

# Philharmonia

Philharmonia Limited  
(Limited by Guarantee)

## FINANCIAL STATEMENTS

For the year ended  
31 August 2022



# Philharmonia Limited (Limited by Guarantee)

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# Philharmonia Limited (Limited by Guarantee)

## Report of the Board of Trustees, including Strategic Report

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### REFERENCE AND ADMINISTRATIVE DETAILS

Charity Registration number: 250277

Company Registration number: 00799297

Registered office: 6 Chancel Street  
London  
SE1 0UX

Auditor: BDO LLP  
2 City Place  
Beehive Ring Road  
Gatwick  
West Sussex  
RH6 0PA

Bankers: Barclays Bank  
1 Churchill Place  
London  
E14 5HP

NatWest Bank  
10 Marylebone High Street  
London  
W1U 4BT

Legal advisers: McDermott Will and Emery LLP  
Heron Tower  
110 Bishopsgate  
London  
EC2N 4AY

Stone King LLP  
Boundary House  
91 Charterhouse Street  
London  
EC1M 6HR

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## Report of the Board of Trustees, including Strategic Report

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### Directors and Trustees

The directors of the charitable Company are its trustees for the purpose of charity law. Throughout this report they are collectively referred to as the Board of Trustees.

The Board members serving during the year and since the year end were as follows:

Chair	Lord Mervyn King
Deputy Chair	Saul Nathan
President (player member)	Kira Doherty
Deputy President (player member)	Cheremie Hamilton-Miller
Other player members	Laurent Ben Slimane (resigned 31 December 2022) Nuno Carapina Michael Fuller Antoine Sigure Heidi Krutzen James Buckle Lawrence Rolton Kira Doherty
Other non-player members	Michael Brindle (resigned 15 November 2022) Rupert Darbyshire (Chair of the Finance Committee) Daniel Knottenbelt (resigned 31 December 2022) Sir Peter Middleton (resigned 15 November 2022) Lorenzo Modiano Julia Zilberman Johanne Hudson-Lett (appointed 15 November 2022) Charlotte Hogg (appointed 15 November 2022)
Secretary	Katherine Collis
Independent Finance Committee member	Nick Bishop

The Trustees present their report together with the financial statements of Philharmonia Limited ("the Company") for the year ended 31 August 2022.

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### LETTER FROM THE CHAIR AND PRESIDENT

The 21/22 financial year spanned the last phase of the Covid pandemic and the fragile beginnings of a recovery from it. For the Philharmonia and the wider arts sector, this has meant a year of continued uncertainty and financial stress to players and businesses alike. Due to the long forward planning needs of classical music and the physical proximity of live performance, the arts sector's recovery was always going to lag behind other areas, and the 21/22 season was a testament to this. As a result of this uncertainty, the past year saw the orchestra face some of the most significant threats of its 77-year history. We have weathered the storm due in no small part to the dedication and exceptionally hard work of our staff, players and Board members, for which we would like to extend our utmost thanks.

The Orchestra as a company and the Orchestra as players felt the effects of these external challenges intensely but differently: whilst the limited company focused on financial solvency and flexible responses to planning and budget fluctuations, the players' needs and concerns were more immediate and tangible. The Members' Support Scheme of the previous year came to an end in September 2022 and was replaced by a more targeted Hardship Fund open to musicians facing continuing financial difficulty. There is of course no substitute for work in the diary in order to allow musicians to support themselves financially and thrive artistically, and it was made clear that the long-term retention of the core of the membership was going to be heavily conditional on this. Planning over the period was hampered in part by the ongoing effects of Covid, as well as changes in management, both of which have now been largely resolved. In August we welcomed the arrival of our new Chief Executive, Thorben Dittes, who has already made his mark on the running of the Orchestra.

We are now confident of a bright and artistically strong future for the orchestra, but the players themselves are still enduring a work schedule with significant gaps continuing into the 22/23 season. We have nonetheless been able to ensure a consistently high quality of work throughout the 21/22 year albeit at a reduced frequency. Santtu-Matias Rouvali continues to define his artistic leadership as principal conductor, accompanied by a roster of internationally acclaimed artists such as Marin Alsop, Joshua Bell, Nicola Benedetti, Herbert Blomstedt, Jakub Hrusa, Paavo Jarvi, Pekka Kuusisto, Vikingur Olafsson, Maria Joao Pires, Jakub Hrusa, Paavo Jarvi, Joshua Bell, Pekka Kuusisto and Gil Shaham amongst others.

We are confident that the artistic excellence and reputation of the orchestra has remained intact during the pandemic and beyond, due in large part to the loyalty, commitment, and dedication of the orchestra's most precious asset: the players. Despite the difficulties of the 21/22 year, we maintained a high-quality and high-profile set of major UK and international concerts, as well as a full and successful season at Garsington Opera. Our work with school children (Orchestra Unwrapped), people with dementia (Hear and Now) and young instrumental talent (MMSF) continued largely uninterrupted thanks to the flexibility and adaptability of the programmes and staff and players driving them.

The focus in 2021/22 was in supporting our long-term recovery and sustainability, from bold new artistic commissions to continuing our commitment to developing diverse talent at a time when our sector and young artists need this more than ever.

The Philharmonia is fortunate to have a committed group of individual and institutional donors. In 2021/22, we were supported by individuals, corporates, trusts and foundations, and through a number of government initiatives which provided us with much-needed short-term relief and helped us to plan ahead with confidence. The Culture Recovery Fund and the doubling of the Orchestra Tax Relief have been particularly welcome. But we face an immediate future with high levels of inflation, reduced funding from Arts Council England, and greater competition for existing funds.

The future success of the orchestra will rely on the flexibility, vision and boldness of our management team, Board of trustees and player members, and our willingness to champion the relevance of classical music and the distinctiveness of the Philharmonia over the next decade. We are confident that we will be able to meet those challenges. We know that music has the power to sustain us and provide hope, and we know that now it might be needed more than ever. Our thanks to everyone who has helped us during 21/22. We look forward to working with you in 22/23.

Lord King of Lothbury and Kira Doherty  
December 2022

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### OBJECTIVES AND ACTIVITIES

The charitable objectives of the Company are as follows: the advancement of public education through the promotion and support of the art of music (including opera, music, drama, ballet and all art forms consisting in whole or in part of music), particularly by the promotion and encouragement of orchestral music; and the relief of poverty and distress amongst playing members of any symphony orchestra for the time being maintained by the Charity and the dependents of such persons. The Company achieves these objectives by maintaining a symphony orchestra of the highest quality.

The Company aims to raise the public appreciation of music by maintaining and developing its position as one of the world's leading symphony orchestras, through the quality of its playing, its creative programming, the commissioning of new music, the provision of its learning & engagement programme, and the use of digital technologies to bring its performances to the largest and most diverse audience possible.

The Company has a Mission to create thrilling experiences in music; and a Vision that the Philharmonia Orchestra, both live and digitally, will have a transformative impact on the widest possible audience, through its four key values: fearless, pioneering, open, and global. Its main objectives for the period were: the provision of "Own Promotion" concerts at the Southbank Centre; residencies in Bedford, Leicester, Basingstoke, Canterbury, at the Three Choirs Festival and Garsington Opera; engagements by third party promoters; both live and online learning and engagement programmes; recorded performances of the highest standard; outreach via the website and other digital media. Underpinning all of these objectives are the Investment Principles of Arts Council England "Lets Create" of Ambition and Quality, Dynamism, Inclusivity and Relevance and Environmental Sustainability.

The strategies employed to achieve the Company's objectives are:

- to maintain, improve and secure the quality and status of the playing ensemble, through the quality of artistic opportunity and the quantity and quality of the Orchestra's schedule
- to develop the Orchestra's role as an originator and producer of new work, through commissioning and collaboration across art forms
- to develop, promote and market the Orchestra's live performing programme in London, its residencies, throughout the UK and internationally
- to expand the Orchestra's role as a pioneer, leader and creative innovator in the use of digital technologies to reach the widest possible global audience
- to nurture interest in, and knowledge of, orchestral music through education, work with local communities, audience development, digital activity and recordings
- a commitment to being an inclusive and relevant organisation, working to ensure equality of opportunity; inclusion of diverse viewpoints and backgrounds; closer working with the communities the Orchestra serves; ensuring a diverse workforce and governance; and embedding the Creative Case for Diversity
- to commit to knowledge and experience sharing with other arts organisations at a strategic level, notably in the fields of digital development, philanthropy, marketing, environmental sustainability and programme-planning

### PUBLIC BENEFIT

When reviewing the charitable Company's objectives and activities and devising the future programme of the charitable Company for the next period, the Board of Trustees confirms that it has referred to the Charity Commission's general guidance on public benefit and complied with its duty under the Charities Act 2011.

The Company's aims and objectives stated above are directed at the public at large: the Orchestra's concertgoers throughout the UK and abroad; visitors to its website; those who listen to its recordings; those in the local communities where the Orchestra works, and the wider communities the Orchestra serves; and those who participate in the Orchestra's various learning & engagement work.

The Orchestra's Own Promotion concerts at Southbank Centre are open to the public without restriction. Discounted tickets are available for disabled concertgoers, those on income support, students and under-18s. The Orchestra also offers an extensive programme of chamber concerts, contemporary music, talks and foyer events with free entry. The Orchestra performs throughout the UK in public venues that have similarly inclusive policies.

The Orchestra aims to increase the numbers and diversity of its audiences and participants through sophisticated audience engagement strategies including its world-leading digital programme, online content available free through its website and other platforms; and its work with communities. The Orchestra will also benefit future generations through its learning & engagement programmes, its recordings and through its dedication to training the next generation of orchestral musicians.

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### STRATEGIC REPORT

#### A ACHIEVEMENTS AND PERFORMANCE

During the pandemic, we were partially operational, minimising outgoings, maximising income and creating new, world class music that has kept our orchestra together and playing and kept us connected to our audience. We have been dynamic and agile, maintaining and developing audiences in a new digital setting, even under challenging circumstances. We safeguarded the orchestra, ensuring that we were in the strongest possible position for when we performed to live audiences again.

Although the peak of the pandemic has passed, Covid is still a reality that many of the people we work with have to navigate. We know that some of the people we work with through our Learning and Engagement projects prefer in person events and others are much more comfortable online or being able to alternate between the two. We have addressed this by including hybrid/remote options, offering parallel sessions online, and making sure all sessions recognise that a greater number of people (especially older people) are still more likely to drop out last minute from individual sessions but want to continue with the programme. We address this by remodelling relevant projects in a way which makes it easier to catch up if a session is missed, such as including more recap materials for participants.

During the 21/22 season, Covid remained a challenge in terms of travel restrictions, with some artists/conductors still having problems travelling to the UK. We have, however, always been able to find replacement and have not had to cancel any concert performances. Where we had to replace an artist who is global majority or a woman, we have done our best to replace the person in a way which doesn't negatively impact our ambition to platform greater diversity.

The focus in 21/22 was in supporting our long-term recovery and sustainability, keeping us relevant and dynamic, and moving us from emergency to recovery working, delivering our organisational vision: to have a transformative impact on the widest possible audience. This was achieved through our ambitious Human:Nature series and associated activities (moving to in-person delivery, in line with national public health guidance and audience feedback), and supported the long-term development of our business: working more sustainably; championing diversity; and, consolidating a more joined-up approach to our activities which will have a long-term positive impact on the way that we work.

We delivered bold programming, as a dynamic and more connected organisation. We are changing our working practices to have a more collaborative and joined-up approach to our business. The Human:Nature series was strategic, bringing together all departments, with a shared set of aims. This project brought together all departments, delivering a project which included world-class concerts in one of the UK's most renowned concert halls; targeted learning and engagement projects (for example, working with KS2 pupils to discuss environmental themes and explore some of the ways in which composers have been inspired by the natural world); develop new advocacy and environmental partnerships (such as with the RSPB); new marketing and data capture to understand audience development and response to such topical themes; and, a new Policy and Action Plan for environmental sustainability (see below).

In 21/22 we commissioned three new compositions, two within our main Royal Festival Hall season concerts and one within our Music of Today Purcell Room concerts. We commissioned new works from five emerging composers (usually two/three per year, but the Covid cohort was postponed to this year), performed and recorded as part of Music of Today. The broadened 21/22 MMSF Instrumental Fellowship Scheme accepted 15 top conservatoire graduates, bridging the difficult gap between full-time study and professional status, providing possible pathways into membership of the Orchestra. Success was measured by take-up, diversity and number of applications, and diversity of participants (minimum 25% from underrepresented backgrounds), as well as detailed feedback from all groups involved in the programme.

We created diverse programming, inspiring current audiences and the next generation of audiences and music makers. Our 2020-24 Equality Action Plan aimed to increase representation of protected characteristics in all areas of our work. Now in its third decade, Music of Today presents work by a dynamic and diverse range of composers and performers, artists who are defining the present and future of music. Three Music of Today free concerts were performed in 21/22 in the Purcell Room in the Southbank Centre. 20% of our conductors identified as women and 15% of conductors and soloists identified as People of Colour. Our aim is that this will increase year on year to achieve gender parity and representative diversity of conductors and soloists.

We built back stronger, more integrated and engaged residencies. The Philharmonia's mission is to deliver world-class music to as wide an audience as possible. Community engagement projects delivered alongside our residency concerts ensure greater accessibility, relevance, and impact in people's lives. We launched a recovery season of four concerts in UK residencies beyond London with Santtu conducting at each and associated four Orchestra Unwrapped concerts for

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school (KS2) and family audiences, focusing on female composers and musicians. We deepened local stakeholder and advocacy engagement in Bedford and Leicester with Mayor's and Lord Mayor's concerts respectively, highlighting the value of the residencies to the Philharmonia and our deep commitment to our residency communities. We established permanent Community Boards in Bedford and Leicester evolving from local Steering Groups (part of The Virtual Orchestra), informing our programming and strategic direction within the residencies and providing an opportunity for organisations, communities and residents to inform, engage with and co-create our work. We re-launched Hear and Now in Bedford and Leicester; and, Symphonize in Leicester and scope potential for expanding to other residencies.

We delivered bold programming, as a dynamic and more connected organisation. Human:Nature wasn't just a concert series, it was a vehicle for change; an opportunity to hear new voices, connect our work across all residencies, and launch our new Principal Conductor. We delivered 14 concerts in 21/22, achieving audience targets of 16-17k ticket sales; and significant positive media coverage. Our new Artist in Residence programme diversifies our repertoire, workforce and audiences. Work spans the breadth of the organisation, provides opportunities to collaborate between art forms, and showcases work by underrepresented artists, particularly women and BAME artists. Our 21/22 Artist in Residence collaboratively devised a new cross-arts piece and produced a full audience development report examining impact on widening audiences for the Philharmonia. We launched the Featured Artist series with Pekka Kuusisto (violinist and conductor), an opportunity for an internationally renowned musician to showcase all facets of their artistry. Kuusisto performed three Royal Festival Hall concertos as soloist, one Royal Festival Hall concert as conductor, and curated or performed in two Music of Today concerts.

### CONCERTS & PROJECTS

We delivered diverse programming, inspiring current audiences and the next generation of audiences and music makers. For the arts to thrive they must be relevant, and we can only do that by representing the audience we wish to serve. It is imperative that the programme, and conductors and soloists that we engage, are diverse and relevant to our diverse audiences.

We have been incorporating inclusivity and relevance (I&R) in all areas of our business. This includes clear targets for a more diverse repertoire such as Featured Artists, a more diverse workforce with more transparent board and staff recruitment processes, a more diverse talent pipeline trialling the use of screened auditions, and more diverse audiences with strong data capture and streamlined reporting.

We have our most diverse group of MMSF Fellows, including our first ever female timpani player and now have the most diverse workforce in our history. We have ambitious but deliverable plans to continue increasing diversity in our staff, Players, Board and audiences.

We made it a priority to seek out and engage a diverse range of conductors, soloists and composers. Artists featured included: conductors Elim Chan, Xian Zhang, Roderick Cox, Marin Alsop, Tianyi Lu, Manoj Kamps, Alpesh Chauhan; soloists Solomon Howard, Bruce Liu; and, composers Gabriella Smith, Anna Thorvaldsdottir, Lisa Lim, Andrea Tarrodi and Isobel Waller-Bridge.

The Orchestra recorded two free-to-air concerts, our season opening concert featuring two monumental works by Richard Strauss – Also Sprach Zarathustra and Alpine Symphony; and an all-Tchaikovsky programme including his final masterpiece, the 6<sup>th</sup> Symphony.

This year, we were able to go back to delivering live schools' concerts through our Orchestra Unwrapped project. Orchestra Unwrapped was generously supported in Bedford by the Harpur Trust, Philharmonia Orchestra in Bedford Trust, and in London by the Laurence Modiano Charitable Trust, the EC Sosnow Charitable Trust and the Michael and Nicola Sacher Charitable Trust.

The second year of our Artist-in-Residence programme came to a close, marked by a final performance by House of Absolute, a woman-led hip-hop dance and arts collective.

Across their second year, House of Absolute worked with seven members of the Orchestra and one MMSF fellow. Our residencies culminated in a performance at the Sadler's Wells Theatre to an audience of 1479, an audience who would not normally attend our concerts. We have recruited our 22/23 and 23/24 Artists in Residence and look forward to working with them in due course.

**Number of projects, recordings, info re contemporary composers, diversity of composers.**



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Across the period the Orchestra undertook over 140 different performances or recordings. Of these, 18 contemporary composers were featured from a diverse range of backgrounds (e.g. Gabriella Smith, Isobel Waller-Bridge, John Luther Adams, Bryce Dessner, Jessie Montgomery, Jonathan Dove, Anna Thorvaldsdottir, Lisa Lim). Of the works performed by living composers, over 60% of the composers were female.

The artistic planning process aims to positively increase the representation on our stages of composers and artists with protected characteristics, whilst maintaining the exceptional high level of quality for which the orchestra is known. Guest artists included Elim Chan, Xian Zhang, Manoj Kamps, Roderick Cox, Marin Alsop, Nicola Benedetti, Hilary Hahn, Pekka Kuusisto, Solomon Howard, Sir John Eliot Gardiner, Bruce Liu, Benjamin Grosvenor, Lisa Lim, and many more.

The Orchestra continued its drive to promote new classical music, and to develop the classical canon of tomorrow. New works were commissioned from Anna Clyne, Isobel Waller-Bridge, Grace Evangeline Mason, Bryce Dessner and Luke Styles.

With the arrival of Santtu, there were great opportunities to build interest with the media. Across the year, the Orchestra secured extensive press coverage, from interviews and feature articles to critical reviews, an increase of almost 50% year on year. This was further enhanced by advertising campaigns that reached over 6 million.

The Orchestra continued to focus on growing online audiences and released concert streams of both the opening concert, featuring Santtu conducting Strauss, and the Tchaikovsky: Piano Concerto No. 2 with Bruce Liu, which to date have had over 150,000 views collectively. Across the year the YouTube channel received 2.5 million views, Facebook saw 25% growth, and Spotify reached 1 million listeners.

To celebrate the theme of Human:Nature, partnerships with RSPB and the Climate Coalition were established. E-tickets were launched at the start of the season, which resulted in 68% of ticket buyers opting for a digital copy, and digital programme notes were created.

Several key strategic projects were developed and launched across the year, with the focus on audiences and data, placing greater importance on super-serving existing audiences and reaching new. This led to a collaboration with London Art Week, which saw the Orchestra go beyond the concert hall and into galleries in Central London. The Orchestra also developed a data strategy and created a new role focused on data and insight.

### ORGANISATION

During the period the Orchestra continued with their five-year strategic plan, which contains the following aims:

- to offer bolder, braver and broader programming, speaking to a greater audience
- to deliver significant impact through strong, season-long stories and associations
- to be well-connected and working in collaboration with the communities we serve
- to build our brand through high-quality content with notable impact
- to have a well-established 'Philharmonia family' donor-base
- to demonstrate clearly our inclusive nature as an organisation, relevant to all
- to be financially stable, increasingly able to re-invest in the orchestra, in our communities and in our art-form

The Board of the Philharmonia under Lord King of Lothbury as Chair, met regularly through the period, leading the strategic direction of the Orchestra. Michael Brindle KC and Sir Peter Middleton resigned during 2022 and Charlotte Hogg and Joanne Hudson-Lett have been appointed to the Board in October 2022. Alexander Van Ingen stepped down as Chief Executive Officer during the period, and Thorben Dittes has been appointed as the new Chief Executive Officer. The organisation thanks Michael, Sir Peter and Alexander for their service, and in particular for their, and their colleagues', substantial and successful efforts to stabilise the organisation and underpin activity through the pandemic. During the period, a further senior appointment was made, with Teddy Prout taking on the role as Director of Learning and Engagement.

The Orchestra played a strong role as a sector representative, working closely with colleagues at the Association of British Orchestra, the Musicians Union, and with Arts Council England (ACE).

In May 2022 the Orchestra applied for renewal of funding as a National Portfolio Organisation (NPO) with Arts Council England for April 2023-March 2026. This was awarded in November 2022 at £1.9m per annum, a reduction of 12% on prior years, in line with NPO funding reduction of other major London Orchestras. As a result of the reduced funding, and increased inflation and cost of living impact on staff and players, the Orchestra will be reviewing and adapting its activity plans over the coming months as it finalises its 3-year funding agreement with ACE.

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### AUDIENCE DEVELOPMENT

Our Audience Development Plan sees diversity as a key KPI, to be measured as proactively as ticket sales and income. Our marketing team is increasing diversity through a new ticketing strategy underpinned by rigorous data and market research (accessible price points, targeted campaigns for unsold tickets); initiatives such as Student Pulse and Ringside Seats; data capture/understanding our audience; and free online content.

We now have a full time Data and Insights Manager to help us monitor progress, keep us accountable, and share our findings internally and externally (strengthening the sector). We now have a Data Working Group, representing all departments, measuring progress towards ACE outcomes and investment pillars.

Core to all our audience development work is audience research, for which the Orchestra has developed practice across data insights, surveys and evaluation, and customer relationship management. Data insights research is centred on our ticketing system Tessitura, further complemented by use of the Audience Finder dashboard. The Orchestra's audience research now focuses on our wider residency audiences, rather than the London Own Promotion Season alone.

### LEARNING AND ENGAGEMENT

We focused 21/22 on building back stronger, more integrated and engaged residencies. During the pandemic our residency programmes were particularly affected and curtailed. Digital activity has allowed us to continue supporting communities and engage with our work, but we need to use 21/22 to re-establish our in-person work and important Learning & Engagement programmes.

We consider participants in our L&E programme as a part of our core audience rather than as an additional group. This means that data capture relating to L&E participants is a part of our organisational data capture, will appear in our organisational KPIs and data dashboard (being developed, for use internally and externally), and will be included as a core part of our Audience Development Plan.

We have been undertaking an in-depth review of our current L&E work, are streamlining processes and are developing plans for new pilot projects and community consultation work which will take place across our residencies and incorporate Priority Places and Levelling Up Culture Places. Our planned pilot projects are ambitious in scope and will reach more groups of people in a more targeted way than ever before, truly responding to individual and group barriers to engagement with classical music. We will identify these barriers and address them through close community consultation, particularly through our existing Community Boards and new ones that will be established in Levelling Up places.

To achieve this, we are strengthening our community boards, appointing chairs and developing clearer processes, including transparent recruitment processes and I&R targets to ensure that boards truly represent the local community and those who have least access to cultural activities.

Our Learning & Engagement programme is at the core of our work and engages thousands of people in the joy of music-making. The projects we create are rooted in our residency communities. As committed collaborators, we design our projects with a wide range of partners, from residency venues and music education hubs to community groups and local authorities. During the pandemic we have been unable to physically connect with project partners, communities, audiences, project beneficiaries, and performance venues. As our residencies reopened, we needed to re-establish and redevelop these relationships as well as identify and address gaps in our current provision.

We are pleased to report that we have successfully delivered:

- Orchestra Unwrapped – our key stage 2 schools' concerts
- Symphonize – our fusion project collaborating with teenagers facing challenging circumstances in Leicester
- Hear and Now – our intergenerational community project in Leicester and Bedford bringing together young people and adults with dementia to create and perform together

Our KS1/2 schools project works with some of the most marginalised children in our residencies, supporting them to access a live symphony orchestra, often for the first time, democratising access to culture and providing routes to long-term musical engagement. Our focus residencies are London, Bedford and Leicester (where the programme is delivered every year). In addition, we deliver Orchestra Unwrapped in other cities such as Basingstoke on a one-off basis. Teachers are provided with new skills and confidence to teach music and to use music as a pedagogical tool, supporting the wider curriculum (including maths, science, history, and geography). The project combined live performance, teacher training, and learning activities for inside and outside of the classroom.

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We worked with:

- 10 schools in Bedford, 13 schools in Leicester, 27 schools in London
- 54 teachers in Bedford, 104 teachers in Leicester, 251 teachers in London
- 307 pupils in Bedford, 1,072 pupils in Leicester, 1,789 students in London

Orchestra Unwrapped 21/22 outcomes:

- Cultural provision in London, Bedford and Leicester is increased, particularly classical music
- Access to culture is democratised
- Teachers' gain confidence including music in the classroom
- Teachers and pupils are more engaged with listening to/engaging with music
- Teachers and pupils are more engaged with music-making
- Schools better understand the value of teaching music
- Marginalised children experience a live symphony orchestra for the first time

Symphonize works with marginalised children and young people from Leicester's most deprived wards, who have come into contact or are at risk of contact with the criminal justice system. We use music-making and collaboration to increase self-esteem, develop a sense of belonging, learn and perform music, and experience new musical genres. In partnership with Soft Touch Arts, the project enables children and young people to work with Soft Touch musicians and producers and Philharmonia musicians to collaboratively compose, produce, record and perform original, cross-genre music. Each year, the project includes taster sessions at targeted community and secondary schools; a CPD training session for project practitioners; an intensive week-long creative project; and a final public performance to peers, families/carers and VIPs.

The project completed in July 2022 reaching 25 children and young people.

Symphonize 21/22 outcomes:

- increase self-esteem and confidence amongst participants to express themselves creatively
- increase participant's sense of belonging to a wider group, enabling them to contribute their creative ideas, contributing to recovery from experiences of loneliness resulting from covid-19 lockdowns
- participants learn and perform a new musical instrument whilst experiencing a wide range of musical genres, for CYP with no/limited access to arts and culture

*Hear and Now* is delivered with people with dementia and their carers; not just for them. It uses music and intergenerational connections and friendships to inspire and engage people with dementia, their carers, and young people in culturally diverse areas in Bedford and Leicester. People with dementia engage in a creative process with others, including carers who might rarely experience a new activity with the person that they care for, resulting in positive outcomes for people with dementia and other project participants. The project combines workshops and creative sessions and a final performance, as well as a video which can be shared with friends and family.

We worked with:

- 13 people living with dementia (Bedford), 15 people living with dementia (Leicester)
- 15 carers (Bedford), 3 carers (Leicester)
- 19 young people (Bedford), 5 of young people (Leicester)
- 4 community participants and 115 audience members (Bedford), 18 community participants (Leicester)

*Hear and Now* 2021/22 outcomes for people living with dementia:

- Improved mental and emotional wellbeing
- Increased confidence/positivity – trying new things in comfortable but new surroundings
- Enhanced sense of inclusion – support network/meeting others with shared experiences
- Motivation to try new things – exploring a new interest (often a rare opportunity, for people with dementia)
- Unlocking new learning potential – in line with growing evidence of the positive effects acquiring new knowledge can have for this audience
- Triggers for memory and language recall – sensory and conversational nature of the sessions can improve memory and communication skills
- Reduced anxiety

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### EMERGING ARTISTS

The Philharmonia is a hub of talent development, across all areas of classical music-making. We work collaboratively to strengthen the cultural sector through innovation and developing the next generation of musicians, composers and audiences.

The Instrumental Fellowship Programme supports young instrumentalists who are specifically seeking an orchestral career. It connects them to the wider life of the Philharmonia and the expertise within its membership. The scheme not only supports Fellows' musical development but develops their knowledge of how a modern orchestra runs and their role within it (including work with local communities, schools and families). Focusing on work-related skills and experience, alongside musical development addresses a particular need within the orchestral sector and is what makes this scheme distinctive.

Our programme allows us to present Fellows in a professional series of 12 recitals, highlighting under-represented players, like women brass and timpani players, playing to the general public. Additionally, we provided a series of 20 Primary School recitals for the fellows.

This year we have also worked with the existing pool of Fellows to develop an alumni scheme, which will launch next year, to make sure our support is not lost when they graduate, and to develop a more rounded programme of activity focussing on the CPD needs of the cohort.

MMSF Instrumental Fellowship Programme directly benefited:

- 15 early-career musicians
- 24 Players
- 4 workshop leaders/project collaborators

MMSF Instrumental Fellowship Programme 21/22 outcomes:

- Supporting 15 new musicians to be the best that they can be, enhancing classical music nationally and internationally
- Supporting a more diverse future for classical music
- Helping musicians to promote themselves, network, and to learn about carving out a career in classical music
- Providing new opportunities for early career musicians such as paid experience on Learning & Engagement projects, recitals, sit-ins with the orchestra and paid patches of performance work

"It's been really excellent to have mentor lessons with a member of the orchestra as it helps the prospect of entering the mainstream profession a lot more of a reality. The advice they give is really helpful, especially with orchestral etiquette. Hearing their advice helps me go forward." Bass Trombone Fellow

Composers' Academy is the Philharmonia's highly successful composer training programme, linked to the Orchestra's prestigious Music of Today contemporary music series. Composers' Academy sees composers at the start of their careers engage in a season-long composition-writing, workshops, and tutorial programme. This year, we provided opportunities with Philharmonia Players to explore specific instrumental technique and recorded each composer's works.

Composers Academy directly benefited:

- 5 early-career composers
- 19 Philharmonia Players
- 11 additional players

The project will additionally benefit audience members who will access the composition online, as the recordings of the works are released on 24 June 2022. There were no live performances of the works due to covid restrictions.

Composers' Academy 21/22 outcomes:

- Supporting three new composers to be the best composers that they can be, enhancing contemporary classical music nationally and internationally
- Supporting a more diverse future for classical music composition
- Helping composers to promote themselves, network, and to learn about carving out a career in classical music
- Providing new opportunities for composers

# Philharmonia Limited (Limited by Guarantee)

## Report of the Board of Trustees, including Strategic Report

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- Diversifying the classical music sector
- Introducing audiences to new composers
- Commissioning new contemporary music and contributing to the artistic quality/heritage of the sector/widening access to repertoire
- Providing new and artistically challenging opportunities to our players

Our talent development work hasn't just included our main programmes. We have also undertaken a series of smaller pieces of work, supporting conservatoire students with their playing and with their knowledge and understanding of symphony orchestras.

This year, we supported 45 students, providing them with the opportunity to: watch a professional symphony orchestra in rehearsal, followed by small-scale workshops and discussions; and sit with the students' instrumental counterpart, watching up close and/or play tutti parts alongside the principal.

## B FINANCIAL REVIEW

### Review of the financial year

The year to 31 August 2022 saw a consolidated net surplus of £51,768 (17 months ending 31 August 2021: net surplus of £6,392,982). The standalone charity result for Philharmonia Limited alone was a surplus of £95,653 (17 months ending 31 August 2021: surplus of £6,427,656).

Underlying net operating surplus was £284,389 (17 months ending 31 August 2021: deficit of £328,527) including the support payments to players during the Covid 19 pandemic of £nil (17 months ending 31 August 2021: £1,017,250). The Orchestra benefited from the temporary increase in Orchestra Tax Relief rate in the year, which has enabled more concerts and activity to be planned for the current and future seasons.

Support costs were £2,725,008 (17 months ending 31 August 2021: £3,608,791).

Philharmonia Trust transferred its assets to Philharmonia Limited at 1 April 2020, thus Philharmonia Trust's results are now consolidated into the group accounts. The Martin Musical Scholarship Fund, whose financial results are also consolidated in these financial statements, made a deficit of £30,652 (17 months ending 31 August 2021: deficit of £34,676). Rite Digital Limited, Philharmonia Limited's fully owned trading subsidiary Company, made an operating deficit of £13,233 (17 months ending 31 August 2021: surplus of £21,553); in prior year Rite Digital Limited paid this surplus to Philharmonia Limited under the terms of a Qualifying Charitable Donation.

### Financial management policy

The Orchestra aims to budget two to three years in advance, balancing the cost of orchestral concerts and other core work with grants and sponsorship income, as well as income directly generated by the work itself. If further activity is taken on once the budget has been set for the year ahead, it is only accepted if the work can be funded or if there is any remaining subsidy to be used. Regular communication with Arts Council England is also key to this advance budgeting.

### Reserves policy

Previously the Board of Trustees has considered it unnecessary to hold an excessive level of free reserves because of its symbiotic relationship with the Philharmonia Trust Limited. The Philharmonia Trust Limited supported the work of the Philharmonia Orchestra, primarily through an annual grant but also through the advance of additional finance when required.

Following the merger with the Trust in 2020 the Trustees reviewed and refreshed their risk assessments and the Orchestra's reserve policy, particularly in light of the Covid 19 pandemic.

The Philharmonia Orchestra aims to have accessible free reserves to cover at least 3 months of overhead costs at any one time and no less than £750,000. This will be maintained through cash reserves and investments that can be readily converted to cash as required, any excess being used for designated projects and strategic investments and in the short term to be set aside to cover any deficits arising from Covid-19 over the following years. An additional designated reserve will be maintained for the net book value of non-property fixed assets.

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As at 31 August 2022 the total value of reserves was £8,468,528 (31 August 2021: £8,416,760). A breakdown of this is shown on the balance sheet and in the statement of funds note (note 20). Restricted and Endowment Funds are £5,933,137 of this amount (17 months ending 31 August 2021: £6,128,436) including £266,094 (17 months ending 31 August 2021: £296,746) of MMSF reserves.

Funds of £1,000,000 have been set aside to support the Orchestra to maintain its activities in light of the particularly challenging environment caused by the pandemic and to further invest in dynamic artistic special projects and innovation to grow future revenue and activity.

Free reserves in the general fund at 31 August 2022 were £1,197,793 (17 months ending 31 August 2021: £847,618).

### Investment policy

The Orchestra has a policy of investing any surplus cash in investment vehicles that are low risk, are considered mainstream and allow for flexibility.

The Finance Committee reviews cash forecasts on a regular basis to identify in advance significant cash fluctuations and cash flow issues, and to ensure that reasonable returns are achieved, without risk to the capital, and to ensure that there is sufficient working capital for the organisation.

## C FUTURE PLANS

Our focus in 22/23 will build on our achievements in 21/22, balancing the immediate financial needs of the organisation with long term-sustainability and delivering our organisational vision, to have a transformative impact on the widest possible audience. We know that this will be challenging in a fast-changing landscape, but the lessons we have learned and work we have done during the last two years have laid the foundations for a strong future.

The funding reduction from Arts Council England and continued cost of living crisis creates further pressure on our players and orchestra as we continue to deliver our ambitious artistic and education programmes.

Responding to the world around us, we will maintain this balance between long and short term needs and serving our residencies. We will identify environmentally friendly cost-saving measures which can support both the sustainability of our business and of the planet. Our ticket pricing will be re-structured in order to both lower the starting ticket price to make concerts affordable to the widest possible audience, and also to grow income with dynamic pricing. New projects will be trialled in partnership with our communities, delivering what local people want in the new circumstances in which they find themselves. Talented, early-career musicians will be given the support that they need not only to remain in the sector but to thrive and we will continue to invest and support our players. Inclusivity and Relevance will remain central to who we are and what we want to achieve, reflected across all areas of our business, audiences, and talent development programmes.

We will continue building partnerships with cultural organisations, broadcasting and performing across the UK and beyond and will continue to showcase the very best that classical music has to offer. Fundraising will remain at the core of the Philharmonia, undertaking to make fundability an essential part of project research and development, further ensuring financial resilience and relevance to funders' interests lying increasingly in the community, outreach and impact spaces.

This will be achieved through our main programming and connected wrap-around activity being programmed concurrently with Learning and Engagement projects, enhanced by our high-profile Featured Artists, Featured Composers, Composers' Academy, new commissions, and a broad range of world-renowned and up-and-coming soloists and conductors.

In 22/23, Principal Conductor Santtu-Matias Rouvali will perform 10 concerts across the season, in a wide range of repertoire from Beethoven, Dvorak and Mahler to John Adams and Anna Clyne. With Santtu, we will work with world class soloists including Vikingur Olafsson, Igor Levit, Yuja Wang, and Randall Goosby.

We are particularly excited to be working with the outstanding cellist and Philharmonia Featured Artist, Sheku Kanneh-Mason. He will perform 3 concertos across the season, including the Beethoven Triple Concerto to close the season, with fellow collaborators Nicola Benedetti and Benjamin Grosvenor.

We also welcome Anna Clyne as our first Featured Composer. Works performed will include two new commissions - a clarinet concerto for soloist Martin Frost, and her clarinet quintet, Strange Loops. Anna will also take part in pre-concert talks, Music of Today concerts, and will work with our Composers Academy students.

In addition to the above, we welcome back both familiar faces and newcomers – Jakub Hrusa, Paavo Jarvi, Marin Alsop, Ukrainian conductor Oksana Lyniv, Ryan Bancroft and Kazuki Yamada.

# Philharmonia Limited (Limited by Guarantee)

## Report of the Board of Trustees, including Strategic Report

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### D PRINCIPAL RISKS AND UNCERTAINTIES

The environment in which the Orchestra operates is inherently risky with the organisation exposed to many economic, geopolitical and artistic risks in the course of normal activities.

At the start of the season risk was identified from COVID-19 recovery, with continued restrictions on international touring, and concern about audience levels. Whilst the landscape has improved, and audience levels have returned to pre-pandemic levels, there followed extreme uncertainty around the Orchestra's ability to achieve its objectives; raise additional funds through donations and grants; as well as maintain the returns expected on investments. Whilst the return to live performances in 2021 has been welcome, the pandemic continues to impact on touring, logistics and audience development and remains a key risk for the foreseeable future.

In April 2022 restrictions on the Catalyst Endowment fund were lifted, and the Orchestra has agreed with funders the ability to draw down money from the fund to support the orchestra and its players, with monthly repayments back to an endowment fund on similar terms starting from 2027. This provides stability, cash flow support and mitigates other external financial risks.

The invasion of Ukraine by Russia resulted in a review of performances, repertoire and artist engagements linked to Russia with minor adaptations made to programming. The orchestra also received new engagements as a result of Russian Orchestras' unavailability, including performing at the Mikkeli Festival in Finland for the first time.

The Trustees are very conscious of the cost of living crisis and its impact on musicians; staff and audiences and future costs. A hardship fund has been put in place for players, and the orchestra is working closely with other sector organisations to monitor and support the workforce. A flexible ticket pricing structure has been implemented from January 2023 for own promotion concerts, with tickets from £10 to ensure that music performances remain accessible to the public.

Inflation continues to be a significant concern. Fuel prices for the Orchestra are fixed until 2023 but rising cost prices and the current exchange rate position are significant. Financial scenario modelling has been done to ensure that investment is maintained in the artistic programme and the Trustees have committed to financially support the Orchestra to achieve its three-year plan through use of allocated reserves.

In general Trustees try to minimise risk exposure to achieve an overall low/medium risk profile.

#### Methodology

The organisation takes a bottom-up approach to risk management with the senior management team responsible for regularly updating the Risk Register, scanning the environment for new risks and managing existing risk. Each risk is evaluated and assigned to a senior manager who will ensure that appropriate risk mitigation is put in place using the TARA method (Transfer, Avoid, Reduce, Accept).

The Risk Register is prepared on a traffic light system and those items deemed to have a residual risk for example, risk after mitigation, of medium to high are escalated to the Finance Committee for further action. The Finance Committee reviews the Risk Register on a quarterly basis in advance of presentation to the Board.

#### Key Risks & Uncertainties

At the date of signing the principal risks facing the Orchestra currently are:

The impact of COVID-19 recovery on our ability to perform and deliver our objectives both now and in the future. The risk related to our ability to maintain and increase income levels has heightened and will continue to impact us for some time to come. The Orchestra is very grateful to have received Covid Relief Funding from Arts Council England both during the period, and in the prior year but this is not expected to be ongoing.

The war in Ukraine and related events take place at a time of significant global economic uncertainty and the effects are likely to interact with current market conditions. The investment managers for Philharmonia Limited confirmed their actions on any Russian based investments which included a reduction in exposure to Russia last year and to date. As a result of the punitive measures taken against Russia since the invasion, Russia will assume standalone market status alongside countries including Panama, Lebanon, Palestine, Botswana and Zimbabwe. There won't be any write downs required to Philharmonia Limited's investments post year end as the impact of Russian sanctions is already priced into the value of the investments. In addition, the Board has reviewed its exposure to Russia within the sanctions regime and consider

# Philharmonia Limited (Limited by Guarantee)

## Report of the Board of Trustees, including Strategic Report

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there to be no material exposure. Given this, we believe no further adjustments to 31 August 2022 financial statements need to be taken into consideration and the current conflict should be considered a non-adjusting event.

The main source of voluntary income in 2022 remains Arts Council England NPO funding at £2,057,000, 24.3% (17 months ending 31 August 2021 - 23%) of total income. This funding has been at a standstill level for a number of periods, meaning a decrease in real terms. There is a risk that this level of funding could reduce, through future changes in government policy or otherwise. NPO funding has been confirmed for the Orchestra for the next 3-year funding cycle at £1,830,223 per annum, a further reduction of 12% on previous annual revenue. Activity plans will be adapted over the next months to reflect the reduced funding levels and NPO requirements, though adaptations may not be able to cover the full financial exposure. The Trustees remain committed to the long-term strategic plan for the Orchestra and have approved a deficit budget for the next 3 years to ensure that the Orchestra continues to invest in the Artistic Output and longer-term growth and maximises opportunities in the UK and Internationally for audiences for symphonic music and community and education work.

A significant proportion of the Orchestra's income is earned from international touring, from tours to European countries. The current pandemic, and the exit of the UK from the EU, has raised a question as to what tours may be possible in the future. Different countries have different requirements for travelling musicians, and for travelling goods (musical instruments, etc.), and the EU's cabotage regulations make regular use of the Orchestra's truck difficult for European touring. The Orchestra has adopted a policy of remaining in touch with relevant Government bodies and industry representatives in order to ensure that we are as informed as possible, and best placed to take mitigating action at the appropriate time.

Income from sponsorship, donations and from Trusts and Foundations is key to every area of the Orchestra's activities, from concert planning to digital, education and outreach work. We have taken steps proactively to strengthen our fundraising function, including the creation of a Development Board, and the re-shaping of the Development team. The merger between Philharmonia Limited and Philharmonia Trust Limited, which completed at midnight on 31 March 2020 and has been more concretely bedded-in during the period, has already shown to be a great benefit as we face the challenges brought by the pandemic.

## **E GOING CONCERN**

The Orchestra relies substantially on funding by grants from Arts Council England (ACE) for its current and future commitments. This funding is primarily via National Portfolio Organisations (NPO) annual revenue funding and also via other ACE funding programmes.

In response to an application for NPO funding for 2018-22, the Orchestra received notification that NPO funding for this year would be maintained at existing levels, that its application for ACE's NPO funding extension year of April 2022 to March 2023 has been successful and believes its plans to be robust, appealing, and deserving of funding. The Orchestra successfully submitted an application for continued NPO funding for the three-year period 2023-26 as noted above.

Despite the uncertainty brought about by COVID-19 pandemic, the cost of living crisis and future ACE funding levels, the merger in March 2020 between Philharmonia Limited and Philharmonia Trust Limited has boosted the Orchestra's financial resilience, fundraising abilities and charitable governance. The merger increased the fixed assets held by Philharmonia Limited with the transfer of the property at Chancel Street to Philharmonia Limited's balance sheet. It also provided access to draw upon the 2005 Endowment Fund (£2.8m at 31 March 2021), an endowment previously held within the investment portfolio of Philharmonia Trust. Although not desirable to take from this fund at such a time, it is reassuring to know that the investment fund is available to the Orchestra on demand.

In addition, from April 2022 DCMS / Arts Council England and the Charities Commission have removed restrictions on the usage of the Catalyst endowment fund to improve cashflow and enable appropriate investment in the organisation in response to the difficulties faced during, and after, the pandemic. This has been transferred to designated unrestricted funds in the financial statements. All usage of the original Catalyst fund will be repaid to a restricted similar Fund with repayments commencing on a straight-line basis from 2017 to 2035. Income from the restricted fund will have the same conditions around income usage for touring and out of London activity as the original Catalyst Fund.

A detailed budgeting process takes place every year. Across the pandemic, and in the current time, particular scrutiny has been and is being given to budgeting and financial management. Having considered all the above matters and regarding the value of property and investments, the Trustees consider that the 'going concern' status of Philharmonia Limited is an appropriate assumption for the preparation of these financial statements.



# Philharmonia Limited (Limited by Guarantee)

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### F INVESTMENT PRINCIPLES

During the year the Orchestra, led by its Board alongside the Equalities Group, continued its strong work on Inclusivity and Relevance, Dynamism, Artistic Quality and Sustainability with new initiatives launched in each of these areas, and data and evaluation methodology adopted throughout. Many of these speak directly to the priorities identified by Arts Council England as being germane to the Creative Case for Diversity and the 'Let's Create' strategy, as well as helping the Orchestra create a more sustainable and relevant business model:

**Workforce, Governance and Membership:** Philharmonia commits to achieving a more diverse workforce, Board of Trustees, and Membership of the Orchestra, ensuring we are representative of the UK's diversity. We must create and maintain an inclusive environment to ensure everyone is safe and comfortable in their workplace, can work to the best of their abilities, and can utilise this diversity to co-create a sustainable, relevant, and forward-thinking organisation.

**Artists, Programme & Partnerships:** Philharmonia will programme performances, artistic series, artists and form partnerships that are relevant to and representative of our diverse residency communities.

**Audience & Participants:** Audiences, participants and those engaging with Philharmonia, both digitally and live, will be representative of the diversity of the communities we serve.

**Dynamism:** Philharmonia continues to invest in data analysis and strategic planning, utilising its digital expertise to adapt music in new formats.

**Artistic Planning:** Philharmonia continues to support the widest range of programming, promoting and supporting emerging artists, and bringing classical music to new audiences.

### G EQUAL OPPORTUNITIES

Our Inclusivity & Relevance Action Plan is targeted towards growing the numbers of people and participants from protected characteristics groups who access our work, and on developing our workforce and Boards. Our focus is on age, disability, gender, ethnicity, class and socio-economic status.

We have developed our Equalities Group, with junior to senior representation across all departments in the administration, and with representatives from the player group and Board. The Group's priorities are driven by Inclusivity & Relevance Action Plan, and initiatives are prioritised accordingly.

The Philharmonia continues to provide equality of opportunity to current staff, applicants for administrative posts, Orchestra Members, extras, conductors, soloists and guest artists, outreach and engagement participants and concert attendees, and is actively engaged, through its Inclusivity & Relevance Action Plan, in improving ways the Orchestra interacts with, and encourages applications and participation from, those with underrepresented, protected characteristics.

### H SUSTAINABILITY

The Orchestra is committed to reducing the negative environmental impact of our activities, in particular those relating to office waste and energy consumption, business travel, staff commuting and business services. As a touring orchestra, much of our environmental impact relates to concert touring nationally and internationally, including Orchestra and artist travel, instrument transport (including freight) and the impact of the venues where we rehearse and perform.

We have renewed our commitment to the environment and develop clear plans to reduce our environmental impact. As a touring organisation we have a specific and acute impact on the environment. We have a responsibility to incorporate sustainability as a fundamental part of our ethos; something which we are working towards across the organisation. We are using our brand as a platform for change, delivering Human:Nature (exploring nature and our relationship with the natural world), and partnering with organisations such as Reboot the Future and RSPB for events, to raise awareness about environmental issues and increase audience for each other's work. We used the season to relaunch our environmental work making immediate changes to the ways we work and creating an ambitious new Policy and Action Plan with data capture at its heart, keeping us accountable.

# Philharmonia Limited (Limited by Guarantee)

## Report of the Board of Trustees, including Strategic Report

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### Progress during 21/22:

- All brochures and programmes are now on recycled paper.
- We've implemented e-ticketing (now chosen by c.80% of our bookers).
- Printed tickets are now recycled and recyclable.
- We stopped using polywrap altogether and (successfully) encouraged our mailing house to do the same.
- Reception events are entirely vegetarian.
- Environmental sustainability is now part of our procurement process, including catering.
- Our wine partner is certified bee-friendly (Bumblebee Conservation Trust).
- We have changed some concert timings to allow Players to get public transport rather than driving.
- We worked with The Climate Coalition, the RSPB and Reboot the Future to promote the series and share audiences.

### New Action Plan summary:

1. Reduce unrecycled waste by 30% by 2026.
2. Move to 100% recycled paper by 2023, recycle 100% of paper used at events and in office, and only 5% of supporters to receive paper post by 2026.
3. Switch to 100% renewable electricity by 2023.
4. Reduce carbon emissions from travel (reduction of at least 18% by 2024).
5. Cut non-green financial investments by at least 50% by 2026 and replace computer/mobiles with greener alternatives by 2023.

We will raise environmental questions in upcoming programming, including our 24/25 season focusing on water sustainability and using this theme for both concerts and commissions, including our Artist in Residence programme.

The Orchestra's flagship project for the 2021-22 Season (Santtu-Matias Rouvali's first as Principal Conductor), *Human:Nature: Music for a Precious Planet*, focused on nature and the environment, placing environmental issues at the heart of our artistic programming and core activity. This season of concerts – developed across the year – allowed the Orchestra to showcase great works of art inspired by the environment alongside music with a harder-hitting environmental message, bringing nature and our lives, and the interaction between mankind and the natural world, to the forefront of audience's minds during the season. The Human:Nature Series was supported by Kate and Andrew Davis and the Shelby Cullom Davis Charitable Fund.

The Artist in Residence for the upcoming 2022-23 season is Love Ssega, a London-born artist, songwriter, and producer, who will be exploring themes that link together social justice and climate change.

# Philharmonia Limited (Limited by Guarantee)

## Report of the Board of Trustees, including Strategic Report

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### I FUNDRAISING STATEMENT

The 21/22 fundraising year started with a sense of optimism and renewal. Optimism, as the Philharmonia opened its first uninterrupted concert season for three years, and renewal, as the orchestra welcomed Santtu-Matias Rouvali as our new Principal Conductor. Following a period of significant disruption, venue closure, social distancing and concert cancellation, we welcomed over 120 guests, donors and stakeholders to celebrate the season opening on 30<sup>th</sup> September 2021 at Royal Festival Hall.

Following the success of the Keep the Philharmonia Playing appeal for unrestricted funding, fundraising activity reverted as forecast to a predominance of restricted income. Major gifts continued in growth for the period (146% increase since 2019/20 period) accounting for 40% of total income.

The Human:Nature series opened Santtu's tenure with a timely focus of music, the natural world, and composers' responses to the present climate crisis. We are grateful for the significant fundraising support this received, including a landmark major gift from Philharmonia Foundation Inc in New York that was enabled by *Kate and Andrew Davis and The Shelby Cullom Davis Charitable Fund*. Concert support accounted for 63% restricted income, and 28% of total income was restricted to the Human:Nature series (£341k).

As our concert activity returned to normal, so too did the Philharmonia's sector-leading work in Learning & Engagement and our vital work with our communities and residencies. We are grateful to De Montfort University, the Harpur Trust, the Eranda Rothschild Foundation, the Sidney Perry Foundation, the Laurence Modiano Charitable Trust, The Michael and Nicola Sacher Charitable Trust and the EC Sosnow Charitable Trust for their support of this important work.

Additionally, we give our thanks to the David and Elaine Potter Foundation for their support of the organisation.

We were additionally able to reconnect in person with our Philharmonia family during the 21/22 period. The Development department held over 40 events, including Members Lounges at the Festival Hall, open rehearsals, cultivation, and stewardship events, with over 2,500 attendances across the season. Philharmonia's prospective supporter base grew significantly, with 70% attendees at events being new introductions to us, in particular through trustees and concert supporters.

All voluntary fundraising at the Philharmonia is carried out by an internally managed Development department. Philharmonia Ltd. is committed to ensuring that its fundraising activities are carried out with the utmost integrity and takes account of the Charity Commission Code of Fundraising Practice. Philharmonia Ltd is registered with the Fundraising Regulator and works to its standards of charitable fundraising, to ensure honesty and transparency with our donors, and that fundraising activities are legal, respectful, open honest and accountable to the public. There were no fundraising complaints recorded during the current or previous financial periods.

### J STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing document

Philharmonia Limited is a charitable Company limited by guarantee, governed by its Memorandum of Association as amended most recently by Special Resolutions on 1 April 2020 and 26 May 2020 and its Articles of Association as amended most recently by Special Resolutions on 19 March 2020, 1 April 2020 and 26 May 2020. It is a charity registered with the Charity Commission. At 31 August 2022 there were 72 members (31 August 2021: 73).

#### Appointment of the Board of Trustees

The Board of trustees comprises nine playing members of the Orchestra, plus eight non-playing members.

The members of the Board of Trustees are appointed by the members of the Company. A vote is conducted at each Annual General Meeting to elect nominated members to fill vacancies created by the retirement of existing members of the Council. Exceptionally, a member may be elected at an Extraordinary General Meeting. The non-playing members of the Board are co-opted at each Annual General Meeting. The Board sets and reviews orchestral policy, financial policy and strategy. It reviews agreements with Arts Council England and other major funders. The Board makes major decisions,

# Philharmonia Limited (Limited by Guarantee)

## Report of the Board of Trustees, including Strategic Report

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including the appointment of titled conductors, the Managing Director and orchestral members. The Board approves the financial budgets and accounts and appoints the auditor. It receives and monitors reports from the Orchestra Committee, Artistic Committee, Development Board, Finance Committee, and Nominations Committee, and regularly reviews the skills available on sub-committees. To facilitate effective operations, the CEO has delegated authority, within terms of delegation approved by the Board, for operational matters including finance, employment and artistic performance-related activity.

### Induction and training of the Board of Trustees

New members of the Board of Trustees receive a formal induction session from the Chair, the CEO, key employees and other members of the Board.

### Organisation

The Board is supported by five sub-committees: the Orchestra Committee, the Finance Committee, the Artistic Committee, the Nominations Committee, and the Development Board. The Orchestra Committee consists of the player members of the Board (currently nine) chaired by the President of the Board. The Orchestra Committee meets approximately every two weeks and is responsible for day-to-day Orchestra matters. It reports to the Board on the management of orchestral and musical issues generally. It deals with Orchestra issues arising in accordance with policy guidelines provided by the Board.

The Finance Committee consists of five non-player members, four of whom are also members of the Board, plus the President and Deputy President of the Board. It is chaired by a non-player. It meets four times a year prior to the meetings of the Board. Reporting to the Board, it proposes financial budgets, reviews financial performance against budgets and deals with financial issues arising in accordance with policy guidelines provided by the Board. It proposes guidelines for players' fees increases.

The Artistic Committee consists of 5 players elected by the members of the Charity at an AGM, one non-player, and one further player appointed by the Orchestra Committee from amongst its members. The Committee meets a minimum of 3 times per Season, with the Director of Artistic Planning and/or CEO (or delegate) in attendance. The Committee is advisory to the Board with key responsibility to identify and collate Orchestra members' artistic views in relation to Philharmonia Limited's business plan and long-term strategy.

The Development Board consists of up to 18 members. These include a non-playing member of the main Board who also acts as Chair of the Development Board; two playing members of the Orchestra, of whom at least one shall be a main Board member; the Development Director; the CEO; and other personnel invited to join. It meets twice a year and reports to the Board of Trustees. Its role is to support the Development Department in achieving budgeted fundraising targets. The Development Board helps to raise funds for the Orchestra's programme of activity in the UK and overseas.

### Senior staff

Day to day operating decisions are delegated to the Senior Management team which comprises the CEO, Director of Artistic Planning, Chief Operating Officer, Director of Development, Director of Marketing & Communications and Director of Learning & Engagement. Pay for senior staff is benchmarked against industry norms and overseen by the Nominations Committee; that for the Chief Executive Officer is approved by the Board of Trustees.

### Related parties

The Company has previously had a related party relationship with Philharmonia Trust Limited, which shared some of the Trustees of Philharmonia Limited. These two entities merged on 1 April 2020. Both entities continued to exist during the year.

# Philharmonia Limited (Limited by Guarantee)

## Statement of Trustees' Responsibilities

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### STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable Company and the group and of its incoming resources and application of resources, including the income and expenditure of the charitable group, for that year. In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Board of Trustees is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable Company and enable it to ensure that the financial statements comply with the Companies Act 2006. It is also responsible for safeguarding the assets of the charitable Company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### CHARITY GOVERNANCE CODE

Philharmonia Limited recognises that good governance in a charity is fundamental to its success. Philharmonia Limited and its Board are continually working towards achieving the highest standards of governance, by reference to the principles and recommended practice of the charity governance code. The merger between Philharmonia Ltd and Philharmonia Trust Ltd, referred to on page 16, will improve the governance structure to make the organisation more sustainable in the long term.

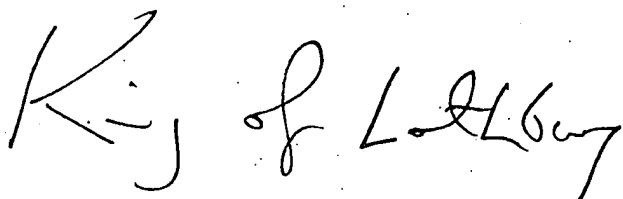
### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The members of the Board who were present on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the members have confirmed that they have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### AUDITOR

BDO LLP have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

This report, including the Strategic Report, was approved by the Board of Trustees on 7th February 2023



LORD KING OF LOTHBURY

Chair of the Board of Trustees of Philharmonia Limited

# Philharmonia Limited (Limited by Guarantee)

## Independent Auditor's Report

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHILHARMONIA LIMITED

#### **Opinion on the financial statements**

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 August 2022 and of the Group's incoming resources and application of resources 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.

We have audited the financial statements of Philharmonia Limited ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities (incorporating the Income and Expenditure Account), the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary 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 Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

#### **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 the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remain independent of the Group and the Parent Charitable Company in accordance with the ethical requirements 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.

#### **Conclusions related to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Financial Statements, other than the financial statements and our auditor's report thereon. 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 any form of assurance conclusion thereon. 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 inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. 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 that fact.

We have nothing to report in this regard.

#### **Other Companies Act 2006 reporting**

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

# Philharmonia Limited (Limited by Guarantee)

## Independent Auditor's Report (continued)

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- the Strategic report and the Directors' Report, which are included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the 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' report.

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

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

### ***Responsibilities of Trustees***

As explained more fully in the Statement of Trustees' responsibilities, 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's and the 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 either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

### ***Auditor's responsibilities for the audit of the financial statements***

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### ***Extent to which the audit was capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We inquired of management, and the Finance Committee, including obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group. These include, but are not limited to, compliance with the Companies Act 2006, and UK GAAP.

# Philharmonia Limited (Limited by Guarantee)

## Independent Auditor's Report (continued)

- In addition, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law and data protection.
- We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.
- We also communicated relevant identified laws and regulations, potential fraud risks and the fact that there were no known matters of significant non-compliance with laws and regulations, to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

### *Audit response to risks identified*

- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- We made enquiries of the Finance Committee and management;
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- We read minutes of meetings of those charged with governance, and reviewed correspondence with HMRC and the Charity Commission; and
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.
- We challenged assumptions made by management in their significant accounting estimates in particular in relation to the assumptions related to the allocation of costs including apportionment of support costs, deferral of income, recognition of grants, and depreciation rates for assets.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **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 Charitable 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 anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Fiona Condrón*

BC8C15A1E9746F

Fiona Condrón (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Gatwick, UK

Date: 17 February 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# Philharmonia Limited (Limited by Guarantee)

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Incorporating the Income and Expenditure Account for the year ended 31 August 2022

(Comparatives are stated for the 17-month period ended 31 August 2021)

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 17 months ending 31 August 2021
		£	£	£	£	£	£	£	£
<b>Income from:</b>									
Donations and legacies	1	3,025,602	705,604	-	3,731,206	5,350,386	722,308	-	6,072,694
Charitable activities	2	3,879,249	70,502	-	3,949,751	1,036,174	(1,003)	-	1,035,171
Other trading activities		62,976	-	-	62,976	59,456	-	-	59,456
Investment income	7	71	57,912	42,209	100,192	335	71,918	53,766	126,019
Other income	1a	853,616	-	-	853,616	141,946	-	-	141,946
Asset transfer - Philharmonia Trust	8	-	-	-	-	973,143	2,338,039	2,185,759	5,496,941
<b>Total operating income</b>		<b>7,821,514</b>	<b>834,018</b>	<b>42,209</b>	<b>8,697,741</b>	<b>7,561,440</b>	<b>3,131,262</b>	<b>2,239,525</b>	<b>12,932,227</b>
<b>Expenditure on:</b>									
Raising funds	3	408,853	49,374	-	458,227	657,732	41,195	-	698,927
Charitable activities	4	7,234,521	703,268	17,336	7,955,125	6,223,692	818,508	22,686	7,064,886
<b>Total expenditure</b>		<b>7,643,374</b>	<b>752,642</b>	<b>17,336</b>	<b>8,413,352</b>	<b>6,881,424</b>	<b>859,703</b>	<b>22,686</b>	<b>7,763,813</b>
<b>Net Income before other gains and losses</b>		<b>178,140</b>	<b>81,376</b>	<b>24,873</b>	<b>284,389</b>	<b>680,016</b>	<b>2,271,559</b>	<b>2,216,839</b>	<b>5,168,414</b>
Net (losses)/gains on investments	12	-	(75,456)	(157,165)	(232,621)	-	642,652	581,916	1,224,568
Net income/(expenditure) before transfers	6	178,140	5,920	(132,292)	51,768	680,016	2,914,211	2,798,755	6,392,982
Transfers between funds	20	68,928	(2,942,184)	2,873,256	-	23,277	(23,277)	-	-
<b>Net movement in funds</b>		<b>247,068</b>	<b>(2,936,264)</b>	<b>2,740,964</b>	<b>51,768</b>	<b>703,293</b>	<b>2,890,934</b>	<b>2,798,755</b>	<b>6,392,982</b>
<b>Total funds brought forward</b>	21	<b>2,288,323</b>	<b>3,145,198</b>	<b>2,983,239</b>	<b>8,416,760</b>	<b>1,585,030</b>	<b>254,264</b>	<b>184,484</b>	<b>2,023,778</b>
<b>Total funds carried forward</b>		<b>2,535,391</b>	<b>208,934</b>	<b>5,724,203</b>	<b>8,468,528</b>	<b>2,288,323</b>	<b>3,145,198</b>	<b>2,983,239</b>	<b>8,416,760</b>

All of the above results are derived on continuing activities. All gains and losses recognised in the period are included above. The notes from pages 30 to 48 form an integral part of these financial statements.

# Philharmonia Limited (Limited by Guarantee)

## BALANCE SHEETS

As at 31 August 2022

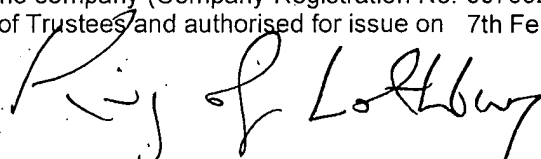
(Comparatives as at 17 month period ended 31 August 2021)

	Note	Group		Charity	
		2022	2021	2022	2021
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10	3,846,909	3,916,239	3,836,645	3,905,653
Intangible assets	10	-	57,333	-	57,333
Investments	12	4,907,195	5,070,573	4,907,295	5,070,673
<b>Total fixed assets</b>		<b>8,754,104</b>	<b>9,044,145</b>	<b>8,743,940</b>	<b>9,033,659</b>
<b>Current assets</b>					
Debtors	13	1,523,098	920,720	1,626,128	997,928
Cash at bank and in hand		1,234,607	1,497,128	877,154	1,094,697
<b>Total current assets</b>		<b>2,757,705</b>	<b>2,417,848</b>	<b>2,503,282</b>	<b>2,092,625</b>
Creditors falling due <1 year	14	(1,519,025)	(1,468,556)	(1,507,298)	(1,429,593)
<b>Net current assets</b>		<b>1,238,680</b>	<b>949,292</b>	<b>995,984</b>	<b>663,032</b>
<b>Total assets less current liabilities</b>		<b>9,992,784</b>	<b>9,993,437</b>	<b>9,739,924</b>	<b>1,692,356</b>
Creditors falling due > 1 year	14	(1,524,256)	(1,576,677)	(1,524,256)	(1,576,677)
<b>Net assets</b>		<b>8,468,528</b>	<b>8,416,760</b>	<b>8,215,668</b>	<b>8,120,014</b>
<b>The funds of the Charity:</b>	22				
<b>Restricted funds</b>					
MMSF Restricted funds		91,596	112,262	-	-
Instrument Loans Fund		117,338	117,338	117,338	117,338
Catalyst Investment Fund		-	2,915,597	-	2,915,597
		<b>208,934</b>	<b>3,145,197</b>	<b>117,338</b>	<b>3,032,935</b>
<b>Endowment funds</b>					
MMSF Endowment funds		174,498	184,484	-	-
Trust Endowment funds		2,666,463	2,798,755	2,666,463	2,798,755
Catalyst Endowment Funds		2,883,242	-	2,883,242	-
		<b>5,724,203</b>	<b>2,983,239</b>	<b>5,549,705</b>	<b>2,798,755</b>
<b>Unrestricted funds</b>					
Designated funds		1,337,597	1,440,705	1,350,831	1,440,705
General funds		1,197,794	847,619	1,197,794	847,619
<b>Total unrestricted funds</b>		<b>2,535,391</b>	<b>2,288,324</b>	<b>2,548,625</b>	<b>2,288,324</b>
<b>Total funds</b>		<b>8,468,528</b>	<b>8,416,760</b>	<b>8,215,668</b>	<b>8,120,014</b>

No Statement of Financial Activities (SOFA) or Income and Expenditure of the charity has been presented as permitted by Section 408 of the Companies Act 2006. The net income for the Charity for the year was £95,653.

The financial statements for the company (Company Registration No. 00799297 and Charity Registration No. 250277) were approved by the Board of Trustees and authorised for issue on 7th February 2023

and signed on its behalf by:  
LORD KING OF LOTHBURY



The notes from pages 30 to 48 form an integral part of these financial statements.

# Philharmonia Limited (Limited by Guarantee)

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 August 2022

(Comparatives are stated for the 17 month period ended 31 August 2021)

	Note	2022 £	17 months ending 31 August 2021 £
<b>Cashflows from operating activities</b>			
<b>Net cash used in/provided by operating activities</b>		(199,640)	344,610
<b>Cash flows from investing activities</b>			
Dividends, interest and rent from investments		71	335
Mortgage interest		(49,626)	(42,780)
Proceeds from sale of fixed assets		-	-
Purchase of tangible fixed assets		(13,325)	(140,679)
Purchase of intangible fixed assets		-	-
<b>Net cash (used in) investing activities</b>		(62,880)	(183,124)
<b>Cash flows from financing activities:</b>			
<b>Net cash provided by financing activities</b>		-	-
<b>Change in cash and cash equivalents in the reporting year</b>		(262,520)	161,486
<b>Cash and cash equivalents at the beginning of the reporting year</b>		1,497,127	1,335,641
<b>Cash and cash equivalents at the end of the reporting year</b>	16	1,234,607	1,497,127
		2022 £	17 months ending 31 August 2021 £
<b>Net operating income/(expenditure) for the reporting year (as per the statement of financial activities)</b>		51,768	6,392,980
Adjustments for:			
Gift from Philharmonia Limited		-	(5,496,941)
Net gains/(losses) on investments		232,621	(1,224,568)
Depreciation		77,604	145,740
Amortisation		57,333	22,667
Loss on disposal of fixed assets		5,047	4,560
Mortgage loan interest		49,626	42,780
Interest on cash deposits		(71)	(335)
Investment income		(99,972)	(125,684)
Investment management fees		31,999	0
(Gain)/Loss on investment exchange differences		(1,270)	0
(Increase)/Decrease in debtors		(602,375)	584,781
Increase/(Decrease) in creditors		(1,950)	(1,370)
<b>Net cash (used in)/provided by operating activities</b>		(199,640)	344,610

# Philharmonia Limited (Limited by Guarantee)

## ACCOUNTING POLICIES

For the year ended 31 August 2022

(Comparatives are stated for the 17 month period ended 31 August 2021)

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A summary of the principal accounting policies for the year ended 31 August 2022, all of which have been applied consistently throughout the year and the preceding year is set out below.

### BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis under the historic cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102 (effective 1 January 2015 (Charities SORP FRS 102) the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared for the year ending 31 August 2022 with the comparatives for the 17-month period to 31st August 2021. The rationale of the change being that this brings the company's financial year end in line with the concert season.

### GOING CONCERN

For the year ended 31 August 2022 the Orchestra relied substantially on funding by grants from Arts Council England (ACE) for its current and future commitments. This funding is primarily via National Portfolio Organisations (NPO) annual revenue funding, but also via other ACE funding programmes.

The current ACE funding is in place to 31 March 2023. In response to an application for NPO funding for 2023-26, the Orchestra has received notification that NPO funding for the next funding cycle would be maintained at a 12% reduction on previous annual funding levels.

Despite the uncertainty brought about by COVID-19 pandemic, the cost of living crisis and future ACE funding levels, the merger in March 2020 between Philharmonia Limited and Philharmonia Trust Limited has boosted the Orchestra's financial resilience, fundraising abilities and charitable governance. The merger increased the fixed assets held by Philharmonia Limited with the transfer of the property at Chancel Street to Philharmonia Limited's balance sheet. It also provided access to draw upon the 2005 Endowment Fund (£2.7m at 31 August 2022), an endowment previously held within the investment portfolio of Philharmonia Trust. Although not desirable to take from this fund at such a time, it is reassuring to know that the investment fund is available to the Orchestra on demand.

In addition, from April 2022 DCMS / Arts Council England and the Charities Commission have removed restrictions on the usage of the Catalyst endowment fund to improve cashflow and enable appropriate investment in the organisation in response to the difficulties faced during, and after, the pandemic. This has been transferred to designated unrestricted funds in the financial statements. All usage of the original Catalyst fund will be repaid to a restricted similar fund with repayments commencing on a straight-line basis from 2017 to 2037, with income from the fund having the same conditions around touring and out of London activity as the original Catalyst Fund.

A detailed budgeting process takes place every year. Across the pandemic, and in the current time, particular scrutiny has been and is being given to budgeting and financial management. Having considered all the above matters and with particular regard to the value of property and investments, the Trustees consider that the 'going concern' status of Philharmonia Limited is an appropriate assumption for the preparation of these financial statements.

### CONSOLIDATION

The consolidated financial statements include the results of Philharmonia Limited and its subsidiary undertakings Rite Digital Limited, The Martin Musical Scholarship Fund and Philharmonia Trust Limited, which are all controlled by Philharmonia Limited. All financial statements for subsidiaries are made up to 31 August 2022. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

### KEY AREAS OF SIGNIFICANT JUDGEMENTS AND ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors which are considered relevant. Actual results may differ from these estimates.

The only significant judgement was to maintain the value of the music library at its existing net book value on transfer from the Philharmonia Trust Limited. The Directors decided not to increase the value, due to the uncertainty of the valuation.

# Philharmonia Limited (Limited by Guarantee)

## ACCOUNTING POLICIES

For the year ended 31 August 2022

(Comparatives are stated for the 17 month period ended 31 August 2021)

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year of the revision and future years if the revision affects the current and future years. The directors consider that no significant judgements or estimates were made in the preparation of these financial statements.

### INCOME

Voluntary income, including donations, gifts and legacies, as well as grants that provide core funding or are of a general nature are recognised where there is entitlement, receipt is probable, and the amount can be measured with sufficient reliability. Such income is only deferred if the donor has requested the amount to be allocated to specific concerts, engagements or projects, in which case it is allocated to the financial year in which the work takes place, or the donor has imposed conditions which must be met before the Charity has unconditional entitlement.

Other categories of income are recognised on an accruals basis, (excluding value added tax), with income relating to advanced ticket sales being held as deferred income and released only when the concert takes place. Engagement and Touring fees are recognised when the activity has taken place. Rite Digital transfers its surplus to Philharmonia Limited under the terms of Gift Aid at year end or carries forward any deficit to future years.

### EXPENDITURE

Expenditure is recognised when a liability is incurred and on an accruals basis. Expenditure is classified as either *Raising Funds* or *Expenditure on Charitable Activity*. Both categories of expenditure include an apportionment of support costs, which have been allocated to activity cost categories on a headcount basis.

### LEASES

Rentals under operating leases are charged to the statement of financial activities on a straight-line basis over the year of the lease.

### TANGIBLE FIXED ASSETS AND DEPRECIATION

Fixed assets include musical instruments which have been valued at deemed cost at the transition date of FRS102. Other fixed assets are stated at cost less provision for depreciation. As a general rule, purchases less than £1,000 are not considered for capitalisation unless for security reasons they need to be recorded in the fixed asset register (e.g. laptop computers).

Depreciation is provided on all tangible fixed assets except those which are considered to be of high residual value where the annual depreciation charge would therefore be immaterial, at rates calculated to write off the cost of the assets down to its estimated residual value evenly over its expected useful life, on a straight line basis, as follows:

Fixtures and fittings	5 years
Musical Instruments	10 years
Computer equipment	3 years
Property improvements	20 years
Property	50 years
Music library	50 years

The carrying values of tangible fixed assets are reviewed from time to time for impairment should events or changes in circumstances indicate the carrying value may not be recoverable.

### INTANGIBLE ASSETS

Intangible assets are capitalised where it is probable that the expected economic gains that are attributable to the asset will flow to the entity. Website development costs will therefore fall into this category and have been included on the balance sheet at cost. In the financial year 2022 the website has been fully depreciated on an accelerated basis to reflect the actual useful economic life of the asset.

Website development costs	2-5 years
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### FINANCIAL INSTRUMENTS

The charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Financial assets comprise cash at bank and in hand, short trade and other debtors. These are reviewed at regular intervals for impairment and are written down accordingly if required. Financial liabilities include trade and other creditor and loans and are recognised at transaction value.

# Philharmonia Limited (Limited by Guarantee)

## ACCOUNTING POLICIES

For the year ended 31 August 2022

(Comparatives are stated for the 17 month period ended 31 August 2021)

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### INVESTMENTS

Investments held as fixed assets are revalued at open market value at the balance sheet date and the gain or loss is taken to the Statement of Financial Activities.

### DEBTORS

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### BANK

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

### CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### FUNDS

Unrestricted funds are donations or income receivable or generated for the objectives of the charity without a required purpose and are available as general funds. Designated funds are unrestricted funds designated by the Trustees for particular purposes. Restricted funds are to be used for required purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs. The endowment fund represents those assets held permanently by the charity. Income arising on the endowment fund is to be used to provide grants through the grant fund. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

### FOREIGN EXCHANGE TRANSACTIONS

Transactions in foreign currencies are translated at the actual rate at the time of the transaction. Assets and liabilities held on the balance sheet in foreign currencies are translated at the closing rate at the balance sheet date. All differences are taken to the Statement of Financial Activities.

### PENSION CONTRIBUTIONS

The charitable Company operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

### CONNECTED CHARITIES

Philharmonia Foundation Inc is based in the United States and is connected to Philharmonia Limited as some of the Trustees of Philharmonia Limited are also on the Board of the US entity. The Philharmonia Orchestra in Bedford Trust (registered charity number 1170495) is connected to Philharmonia Limited but has no Trustees in common. The Philharmonia Benevolent Fund (registered charity number 280370) is connected to Philharmonia Limited but also has no Trustees in common.

# Philharmonia Limited (Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

### 1. INCOME FROM DONATIONS AND LEGACIES

	2022			17 months ending 31 August 2021
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Arts Council - core grant	2,057,877	-	2,057,877	2,968,301
Arts Council - cultural recovery fund	412,690	-	412,690	1,408,099
Grant income -other	-	-	-	200,288
Donations from charitable foundations	-	234,342	234,342	77,979
Donations from Philharmonia Trust	-	-	-	-
Other donations and legacies	555,035	-	555,035	973,586
Sponsorship donations	-	471,262	471,262	444,440
	<u>3,025,602</u>	<u>705,604</u>	<u>3,731,206</u>	<u>6,072,694</u>

### 1a. OTHER INCOME

	2022			17 months ending 31 August 2021
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Orchestral Tax Relief	852,591	-	852,591	-
Furlough Income	994	-	994	141,946
Royalties Received	31	-	31	-
	<u>853,616</u>	<u>-</u>	<u>853,616</u>	<u>141,946</u>

### 2. INCOME FROM CHARITABLE ACTIVITIES

	2022			17 months ending 31 August 2021
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Own promotion concerts	949,135	43,175	992,310	26,447
Recordings & Film	159,401	-	159,401	280,617
Engagements	828,866	3,881	832,747	80,875
Co Promotions	618,383	23,300	641,683	564,894
Tours	1,270,331	-	1,270,331	-
Education & Digital projects	50,501	146	50,647	80,440
Other activities	2,632	-	2,632	1,898
	<u>3,879,249</u>	<u>70,502</u>	<u>3,949,751</u>	<u>1,035,171</u>

# Philharmonia Limited (Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

### 3. EXPENDITURE ON RAISING FUNDS

	Unrestricted	Restricted	2022 Total	17 months ending 31 August 2021 Total
	£	£	£	£
Allocation of support costs (see note 5)	378,966	49,374	428,340	697,636
Direct expenditure	29,887	-	29,887	1,291
	<u>408,853</u>	<u>49,374</u>	<u>458,227</u>	<u>698,927</u>

### 4. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted	Restricted	Endowment	2022 Total	17 months ending 31 August 2021 Total
	£	£	£	£	£
Concert, relay fees and player support	3,450,383	330,375	-	3,780,758	2,704,336
Travel and transport of instruments	432,487	134,039	-	566,526	160,370
Music and instrument hire	76,303	33,152	-	109,455	71,816
Hall hire and box office commission	422,754	15,732	-	438,486	201,399
Programme expenditure	166,611	571	-	167,182	26,061
Grants payable	-	80,802	-	80,802	49,931
Allocation of support costs (see note 5)	2,296,670	-	-	2,296,670	2,911,155
Other expenditure	339,686	93,935	-	433,621	854,934
Interest payable on mortgage loan	49,626	-	-	49,626	42,780
Investment management fees	-	14,663	17,336	31,999	42,104
	<u>7,234,520</u>	<u>703,269</u>	<u>17,336</u>	<u>7,955,125</u>	<u>7,064,886</u>

### 5. ALLOCATION OF SUPPORT COSTS

2022	Expenditure on raising funds £	Expenditure on charitable activities £	Total £
Employment costs	309,034	1,461,464	1,770,498
Travel, subsistence and entertaining	17,826	141,517	159,343
Occupation and office costs	56,145	302,842	358,986
Bank interest and charges	4,056	17,244	21,300
Orchestral overheads	-	106,715	106,715
Governance cost	-	48,206	48,206
Other costs	41,279	218,681	259,960
	<u>428,340</u>	<u>2,296,669</u>	<u>2,725,008</u>



# Philharmonia Limited (Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

17 months ending 31 August 2021	Expenditure on raising funds	Expenditure on charitable activities	Total
	£	£	£
Employment costs	543,670	1,887,933	2,431,603
Travel, subsistence and entertaining	162	274,606	274,768
Occupation and office costs	76,356	298,520	374,876
Bank interest and charges	3,308	12,688	15,996
Orchestral overheads	-	95,755	95,755
Governance cost	-	73,435	73,435
Other costs	74,140	268,218	342,358
	<u>697,636</u>	<u>2,911,155</u>	<u>3,608,791</u>

### 6. NET INCOME FOR THE YEAR IS STATED AFTER CHARGING:

	2022	17 months ending 31 August 2021
	£	£
Auditor's remuneration - audit fee	52,800	44,000
Auditor's remuneration - other fees	14,005	17,166
Operating Lease - Land and buildings	-	5,023
Operating Lease - Plant and machinery	19,117	17,107
Depreciation	77,604	168,405

# Philharmonia Limited (Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

### 7. INVESTMENT INCOME AND INTEREST RECEIVABLE

	2022	17 months ending 31 August 2021
	£	£
Investment income	99,972	125,684
Interest on deposits	220	335
	<u>100,192</u>	<u>126,019</u>

### 8. ASSET TRANSFER – PHILHARMONIA TRUST 1 APRIL 2020

The assets and liabilities transferred from Philharmonia Trust Limited to Philharmonia Limited on 1st April 2020 were:

	1 April 2020 £
Music library	219,500
Buildings – cost less leasehold improvements carrying value	3,133,539
Cash	25,446
Investment Cash	188,614
Portfolio Investments	3,574,393
Sundry Debtors	61,376
Creditors brought forward	(24,112)
Mortgage liability due to Philharmonia Trust Limited	<u>(1,681,815)</u>
	<u>5,496,941</u>

The building was carried in Philharmonia Trust Limited at £3.6m and was subject to a fair value adjustment of £466,461, reflecting the carrying value of building improvements already held in Philharmonia Limited.

# Philharmonia Limited (Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

### 9. EMPLOYEES

Staff costs were as follows:	Year ended 31 August 2022 £	17 months ending 31 August 2021 £
Wages and salaries	1,475,974	1,904,791
Employer NI costs	158,665	185,884
Employer Pension costs	72,734	99,608
Temporary staff	64,629	290,431
	<u>1,772,002</u>	<u>2,480,714</u>

The key management personnel of the charity during the year were the Senior Management team which comprises the CEO, Director of Artistic Planning, Chief Operating Officer, Director of Development, Director of Marketing & Communications and Director of Learning & Engagement.

Aggregate remuneration for the year for the key management personnel was £540,786 (17 month period ending 31 August 2021 - £754,532 for the equivalent Senior Management Team).

The number of employees whose salaries exceeded £60,000 are as follows:	Year ended 31 August 2022 no.	17 months ending 31 August 2021 no.
£60,001 - £70,000	2	3
£70,001 - £80,000	-	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	1
£110,001 - £120,000	-	-
£120,001 - £130,000	1	-
£130,001 - £140,000	-	1
£140,001 - £150,000	-	1
£150,001 - £160,000	-	-
£160,001 - £170,000	1	-

The average number of employees, by headcount, during the year is as follows:

	Year ended 31 August 2022	17 months ending 31 August 2021
Library	2	2
Finance	6	3
Marketing	8	6
Education	4	4
Concerts	7	7
New Media	2	5
Development	6	7
Management	3	2
	<u>38</u>	<u>36</u>

# Philharmonia Limited (Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

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### BOARD OF TRUSTEES

Emoluments to any Player Member serving on the Board of Trustees (formerly Council of Management) is authorised in the Articles of Association. No emoluments were paid for services as Trustees. The Board of Trustees emoluments (including pension contributions) in the year were as follows:

	Salary £	Pension £	2022 Total £	17 months ending 31 August 2021 Total £
Honoraria for services as Deputy Chair of the Orchestra Victoria Irish (resigned 17 January 2021)	-	-	-	10,006
Remuneration for services as Managing Director: Mike Fuller (resigned 1 September 2020)	-	-	-	45,562
Honoraria for services as President: Kira Doherty (appointed 11 March 2021)	13,683	758	14,441	6,092
Honoraria for services as Deputy President: Cheremie Hamilton-Miller (appointed 1 April 2020)	7,012	421	7,433	9,389

None of the Trustees received any reimbursed expenses during the year (17 months ending 31 August 2021 - £nil).

# Philharmonia Limited (Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

### 10. TANGIBLE AND INTANGIBLE FIXED ASSETS

Consolidated	Long Leasehold Property	Musical instruments	Music Library	Computer equipment	Fixtures and Fittings	Assets under Construction	Total Tangible Assets	Intangible Asset
	£	£	£	£	£	£	£	£
Cost at 1 September 2021	3,819,441	490,966	219,500	139,258	78,833	65,049	4,813,047	80,000
Additions	-	-	1,148	12,177	-	-	13,325	-
Disposals	-	(132,248)	-	(13,265)	(5,408)	(5,900)	(156,821)	-
as at 31 August 2022	3,819,441	358,718	220,648	138,170	73,425	59,149	4,669,551	80,000
Depreciation								
As at 1 September 2021	(286,574)	(390,192)	(19,795)	(123,380)	(76,869)	-	(896,810)	(22,667)
Charge in year	(36,784)	(15,730)	(14,003)	(10,539)	(548)	-	(77,604)	(57,333)
Disposals	-	134,515	-	13,265	3,992	-	151,772	-
As at 31 August 2022	(323,358)	(271,407)	(33,798)	(120,654)	(73,425)	-	(822,642)	(80,000)
Net book value								
31 August 2022	3,496,083	87,311	186,850	17,519	-	59,149	3,846,909	-
31 August 2021	3,532,866	100,774	199,705	15,882	1,966	65,049	3,916,239	57,333

# Philharmonia Limited (Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

### TANGIBLE AND INTANGIBLE FIXED ASSETS (CONTINUED)

Charity only	Long Leasehold Property	Musical instruments	Music Library	Computer equipment	Fixtures and Fittings	Assets under Construction	Total Tangible Assets	Intangible Asset
	£	£	£	£	£	£	£	£
As at 1 September 2021	3,819,440	474,967	219,500	132,822	78,833	65,049	4,790,611	80,000
Additions	-	-	1,148	12,177	-	-	13,325	-
Disposals	-	(132,248)	-	(13,265)	(5,408)	(5,900)	(156,821)	-
at 31 August 2022	3,819,440	342,719	220,648	131,734	73,425	59,149	4,647,115	80,000
Depreciation								
As at 1 September 2021	(286,574)	(384,780)	(19,795)	(116,940)	(76,869)	-	(884,958)	(22,667)
Charge in year	(36,784)	(15,410)	(14,003)	(10,539)	(548)	-	(77,284)	(57,333)
Disposals	-	134,515	-	13,265	3,992	-	151,772	-
As at 31 August 2022	(323,358)	(265,675)	(33,798)	(114,214)	(73,425)	-	(810,470)	(80,000)
Net book value								
31 August 2022	3,496,082	77,044	186,850	17,520	-	59,149	3,836,645	-
31 August 2021	3,532,866	90,187	199,705	15,882	1,964	65,049	3,905,653	57,333

# Philharmonia Limited (Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

11. FIXED ASSET INVESTMENT	31 August 2022 £	31 August 2021 £
Rite Digital Limited	100	100
Philharmonia Trust Limited	-	-
	<u>100</u>	<u>100</u>

The charity wholly owns the entire share capital (100 shares of £1 each) of Rite Digital Limited which is incorporated in England and Wales Company number 07565292 and Philharmonia Trust Limited Company number 913665.

## 12. INVESTMENTS

The movement in investments during the year was as follows:

	2022 £	2021 £
At 1 September 2021	5,070,573	3,574,393
Addition of investment cash opening balance	-	188,614
Additions to investments at cost	456,478	239,995
Disposal of investments at valuation	(678,477)	(137,564)
Net gain on revaluation (based on open market valuation at year end)	(10,622)	1,122,137
Income from investment	99,972	125,429
Management fees	(31,999)	(42,104)
Exchange differences	1,270	(327)
At 31 August 2022	<u>4,907,195</u>	<u>5,070,573</u>

The net gain on revaluation is based on open market valuation at year end. The 2022 valuation is comprised of the following:

	2022 £	2021 £
Cash	452,062	161,794
Corporate bonds	379,664	460,632
UK equity	1,215,146	1,310,776
Global equity	1,855,657	2,198,729
Emerging Markets	429,957	451,254
Property	574,709	487,388
	<u>4,907,195</u>	<u>5,070,573</u>

# Philharmonia Limited (Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

### 13. DEBTORS

	31 August 2022 £	Group 31 August 2021 £	Charity 31 August 2022 £	Charity 31 August 2021 £
Due within one year:				
Trade debtors	205,310	513,554	205,210	475,607
Other debtors	168,938	136,056	168,938	136,056
Amounts owed by Philharmonia Foundation	29,022	78,617	29,022	78,617
Amounts owed by RDL	-	-	42,405	109,108
Amounts owed by MMSF	-	-	60,725	6,045
Tax recoverable	852,591	-	852,591	-
Prepayments and accrued income	267,237	192,493	267,237	192,495
	<u>1,523,098</u>	<u>920,720</u>	<u>1,626,128</u>	<u>997,928</u>

### 14. CREDITORS:

	31 August 2022 £	Group 31 August 2021 £	Charity 31 August 2022 £	Charity 31 August 2021 £
Amounts falling due within one year				
Trade creditors	495,134	341,712	495,134	338,712
Other creditors	24,934	35,279	20,307	26,086
Mortgage loan	61,593	70,955	61,593	70,955
Other taxation and social security costs	85,559	39,662	85,559	39,662
Accruals	345,324	239,657	338,224	212,887
Deferred income	506,481	741,291	506,481	741,291
	<u>1,519,025</u>	<u>1,468,556</u>	<u>1,507,298</u>	<u>1,429,593</u>

Amounts falling due after more than one year

	2022 £	2021 £	2022 £	2021 £
<b>Creditors greater than 1 year</b>				
Amounts repayable in 1 to 2 years	140,652	72,722	140,652	72,722
Amounts repayable in 2 to 5 years	351,632	229,212	351,632	229,212
Amounts repayable in < than 5 years	1,031,972	1,274,743	1,031,972	1,274,743
	<u>1,524,256</u>	<u>1,576,677</u>	<u>1,524,256</u>	<u>1,576,677</u>

The amounts repayable relate to a mortgage loan from Barclays Bank on the property at 6 Chancel Street. At the year-end the outstanding balance was £1,585,849. The loan rate is 2.49% per annum (fixed) repayable over the loan term of 23 years.



# Philharmonia Limited (Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

### 15. DEFERRED INCOME

Deferred income relates to ticket sales in advance and various sponsorship agreements where the project or concert has not yet been delivered.

	31 August 2022	Group 31 August 2021	31 August 2022	Charity 31 August 2021
	£	£	£	£
Balance brought forward at 1 September 2021	741,291	369,839	741,291	369,839
Deferred income released in year	(427,297)	(378,442)	(427,297)	(378,442)
Income deferred in year	735,524	749,894	735,524	749,894
	<u>506,481</u>	<u>741,291</u>	<u>506,482</u>	<u>741,291</u>

### 16. RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET DEBT

	1 September 2021	Cash flows	Non-cash changes	31 August 2022
	£	£	£	£
Cash at bank and in hand	1,497,127	(262,520)		1,234,607
<b>Cash and cash equivalents</b>	<u>1,497,127</u>	<u>(262,520)</u>		<u>1,234,607</u>
Debt due within one year	(70,955)	-	9,362	(61,593)
Debt due after one year	(1,576,676)	(49,626)	102,046	(1,524,256)
<b>Total Borrowings</b>	<u>(1,647,631)</u>	<u>(49,626)</u>	<u>111,408</u>	<u>(1,585,849)</u>
<b>Total movement in net debt</b>	<u>(150,504)</u>	<u>(312,146)</u>	<u>111,408</u>	<u>(351,242)</u>

# Philharmonia Limited (Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

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### 17. LIABILITY OF MEMBERS

All members have a liability not exceeding £1 per member. There were 72 members at 31 August 2022 (2021 - 73).

### 18. COMMITMENTS

The minimum annual lease payments under non-cancellable operating leases were as follows:

	Office equipment	31 August 2022 Total	31 August 2021 Total
	£	£	£
Operating leases which expire:			
Less than one year	10,608	10,608	10,608
Between two and five years	17,444	17,444	28,053
later than five years	-	-	-
	<u>28,052</u>	<u>28,052</u>	<u>38,661</u>

The value of lease payments recognised as expense in the year were:

	Office equipment	31 August 2022 Total	17 months ending 31 August 2021 Total
	£	£	£
Lease expense payments in the year	<u>19,117</u>	<u>19,117</u>	<u>22,130</u>

# Philharmonia Limited (Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

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### 19. RELATED PARTY TRANSACTIONS

Payments were made to all playing members of the Board (formerly the Council of Management), including the Chair and Deputy Chair, in respect of the work they have carried out with the Orchestra. During the year, playing members of the Board were paid no additional income for duties, however payments were made under the SEISS and MSS initiatives resulting from being members of the Board.

Rite Digital Limited gifts its profits to the charity making a nil gain nil loss each year. At the year-end Rite Digital owed Philharmonia Limited £42,405 (2021 - £109,108).

The Company had a related party relationship with MMSF by virtue of its trustees. At the year-end MMSF owed Philharmonia Limited £60,725 (2021 – amount owed £6,045).

The Company has a related party relationship with the Philharmonia Foundation Inc, registered in the US, by virtue of having two Trustees in common. During the year Philharmonia Foundation made payments totalling £237,197 (17 months ending 31 August 2021 - £nil) in respect of a grant to support the Human Nature series and expenses repaid to Philharmonia Limited for a recital in New York in February 2022. At the year-end Philharmonia Foundation owed Philharmonia Limited £29,022 (2021 - £78,617)

## Philharmonia Limited (Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 month period ended 31 August 2021)

#### 20. CONSOLIDATED MOVEMENT IN FUNDS FOR THE YEAR END 31 AUGUST 2022

	At 1 September 2021	Income	Expenditure	Transfers	At 31 August 2022
	£	£	£	£	£
<b>Restricted funds</b>					
Philharmonia Projects Fund	-	726,106	(657,177)	(68,929)	-
Martin Musical Scholarship Grant Fund	14,053	50,000	(50,554)	-	13,499
MMSF General Fund	87,622	150	(29,928)	9,9867	67,830
MMSF Donated Assets	10,587	-	(320)	-	10,267
Instrument Loans Fund	117,338	-	-	-	117,338
Catalyst Investment Fund	2,915,598	(17,693)	(14,663)	(2,883,242)	-
<b>Total restricted</b>	<b>3,145,198</b>	<b>758,562</b>	<b>(752,642)</b>	<b>(2,942,184)</b>	<b>208,934</b>
<b>Endowment Funds</b>					
Martin Musical Scholarship Fund	184,484	-	-	(9,986)	174,498
Endowment – Catalyst Fund	-	-	-	2,883,242	2,883,242
Endowment 2005 Fund	2,798,755	(114,956)	(17,336)	-	2,666,463
<b>Total endowment</b>	<b>2,983,239</b>	<b>(114,956)</b>	<b>(17,336)</b>	<b>2,873,256</b>	<b>5,724,203</b>
<b>Unrestricted funds</b>					
Designated Fund – Fixed Assets	440,705	-	-	(89,874)	350,831
Designated Fund – Special Projects and Covid Risk	1,000,000	-	-	-	1,000,000
Rite Digital	-	62,976	(76,209)	-	(13,233)
Philharmonia General Fund	847,618	7,758,537	(7,567,165)	158,803	1,197,793
<b>Total unrestricted</b>	<b>2,288,323</b>	<b>7,821,513</b>	<b>(7,643,374)</b>	<b>68,928</b>	<b>2,535,391</b>
<b>TOTAL FUNDS</b>	<b>8,416,760</b>	<b>8,465,119</b>	<b>(8,413,352)</b>	<b>-</b>	<b>8,468,528</b>

Transfers in the year relate to reclassification of the Catalyst Endowment fund set out in the accounting policies section on page 28.

# Philharmonia Limited (Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

### CHARITY MOVEMENT IN FUNDS FOR THE YEAR END 31 AUGUST 2022

	At 1 September 2021	Income	Expenditure	Transfers	At 31 August 2022
	£	£	£	£	£
<b>Restricted funds</b>					
Philharmonia Projects Fund	-	726,106	(657,177)	(68,929)	-
Instrument Loans Fund	117,338	-	-	-	117,338
Catalyst Investment Fund	2,915,598	(17,693)	(14,663)	(2,883,242)	-
<b>Total restricted</b>	<b>3,032,936</b>	<b>708,413</b>	<b>(671,840)</b>	<b>(2,952,171)</b>	<b>117,338</b>
<b>Endowment Funds</b>					
Endowment – Catalyst Fund	-	-	-	2,883,242	2,883,242
Endowment 2005 Fund	2,798,755	(114,956)	(17,336)	-	2,666,463
<b>Total endowment</b>	<b>2,983,239</b>	<b>(114,956)</b>	<b>(17,336)</b>	<b>2,883,242</b>	<b>5,549,705</b>
<b>Unrestricted funds</b>					
Designated Fund – Fixed Assets	440,705	-	-	(89,874)	350,831
Designated Fund – Special Projects and Covid Risk	1,000,000	-	-	-	1,000,000
Philharmonia General Fund	847,618	7,758,538	(7,567,165)	158,803	1,197,794
<b>Total unrestricted</b>	<b>2,288,323</b>	<b>7,758,538</b>	<b>(7,567,165)</b>	<b>68,928</b>	<b>2,548,625</b>
<b>TOTAL FUNDS</b>	<b>8,120,014</b>	<b>8,351,995</b>	<b>(8,256,341)</b>	<b>-</b>	<b>8,215,668</b>

## Philharmonia Limited (Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

#### 21. CONSOLIDATED MOVEMENT IN FUNDS FOR THE 17 MONTH PERIOD ENDED 31 AUGUST 2021

	At 1 April 2020	Income	Expenditure	Philharmonia Trust Limited transfer	Transfers	At 31 August 2021
	£	£	£	£	£	£
<b>Restricted funds</b>						
Philharmonia Projects Fund	107,327	516,416	(600,466)	-	(23,277)	-
Martin Musical Scholarship Grant Fund	48,108	15,000	(49,375)	-	320	14,053
MMSF General Fund	87,149	255	(102)	-	320	87,622
MMSF Donated Assets	11,680	-	(453)	-	(640)	10,587
Rite Digital	-	189,888	(189,888)	-	-	-
Instrument Loans Fund	-	-	-	117,338	-	117,338
Catalyst Investment Fund	-	714,315	(19,418)	2,220,701	-	2,915,598
<b>Total restricted</b>	<b>254,264</b>	<b>1,435,874</b>	<b>(859,702)</b>	<b>2,338,039</b>	<b>(23,277)</b>	<b>3,145,198</b>
<b>Endowment Funds</b>						
Martin Musical Scholarship Fund	184,484	-	-	-	-	184,484
Endowment 2005 Fund	-	635,682	(22,686)	2,185,759	-	2,798,755
<b>Total endowment</b>	<b>184,484</b>	<b>635,682</b>	<b>(22,686)</b>	<b>2,185,759</b>	<b>-</b>	<b>2,983,239</b>
<b>Unrestricted funds</b>						
Designated Fund – Fixed Assets	-	-	-	-	440,705	440,705
Designated Fund – Special Projects and Covid Risk	-	-	-	-	1,000,000	1,000,000
Designated Fund – Property	412,363	-	-	-	(412,363)	-
Revaluation reserve	75,046	-	-	-	(75,046)	-
Philharmonia General Fund	1,097,621	6,588,297	(6,881,424)	973,143	(930,019)	847,618
<b>Total unrestricted</b>	<b>1,585,030</b>	<b>6,588,297</b>	<b>(6,881,424)</b>	<b>973,143</b>	<b>23,277</b>	<b>2,288,323</b>
<b>TOTAL FUNDS</b>	<b>2,023,778</b>	<b>8,659,853</b>	<b>(7,763,812)</b>	<b>5,496,941</b>	<b>-</b>	<b>8,416,760</b>

Transfers in the year relate to the merger of the assets of the Philharmonia Trust, including the Chancel Street property and the establishment of a Designated Fund – for Special Projects and Covid risk to support operational recovery.

# Philharmonia Limited (Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

### CHARITY MOVEMENT IN FUNDS FOR THE 17 MONTH PERIOD ENDED 31 AUGUST 2021

	At 1 April 2020	Income	Expenditure	Philharmonia Trust Limited asset transfer	Transfers	At 31 August 2021
	£	£	£	£	£	£
<b>Restricted funds</b>						
Philharmonia Projects Fund	107,327	516,416	(600,466)	-	(23,277)	-
Instrument Loans Fund	-	-	-	117,338	-	117,338
Catalyst Investment Fund	-	714,315	(19,418)	2,220,701	-	2,915,598
<b>Total restricted</b>	<b>107,326</b>	<b>1,230,731</b>	<b>(619,884)</b>	<b>2,338,039</b>	<b>(23,277)</b>	<b>3,032,936</b>
<b>Endowment Funds</b>						
Endowment 2005 Fund	-	635,682	(22,686)	2,185,759	-	2,798,755
<b>Total endowment</b>	<b>-</b>	<b>635,682</b>	<b>(22,686)</b>	<b>2,185,759</b>	<b>-</b>	<b>2,798,755</b>
<b>Unrestricted funds</b>						
Designated Fund – Fixed Assets	-	-	-	-	440,705	440,705
Designated Fund – Special Projects and Covid Risk	-	-	-	-	1,000,000	1,000,000
Designated Fund – Property	412,363	-	-	-	(412,363)	-
Revaluation reserve	75,046	-	-	-	(75,046)	-
Philharmonia General Fund	1,097,621	6,588,297	(6,881,424)	973,143	(930,019)	847,618
<b>Total unrestricted</b>	<b>1,585,030</b>	<b>6,588,297</b>	<b>(6,881,424)</b>	<b>973,143</b>	<b>23,277</b>	<b>2,288,323</b>
<b>TOTAL FUNDS</b>	<b>1,585,030</b>	<b>6,588,297</b>	<b>(6,881,424)</b>	<b>973,143</b>	<b>23,277</b>	<b>2,288,323</b>

# Philharmonia Limited (Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 month period ended 31 August 2021)

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### Restricted Funds:

#### Philharmonia Projects Fund:

Refers to sponsored activity in the following areas, Own Promotion, Engagements, Residencies Concerts, Education and Digital Projects and International Touring Concerts.

#### Martin Musical Scholarship Fund and MMSF General Fund

Martin Musical Scholarship Fund (MMSF) is a subsidiary charity of Philharmonia Ltd, which supports young musicians. Funds are split between restricted and endowment funds according to their nature.

#### MMSF Donated Assets

Relates to a piano.

#### Rite Digital

Digital and technological income and expenditure.

#### Instrument Loans Fund

Instrument Loans

#### Catalyst Investment Fund

Transferred from Philharmonia Trust

### Endowments:

#### Endowment – Catalyst Fund

The Fund includes investments previously within the restricted Catalyst Endowment Fund as set out on page 28. The fund will be utilised to support orchestra activity.

### Unrestricted Funds:

#### Designated Fund – Property

The property reserve related to funds for the fit out of 6 Chancel Street, which have now been written down as they are included within the fair value of the property transfer in 2020 (see note 8).

#### Designated Fund – Fixed Assets

The fixed asset reserve comprises the net book value of all fixed assets excluding property

#### Designated Fund – Special Projects and Covid Risk

These funds have been set aside to support the Orchestra to maintain its activities in light of the particularly challenging environment caused by the pandemic and to further invest in dynamic artistic special projects and innovation to grow future revenue and activity.



# Philharmonia Limited (Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 month period ended 31 August 2021)

### 22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

AT 31 AUGUST 2022	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Tangible fixed asset	8,743,840	10,267	-	8,754,107
Current assets	(3,228,392)	261,891	5,724,203	2,757,702
Current liabilities	(1,455,800)	(63,224)	-	(1,519,024)
Long term liabilities	(1,524,257)	-	-	(1,524,257)
	<u>2,535,391</u>	<u>208,934</u>	<u>5,724,203</u>	<u>8,468,528</u>

AT 31 AUGUST 2021	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Tangible fixed asset	9,033,561	10,587	-	9,044,148
Current assets	(3,732,819)	3,167,425	2,983,239	2,417,845
Current liabilities	(1,435,741)	(32,815)	-	(1,468,556)
Long term liabilities	(1,576,677)	-	-	(1,576,677)
	<u>2,288,324</u>	<u>3,145,197</u>	<u>2,983,239</u>	<u>8,416,760</u>