. Net income**

Net income is stated after charging:

	2021 £	2020 £
Operating lease rentals	171,000	92,054
Auditor's remuneration for annual audit	18,075	16,300
Auditor's fees for taxation services	4,000	3,865
Depreciation of owned assets	65,408	64,718
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 2021 or 2020.

The subsidiary RPO Promotions Ltd has no taxable profits in 2021 or 2020. It was eligible to claim Orchestra Tax relief in 2021 of £14,710 (2020 - £618,016).

Royal Philharmonic Orchestra Limited  
**Notes to the Financial Statements**  
**For the year ended 31 March 2021 (continued)**

**10. Staff costs**

	<u>2021</u> £	<u>2020</u> £
Salaries	1,152,751	1,433,403
Social security costs	122,071	153,641
Pension costs	63,337	83,171
Redundancy payments	26,631	-
Other short term benefits	1,915	1,884
	<u>1,366,705</u>	<u>1,672,099</u>

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

	<u>2021</u> Number	<u>2020</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
£110,001 - £120,000	1	-
£160,001 - £170,000	-	1

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

	<u>2021</u> Number	<u>2020</u> Number
Concerts Management	12	15
Community and Education	3	3
Marketing	6	6
Development	3	3
Management, Finance and Administration	5	6
<b>Total</b>	<u>29</u>	<u>33</u>

Royal Philharmonic Orchestra Limited  
**Notes to the financial statements**  
**For the year ended 31 March 2021 (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 £243,817 (2020 - £345,437), 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 £145,971 (2020 – £220,344). 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 £120,001- £130,000 (2020 £180,001 - £190,000). Expenses reimbursed to the highest paid director in each year totalled £359 (2020 - £14,779) in respect of travelling and subsistence and office 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:

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Charlotte Ansbergs	<b>11,295</b>	26,579
Benjamin Cunningham	<b>15,005</b>	46,392
Shana Douglas	<b>14,044</b>	50,908
Patrick Flanagan	<b>10,463</b>	21,205
Jonathan Hallett	<b>11,062</b>	50,492
Matthew Knight	<b>7,785</b>	37,713
Chian Lim	-	16,812
Sali-Wyn Ryan	<b>13,819</b>	44,776
	<u><b>83,473</b></u>	<u>294,877</u>

Royal Philharmonic Orchestra Limited  
**Notes to the Financial Statements**  
**For the year ended 31 March 2021 (continued)**

**Transactions involving Directors and other related parties (continued)**

**Directors – Other transactions**

Directors made donations totalling £9,775 in the year (2020 - £19,313).

Last year one director purchased some surplus catering stock at cost.

**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 usually charged at 4% of the outstanding loan balance and repayments are made monthly. In the year to 31 March 2021, because the pandemic reduced Members' fees significantly, Members were not required to make repayments and interest was not charged.

Loans during each year were:

Player	Loan Purpose	Original Loan £	Balance at		
			1 April 2019 £	31 Mar 2020 £	31 Mar 2021 £
T Milne	Purchase of viola	5,000	2,869	1,182	<b>1,034</b>
M Perry	Purchase of timpani	10,000	-	8,682	<b>5,260</b>
K Saunders	Purchase of horn	7,900	3,200	1,294	<b>1,294</b>
J Valentinaviciute	Purchase of violin	10,000	1,597	-	-
<b>Total receivable</b>			<b>7,666</b>	<b>11,158</b>	<b>7,588</b>

**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 700 shares (2020: 500 shares). In addition, amounts receivable from the Trust at 31 March 2021 were £3,000 (2020 - £1,000).

**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 was £2,182 receivable from the American Friends at 31 March 2021 (2020 - nil).

Royal Philharmonic Orchestra Limited  
**Notes to the Financial Statements**  
For the year ended 31 March 2021 (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 £117,198 (2020 - £4,769,511) is payable by the Royal Philharmonic Orchestra Limited to its subsidiary and in respect of which production costs of £125,192 (2019 - £5,280,960) are receivable from the subsidiary.

The balance owed by RPO Promotions Limited to the parent charity at 31 March 2021 is £11,676 (2020 - £615,192), as set out in note 17.

**14. Tangible Fixed assets**

**Consolidated and Charity**

	<b>Computer Equipment £</b>	<b>Motor Vehicles £</b>	<b>Library £</b>	<b>Concert Equipment £</b>	<b>Office and Warehouse Fittings and equipment £</b>	<b>Total £</b>
<b>Cost</b>						
At 1 April 2020	72,698	320,689	46,889	141,529	137,461	<b>719,266</b>
Disposals	(1,716)	(9,999)	-	-	(95,833)	<b>(107,548)</b>
<b>At 31 March 2021</b>	<b>70,982</b>	<b>310,690</b>	<b>46,889</b>	<b>141,529</b>	<b>41,628</b>	<b>611,718</b>
<b>Depreciation</b>						
At 1 April 2020	51,566	69,178	-	132,662	123,310	<b>376,716</b>
Charge in the year	10,406	44,384	-	2,660	7,958	<b>64,718</b>
Disposals	(1,694)	(9,999)	-	-	(95,833)	<b>(107,526)</b>
<b>At 31 March 2021</b>	<b>60,278</b>	<b>103,563</b>	<b>-</b>	<b>135,322</b>	<b>35,435</b>	<b>334,598</b>
<b>Net Book Value</b>						
<b>At 31 March 2021</b>	<b>10,704</b>	<b>207,127</b>	<b>46,889</b>	<b>6,207</b>	<b>6,193</b>	<b>277,120</b>
At 31 March 2020	21,132	151,511	46,889	8,867	14,151	342,550

Royal Philharmonic Orchestra Limited  
**Notes to the Financial Statements**  
For the year ended 31 March 2021 (continued)

**15. Intangible fixed assets**

**Consolidated and Charity**

	<u>Total £</u>
<b>Cost</b>	
At 1 April 2020 and 31 March 2021	<u>3,320</u>
<b>Depreciation</b>	
At 1 April 2020	1,937
Charge in the year	<u>830</u>
<b>At 31 March 2021</b>	<u>2,767</u>
<b>Net Book Value</b>	
<b>At 31 March 2021</b>	<u><u>553</u></u>
At 31 March 2020	<u>1,383</u>

**16. Investments**

**Charity**

	<u>2021 £</u>	<u>2020 £</u>
Shares in group company at cost	<u>2</u>	<u>2</u>

The charitable company has a wholly owned subsidiary, RPO Promotions Limited, registered in England and Wales. The aggregate capital and reserves of RPO Promotions Limited amounted to £2 at 31 March 2021 and 2020. 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 2021 (continued)

**17. Debtors**

	<b>Consolidated</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	<b>50,596</b>	268,614	<b>50,596</b>	268,614
Current tax recoverable	<b>14,710</b>	618,019	-	-
Amounts owed by group undertakings	-	-	<b>11,676</b>	615,192
Social security and other taxes	<b>9,751</b>	-	<b>9,751</b>	-
Other debtors	<b>13,080</b>	28,933	<b>13,080</b>	28,933
Prepayments and accrued income	<b>128,644</b>	126,804	<b>128,644</b>	126,804
<b>Total Debtors</b>	<b>216,781</b>	<b>1,042,370</b>	<b>213,747</b>	<b>1,039,543</b>

**18. Creditors: Amounts falling due within one year**

	<b>Consolidated</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	<b>84,746</b>	67,930	<b>84,746</b>	67,930
Musicians' fees	<b>205,993</b>	286,982	<b>205,993</b>	286,982
Social security and other taxes	<b>36,487</b>	137,443	<b>205,993</b>	137,443
Other creditors	<b>42,259</b>	36,712	<b>42,259</b>	36,712
Accruals	<b>152,969</b>	76,447	<b>149,609</b>	73,146
Billings in advance	<b>1,066,022</b>	489,001	<b>1,066,022</b>	489,001
	<b>1,588,467</b>	<b>1,094,515</b>	<b>1,585,107</b>	<b>1,091,214</b>

Other creditors includes £3,610 (2020 - £4,331) representing cash held on behalf of the Trustees of the Royal Philharmonic Orchestra Sickness and Benevolent Fund.

**19. Provisions for liabilities and charges**

	<b>£</b>
<b>Dilapidations provision</b>	
At 1 April 2020	-
Additions	61,183
<b>At 31 March 2021</b>	<b>61,183</b>

The provision represents the cost of repairs to the Orchestra's administrative offices which are committed at the year end and for which payments will be made in the financial year ended 31 March 2022.



Royal Philharmonic Orchestra Limited  
**Notes to the Financial Statements**  
For the year ended 31 March 2021 (continued)

**20. Analysis of net assets between funds**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
<b>As at 31 March 2021</b>				
Fixed assets	277,673	-	-	277,673
Current assets	4,186,254	329,717	243,353	4,820,507
Current liabilities	(1,588,113)	-	(354)	(1,588,467)
Provisions for liabilities and charges	(61,183)	-	-	(61,183)
	<b>2,875,814</b>	<b>329,717</b>	<b>242,999</b>	<b>3,509,713</b>
<b>As at 31 March 2020</b>				
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)
	<b>3,607,067</b>	<b>25,000</b>	<b>194,609</b>	<b>3,826,676</b>

**21. Called up share capital**

	2021 £	Authorised 2020 £	Allotted and Fully Paid 2021 £	2020 £
Ordinary shares of £10 each	<b>100,000</b>	100,000	<b>71,000</b>	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.

**22. Designated funds**

	2021 £	2020 £
Residency development fund	250,000	-
Concert fund	40,000	-
Dilapidations fund	14,717	-
Seed investment for endowment fund	25,000	25,000
	<b>390,900</b>	<b>25,000</b>

Royal Philharmonic Orchestra Limited  
**Notes to the Financial Statements**  
**For the year ended 31 March 2021 (continued)**

**Designated funds (continued)**

The residency development fund is to invest in artistic programming and organisational systems and resources to develop residencies, including the move of the administrative office to Wembley Park. The dilapidations provision relates to the current administrative office of the RPO and will be largely spent in the year to 31 March 2022. The concert fund is to support recorded concerts in April 2021.

**23. Restricted funds**

	<b>Fundraising projects £</b>	<b>Community and Education projects £</b>	<b>Other projects £</b>	<b>Total Funds £</b>
<b>Year to 31 March 2021</b>				
<b>Balance at 1 April 2020</b>	84,043	110,566	-	194,609
Received during the year:				
Trusts, foundations and local authorities	-	50,824	2,000	52,824
Donations/sponsorship	-	55,581	80,824	136,105
Expenditure during the year	(6,140)	(51,875)	(82,524)	(140,539)
<b>Balance at 31 March 2021</b>	<b>77,903</b>	<b>165,096</b>	<b>-</b>	<b>242,999</b>
<b>Year to 31 March 2020</b>				
<b>Balance at 1 April 2019</b>	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)
<b>Balance at 31 March 2020</b>	<b>84,043</b>	<b>110,566</b>	<b>-</b>	<b>194,609</b>

Fundraising project reserves held at 1 April 2019 arose from a fundraising Gala in March 2016 at Buckingham Palace, celebrating the 70<sup>th</sup> anniversary of the Royal Philharmonic Orchestra.

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.

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**24. Reconciliation of movement in funds**

	<b>Total Unrestricted Funds</b>				
	<b>Called-up Share Capital</b>	<b>Other Unrestricted Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Year to 31 March 2021</b>					
Balance at 1 April 2020	<b>71,000</b>	<b>3,536,067</b>	<b>25,000</b>	<b>194,609</b>	<b>3,826,676</b>
Income	-	<b>2,997,733</b>	-	<b>188,929</b>	<b>3,186,662</b>
Expenditure	-	<b>(3,438,979)</b>	-	<b>(140,539)</b>	<b>(3,579,518)</b>
Tax credit	-	<b>14,710</b>	-	-	<b>14,710</b>
Transfers between funds	-	<b>(304,717)</b>	<b>304,717</b>	-	-
<b>Balance at 31 March 2021</b>	<b>71,000</b>	<b>2,804,814</b>	<b>329,717</b>	<b>242,999</b>	<b>3,448,530</b>
<b>Year to 31 March 2020</b>					
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
<b>Balance at 31 March 2020</b>	<b>71,000</b>	<b>3,536,067</b>	<b>25,000</b>	<b>194,609</b>	<b>3,826,676</b>

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**25. Operating lease commitments**

The company has annual operating lease commitments as follows:

	<b>Land and Buildings 2021 £</b>	<b>Land and Buildings 2020 £</b>
<b>Commitments arising in:</b>		
Less than one year	<b>168,550</b>	171,000
Two to five years	<b>297,000</b>	168,550
	<b><u>465,550</u></b>	<b><u>339,550</u></b>

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.

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. When the prior year accounts were signed the lease was expected to end in March 2022, but is now expected to end in December 2024.

**26. Capital Commitments**

The company had no capital commitments at 31 March 2021 or 31 March 2020.