

Philharmonia Limited
(Limited by Guarantee)

FINANCIAL STATEMENTS

for the year ended
31 March 2000



Philharmonia Limited (Limited by Guarantee)

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Philharmonia Limited (Limited by Guarantee)

COUNCIL OF MANAGEMENT AND OFFICERS

COUNCIL OF MANAGEMENT

Vincent Meyer	President
Keith Bragg	Chairman
Mark David	Vice Chairman
David Whelton	Managing Director
Kevin Hathway	
Michael Hurwitz	
Justin Jones	
Daniel Salem	
Susan Salter	
Andrew Smith	
John Wates	

SECRETARY

David Whelton

REGISTERED OFFICE

First Floor
125 High Holborn
London WC1V 6QA

COMPANY REGISTRATION NUMBER

799297

CHARITY REGISTRATION NUMBER

250277

AUDITORS

Baker Tilly
Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

BANKERS

National Westminster Bank plc
125 Great Portland Street
London W1A 1GA

Investec Bank
2 Gresham Street
London EC2V 7QP

LEGAL ADVISERS

Taylor Joynson Garrett
Carmelite
50 Victoria Embankment
London EC4Y 0DX

Philharmonia Limited (Limited by Guarantee)

REPORT OF THE COUNCIL OF MANAGEMENT

The Council present their report and financial statements of Philharmonia Limited for the year ended 31 March 2000.

GOVERNING INSTRUMENT

The company is governed by its Memorandum and Articles of Association.

MANAGEMENT

The company is managed by a Council of Management comprised of 7 playing members of the orchestra, elected in accordance with the Articles of Association, plus 4 non-playing members, who are co-opted at each annual general meeting. The Council of Management is supported by one sub committee, the Finance Committee, charged with working on the detail of the Orchestra's Finance. Membership is as under:

Council of Management

Player Members

Keith Bragg (Chairman)
Mark David (Vice Chairman)
Kevin Hathway
Michael Hurwitz
Justin Jones
Susan Salter
Andrew Smith

Non-Player Members

Vincent Meyer
Daniel Salem
John Wates
David Whelton

Finance Committee

Non-Player Members

John Wates (Chairman)
John Hill
Anthony de Keyser
Patrick Mill
David Whelton

Player Members

Keith Bragg
Mark David

Philharmonia Limited (Limited by Guarantee)

REPORT OF THE COUNCIL OF MANAGEMENT

ACTIVITIES AND REVIEW OF THE BUSINESS

The 1999/2000 financial year was another year of excellent artistic achievement for the Philharmonia Orchestra working with the world's leading conductors and soloists in a wide range of repertoire and performing to capacity houses throughout the world. The spring of 1999 was dominated by two major Festivals: Rachmaninov, led by Vladimir Ashkenazy and Berlioz, led by Valery Gergiev. Both Festivals were very successful with performances of the highest quality given to full houses and, in the case of Rachmaninov, repeated throughout the UK. The Rachmaninov Festival given in association with the South Bank proved to be the most successful of its type to date on the South Bank. The St Petersburg Chamber Choir joined the Orchestra for a performance of the opera *Francesca da Rimini* with a superb cast of Russian singers. Three of the world's greatest pianists, Evgeny Kissin, Arcadi Volodos and Mikhail Pletnev performed the concertos. As with the Ligeti project, the concerts were supported by films, exhibitions, chamber concerts and pre-concert events. The success of the Rachmaninov has led to invitations to repeat the Festival in New York. Vladimir Ashkenazy was appointed Conductor Laureate in February 2000 in recognition of his longstanding relationship with the Orchestra.

The summer season was brought to a close with memorable performances from Kurt Sanderling, Mitsuko Uchida and Alfred Brendel. Sanderling, now in his 88th year, returned to open the season giving magnificent performances directly in the tradition of Otto Klemperer. Further highlights included a Strauss anniversary series with Vladimir Ashkenazy, and remarkable performances of Bartok, Janacek and Kurtage with Christoph von Dohnányi. James MacMillan's *Music of Today* series continued to offer stimulating and attractive programmes featuring an eclectic range of composers, including Piers Hellawell John Woolrich, John Casken, Stuart MacRae, Nicolas Bacri and Alfred Schnittke. The series benefitted from RPS sponsorship which was used for market initiatives. Subscription concerts at the Royal Festival Hall continued to attract excellent audiences. The financial subscription target was met and the average paid percentage audience across the season was 81%.

The Philharmonia Orchestra's regional concerts continued to flourish with 53 concerts given to enthusiastic audiences throughout the UK. 1999/2000 marked the third season of the Leicester residency. Another excellent programme of concerts was presented including a repeat performance of John Woolrich's *Cello Concerto*. Audience figures increased again, averaging 76%, marginally ahead of budget. Negotiations have been concluded to extend the Residency Agreement for a further 5 years. The Bedford residency continued to flourish: the Education programme was further developed and the majority of the concerts sold out.

The Orchestra undertook 96 recording seasons in the year, 6 more than forecast. All were funded by Trusts, Foundations and private individuals.

The Orchestra had a very busy touring programme, largely as a result of the planned RFH closure, subsequently cancelled. In addition to regular tours to Germany, Austria, Spain, Italy and Greece the Orchestra returned to Paris to the refurbished Chatelet Theatre and took part in the world tour to launch the new Disney *Fantasia*. Perhaps the highlight was the very successful tour to New Zealand, Taiwan, Australia, Malaysia and Japan, with Vladimir Ashkenazy and Martha Argerich.

Apart from the two special tours, touring income continued to decline and the margin on engagements continued to be reduced. The trend for Corporate support to move away from the arts towards education, environmental and social issues has been maintained. Cash flow remains difficult.

The Community and Education department had another busy year with a wide range of projects undertaken around the three residences. The Steering Groups established in London, Leicester and Bedford continue to provide advice and guidance.

Philharmonia Limited (Limited by Guarantee)

REPORT OF THE COUNCIL OF MANAGEMENT

In the course of the year the Orchestra prepared a detailed bid for Stabilisation funding which was submitted to the ACE in October 2000. Stabilisation will enable the company to strengthen its balance sheet by means of debt mitigation

The administration of the financial management of the Orchestra proceeded smoothly. Detailed oversight of this aspect of the Orchestra's work continued to be the responsibility of the Finance Committee which met every three months under the chairmanship of Mr John Wates. Membership of the Committee remained unchanged.

The Philharmonia Trust, under the chairmanship of Sir Sydney Lipworth QC, gave sterling support and continued to offer valuable strategic and policy advice. The following Trustees supported the Orchestra financially throughout the year: Mr Vincent Meyer, Sir Sydney Lipworth QC, Mr Daniel Salem, Mrs Chrysanthé Lemos, Mr Donald Kahn, Sir Graham Hearne CBE, Mr John Wates, Mr Tim Archer. Two new Trustees were appointed, Stephen Richardson and Sandy Leitch, both of whom have given their financial support during the year.

In December 1999, the ACE announced a major uplift, in excess of £300,000 to the LSO, bringing the ratio of subsidy in comparison with the Philharmonia Orchestra to the astonishing level of 3 to 1. This differential, between two orchestras regarded as artistically equal, is incomprehensible. This decision by the ACE will fundamentally destabilise orchestral life in London and has placed the LSO in such a strong financial position that it can out-bid all other UK orchestras for conductors, soloists and players.

Looking Ahead

Subsidy

In April 2000, funding for the Orchestra's core work was delegated to London Arts. London Arts noted that it had been delegated with insufficient public subsidy to maintain the Orchestra's artistic programme. When challenged, the Arts Council of England stated that the appropriate mechanism to establish the required level of funding was Stabilisation. Within the Stabilisation programme the Philharmonia Orchestra has identified a subsidy requirement of £1,673,000 to fund its RFH and regional residences. This has been accepted by London Arts. Failure to fund the Orchestra at this level would result in loss of players, conductor and soloists creating a downward spiral of decline from which the Orchestra could not recover.

South Bank Centre

The SBC recently announced that refurbishment and reengineering of the RFH acoustics would be delayed indefinitely due to lack of funds. This is a major blow to the Orchestra and, as the RFH continues to deteriorate, and as the Barbican commences its refurbishment programme, the competitive position of the Philharmonia Orchestra in relation to audiences and sponsors is severely weakened.

The BBC

The Orchestra continues to make the case to the Arts Council of England and DCMS that the massive subsidy to the BBC Symphony Orchestra through the licence fee continues to destabilise orchestral life in the UK. The position is exacerbated by the continuing reduction of the number of relays offered to the Philharmonia Orchestra by BBC Radio 3.

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Philharmonia Limited (Limited by Guarantee)

COUNCIL OF MANAGEMENT'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires the Council of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the Council of Management are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Council of Management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF PHILHARMONIA LIMITED (LIMITED BY GUARANTEE)

We have audited the financial statements on pages 8 to 18.

Respective responsibilities of the Council of Management and auditors

As described on page 6 the company's Council of Management are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

In forming our opinion, we have considered the adequacy of the disclosures in the financial statements concerning the going concern basis in accordance with which the financial statements have been prepared. As more fully described in the accounting policy note, "Basis of Accounting", the company relies substantially on funding by grants from the Arts Council of England for its current and future commitments and operates on the basis that, taking one year with another, its revenue will match its expenditure. The company has been accepted onto the Arts Council of England's main Stabilisation programme. If successful, this will enable the company to strengthen its balance sheet by means of debt mitigation and removal of the accumulated deficit. There is no indication that the company's activities will be curtailed or substantially altered and therefore no provision has been included in the financial statements for costs that would be incurred in these events.

Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the charitable company's state of affairs as at 31 March 2000 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BAKER TILLY

Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

6 December 2000

Philharmonia Limited (Limited by Guarantee)

SUMMARY INCOME AND EXPENDITURE ACCOUNT (including branches)

Year ended 31 March 2000

	Notes	2000 £	1999 £
TURNOVER	1	4,880,321	4,677,015
EXCESS OF EXPENDITURE OVER INCOME	2	(1,041,434)	(605,539)
Royalties receivable		771	1,179
Interest receivable and investment income	4	6,480	10,142
Sundry income		57,052	7,504
		64,303	18,825
NET DEFICIT		(977,131)	(586,714)
OTHER DONATIONS			
Anonymous		5,000	10,000
Miscellaneous		375,418	321,380
		380,418	331,380
DEFICIT FOR THE YEAR	17	(596,713)	(255,334)

The operating deficit for the year arises from the company's continuing operations.

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

Philharmonia Limited (Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (including branches)

for the year ended 31 March 2000

	Unrestricted Funds £	Restricted Funds £	Total 2000 £	Total 1999 £
Income and Expenditure				
Incoming Resources				
Donations and gifts	311,193	241,764	552,957	610,133
Grants	-	1,340,832	1,340,832	1,197,899
Sponsorship	-	176,971	176,971	344,509
Turnover	-	4,880,321	4,880,321	4,677,015
Other income	149,447	91,032	240,479	214,458
Surplus on revaluation of investments	3,262	-	3,262	2,057
Total Incoming Resources	463,902	6,730,920	7,194,822	7,046,071
Resources Expended				
Direct Charitable Expenditure	51,562	6,731,603	6,783,165	6,249,241
Fundraising and publicity	123,806	280,276	404,082	354,972
Management and administration	339,780	264,508	604,288	697,192
Total Resources Expended	515,148	7,276,387	7,791,535	7,301,405
Net Outgoing Resources before Transfers	(51,246)	(545,467)	(596,713)	(255,334)
Transfer between funds	(545,467)	545,467	-	-
Net Movement in Funds	(596,713)	-	(596,713)	(255,334)
Balances as at 1 April as previously stated	(756,910)	-	(756,910)	(115,287)
Prior year adjustment	-	-	-	(500,000)
Balances as at 1 April as restated	(756,910)	-	(756,910)	(615,287)
Net movement in funds	(596,713)	-	(596,713)	(255,334)
Surplus on revaluation of investments	-	-	-	721
Surplus on revaluation of fixed assets	-	-	-	112,990
Balances c/fwd as at 31 March	(1,353,623)	-	(1,353,623)	(756,910)

Philharmonia Limited (Limited by Guarantee)

BALANCE SHEET (including branches)

31 March 2000

	Notes	2000 £	1999 £
FIXED ASSETS			
Tangible assets	7	251,528	267,696
Investments	8	49,500	46,238
		<u>301,028</u>	<u>313,934</u>
CURRENT ASSETS			
Debtors	9	904,604	1,675,971
Cash at bank and in hand		311,579	339,276
		<u>1,216,183</u>	<u>2,015,247</u>
CREDITORS: Amounts falling due within one year	10	(2,842,834)	(3,022,091)
NET CURRENT LIABILITIES		<u>(1,626,651)</u>	<u>(1,006,844)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,325,623)</u>	<u>(692,910)</u>
CREDITORS: Amounts falling due after more than one year	11	(28,000)	(64,000)
TOTAL LIABILITIES		<u>(1,353,623)</u>	<u>(756,910)</u>
DESIGNATED FUNDS			
Reserve - special	17	100,000	100,000
OTHER FUNDS			
Martin Musical Scholarship Fund	17	88,462	99,846
Friends of the Philharmonia Income and Expenditure Account	17	(14,202)	24,426
Philharmonia Income and Expenditure Account	17	(1,641,705)	(1,097,103)
Revaluation reserve	17	113,822	115,921
		<u>(1,353,623)</u>	<u>(756,910)</u>

Approved by the Council of Management on 21st November 2000

KEITH BRAGG

MARK DAVID

DAVID WHELTON

)
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)
) Members of
) Council of
) Management
)
)
)

Keith Bragg
Mark David
David Whelton

Philharmonia Limited (Limited by Guarantee)

ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

BASIS OF ACCOUNTING

These financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards, and the Statement of Recommended Practice, 'Accounting by Charities', and on a going concern basis.

These financial statements combine the results of Philharmonia Limited together with its branches, the Friends of the Philharmonia and The Martin Musical Scholarship Fund.

The company relies substantially on funding by grants from the Arts Council of England for its current and future commitments and operates on the basis that, taking one year with another, its revenue will match its expenditure. There is no indication that the company's activities will be curtailed or substantially altered and therefore no provision has been included in the financial statements for costs that would be incurred in these events.

In addition, overdraft facilities in line with the company's projected cashflow requirements have been negotiated with the company's bankers for the period to 31 March 2001.

The company has been accepted onto the Arts Council of England's main Stabilisation programme. This will enable the company to strengthen its balance sheet by means of debt mitigation and removal of the accumulated deficit.

In view of this and of the continuing support of the Arts Council of England, the going concern basis is considered an appropriate basis for the preparation of these financial statements.

TURNOVER

This represents income generated from own promotions, engagements and foreign tours, but excludes grants, sponsorship and donations. It comprises the total value of ticket and programme sales, advertising revenue, relay and transcription revenue, and services invoiced to customers, after deducting all credits and allowances and excluding value added tax.

DEPRECIATION

Fixed assets include musical instruments which have been revalued. Other fixed assets are stated at cost.

Depreciation is provided on all tangible fixed assets except those which are considered to be non-depreciating, at rates calculated to write off the cost of the assets down to its estimated residual value evenly over its expected useful life, as follows:-

Office furniture and fittings	20%
Musical instruments, baskets and recordings	10%
Computers and office equipment	33.33%
Motor vehicles	20%

GRANTS AND SPONSORSHIP

Grants and sponsorship are credited to the income and expenditure account in the year in which they accrue.

DONATIONS

Donations if allocated to specific concerts, engagements or projects are credited to the income and expenditure account in the year in which they accrue. Donations if allocated to the purchase of specific fixed assets are credited to the income and expenditure account by equal annual instalments over the life of the related asset. Other donations are credited to the income and expenditure account in the year in which they are received.

Philharmonia Limited (Limited by Guarantee)

ACCOUNTING POLICIES

EXCHANGE CONVERSIONS

Overseas currencies received from foreign tours have been stated at the actual rates obtained.

LEASES

Rentals under operating leases are charged to income and expenditure account as incurred.

CONNECTED CHARITIES

The Philharmonia Trust Limited (registered charity number 254191) is a connected charity as certain members of the Council of Management, who are also trustees, are Members of the Council of Management of Philharmonia Limited.

The position at the end of the year between Philharmonia Limited and the Trust is shown in debtors, note 9 to the financial statements.

The Philharmonia Benevolent Fund (registered charity number 280370) is connected to Philharmonia Limited having two trustees who are members of the Council of Management.

No transactions between the entities took place during the year.

Philharmonia Limited (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2000

1 TURNOVER AND DEFICIT

The company's turnover and deficit before taxation were all derived from its principal activity. Sales were made in the following geographical markets:

	2000 £	1999 £
United Kingdom	2,988,294	3,212,102
Europe	704,585	1,206,043
Rest of the World	1,187,442	258,870
	<u>4,880,321</u>	<u>4,677,015</u>

2 INCOME AND EXPENDITURE

	2000 £	1999 £
Income		
Turnover	4,880,321	4,677,015
Sponsorship for foreign tour	42,809	-
Other operating income (note 3)	1,692,809	1,674,792
Sponsorship less fees	134,162	344,059
	<u>6,750,101</u>	<u>6,695,866</u>
Expenditure		
Direct expenditure	6,650,177	6,163,421
Staff costs (excluding transport department costs):		
Wages and salaries	429,216	384,477
Social security costs	42,431	37,156
	<u>471,647</u>	<u>421,633</u>
Depreciation written off tangible fixed assets	60,308	28,261
Other operating expenditure (note 3)	609,403	688,090
	<u>7,791,535</u>	<u>7,301,405</u>
Excess of expenditure over income	<u>(1,041,434)</u>	<u>(605,539)</u>

Philharmonia Limited (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2000

	2000 £	1999 £
3 OTHER OPERATING INCOME AND CHARGES		
Other operating income includes:		
Arts Council of England grant	1,034,020	865,000
Other operating expenditure includes:		
Auditors' remuneration	9,000	8,375
Operating lease rentals	25,884	29,004
	2000 £	1999 £
4 INVESTMENT INCOME AND INTEREST RECEIVABLE		
Investment income	1,064	1,320
Interest receivable	5,416	8,822
	6,480	10,142
	2000 No.	1999 No.
5 EMPLOYEES		
The average monthly number of persons (excluding Council of Management) employed by the company during the year was:		
Office and management	17	18
Transport	1	1
	18	19
	2000 £	1999 £
Staff costs for the above persons (including transport department costs):		
Wages and salaries	471,671	437,155
Social security costs	46,629	41,572
Other pension costs	17,604	19,962
	535,904	498,689
Council of Management Remuneration		
Fees	6,564	6,489
Other emoluments	87,890	83,333
	94,454	89,822
	2000 £	1999 £
The Honorarium and other emoluments disclosed above (excluding pension contributions) includes amounts paid to:		
The Chairman	6,564	6,489
The highest paid member of Council	87,890	83,333
No other members of Council received emoluments.		

Philharmonia Limited (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2000

6 TAXATION

As a charity the company is exempt from corporation tax.

7 TANGIBLE FIXED ASSETS

	Office furniture & fittings £	Musical instruments, baskets and recordings £	Computers and office equipment £	Motor vehicles £	Total £
Cost or valuation:					
1 April 1999	71,164	232,710	235,101	90,375	629,350
Additions	14,479	6,001	23,489	250	44,119
Disposal	(2,475)	-	(1,765)	(4,995)	(9,235)
31 March 2000	83,168	238,711	256,825	85,630	664,334
Depreciation					
1 April 1999	43,372	102,035	141,904	74,343	361,654
Charged in the year	7,826	4,552	43,972	3,958	60,308
Disposal	(2,475)	-	(1,686)	(4,995)	(9,156)
31 March 2000	48,723	106,587	184,190	73,306	412,806
Net book value					
31 March 2000	34,445	132,124	72,635	12,324	251,528
31 March 1999	27,792	130,675	93,197	16,032	267,696

The musical instruments were revalued on a replacement value basis for insurance purposes on 25 March 1999 by Thomas Winter. The value of these depreciating instruments was determined at £140,710. The Council of Management believe that the musical instruments have not materially changed in value as at 31 March 2000.

French violin by Pierre Sylvestre was valued by John & Arthur Beare on 17 August 1999 at £20,000. Six double basses by Pollman were valued by Gallery Strings (London) at £12,000 each on 17 August 1999. The Council of Management believe that the musical instruments have not materially changed in value as at 31 March 2000.

The useful economic life of computers and office equipment has been reduced from 5 to 3 years as the Council of Management believes that this more accurately reflects the lives of those items held.

Philharmonia Limited (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2000

	2000	1999
	£	£
8		
FIXED ASSET INVESTMENTS		
COST		
15,000 M&G Securities Limited charibond income shares	16,395	16,395
19,319 AXA Sun Life Trust Management Limited, Master portfolio accumulation units	5,370	5,370
625 Scottish Mutual	2,000	2,000
Christopher Warren Green Violin Trust (1.442% holding)	5,000	5,000
	<u>28,765</u>	<u>28,765</u>
Middle Market Value	<u>49,500</u>	<u>46,238</u>
	2000	1999
	£	£
9		
DEBTORS		
Due within one year:		
Trade debtors	430,783	578,969
Other debtors	85,361	159,753
Prepayments and accrued income	335,143	917,672
Amounts owed by Philharmonia Trust Limited	53,317	19,577
	<u>904,604</u>	<u>1,675,971</u>
	2000	1999
	£	£
10		
CREDITORS: Amounts falling due within one year		
Bank overdraft	295,489	574,145
Loan	48,000	36,000
Trade creditors	797,880	1,296,629
Other creditors	350,125	45,785
Philharmonia Trust Limited	450,000	500,000
Other taxation and social security costs	58,661	61,106
Accruals and deferred income	842,679	508,426
	<u>2,842,834</u>	<u>3,022,091</u>

The bank overdraft of £295,489 (1999: £574,145) was secured by a first charge on the company's book debts.

Accruals and deferred income includes £314,175 (1999: £275,997) which relates to income in respect of future accounting periods received in advance in the form of subscriptions, sponsorship and other grants. It is the expectation of the various income donors that this income will be expended in future financial periods.

Philharmonia Limited (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2000

	2000	1999
	£	£
11 CREDITORS: Amounts falling due in more than one year		
Loan	28,000	64,000
Amount payable by instalments:		
within 1 year	48,000	36,000
within 1 to 2 years	28,000	36,000
within 2 to 5 years	-	28,000
	<u>76,000</u>	<u>100,000</u>

The loan is interest free and is secured by a second charge on the company's book debts and a first charge on the fixed assets. In addition it is secured on the music library of Philharmonia Trust Limited.

12 LIABILITY OF MEMBERS

All members have a liability not exceeding £1 per member. There were 74 members at 31 March 2000 (1999: 72).

13 THE PHILHARMONIA TRUST LIMITED

The Philharmonia Trust Limited which exists with the object of supporting Philharmonia Limited had unrestricted trust funds of £210,497 at 31 March 2000 (1999: £196,132) which can be utilised to support the orchestra if required.

The Philharmonia Trust Limited forgave £50,000 of the amount due by Philharmonia Limited as at 31 March 2000, and this amount has been credited to the Income and Expenditure Account.

	2000	1999
	£	£
14 LEASE COMMITMENTS		
Land and buildings:		
Annual commitments under operating leases expiring:		
Between two and five years	22,616	22,616

15 RELATED PARTY TRANSACTIONS

Vincent Meyer, President of the Orchestra made a donation of £100,000 (1999: £100,000) towards general music costs of the orchestra.

The Meyer Foundation, of which Vincent Meyer is a trustee, made a donation of \$125,000 (1999: \$120,000) towards general music costs of the Orchestra.

The Philharmonia holds shares in the Christopher Warren-Green Violin Trust and these are included under Note 8 to the financial statements. John Wates, a member of the Council of Management, owns 1.311% of the shares in the Trust and Christopher Warren-Green, a member, owns 13.291% of the shares.

16 CONTINGENT LIABILITIES

At 31 March 2000 the company has a claim for dilapidation of its old offices outstanding. Whilst the Council of Management accept that an amount is payable the final amount, at this time, cannot be determined with any accuracy.

Philharmonia Limited (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2000

17	STATEMENT OF FUNDS	DESIGNATED FUNDS		OTHER FUNDS			
		TOTAL £	Reserve - special £	Martin Musical Scholarship Fund £	Friends of the Philharmonia I and E Account £	Philharmonia Income and Expenditure Account £	Revaluation Reserve £
	At 1 April 1999	(756,910)	100,000	99,846	24,426	(1,097,103)	115,921
	Deficit for year	(596,713)	-	(11,384)	(38,628)	(546,701)	-
	Transfer to revaluation reserve	-	-	-	-	2,099	(2,099)
	At 31 March 2000	(1,353,623)	100,000	88,462	(14,202)	(1,641,705)	113,822

As at 31 March 2000 the balances carried forward for the Other Funds were all unrestricted due to transfers between restricted and unrestricted funds. Income received/expenditure paid during the year was split between restricted and unrestricted funds as follows:

	Unrestricted £	Restricted £	Total £
Martin Musical Scholarship Fund	29,177	41,000	70,177
	(14,938)	(66,623)	(81,561)
Friends of the Philharmonia Income and Expenditure Account	-	78,198	78,198
	-	(86,826)	(86,826)
Philharmonia Income and Expenditure Account	294,405	6,716,938	7,011,343
	(543,390)	(7,050,938)	(7,594,328)