

Rite Digital Limited
Report and Financial Statements
Year ended 31 March 2019



Company registration number 07565292

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Officers and Professional Advisers

Chairman

Dr David Potter, CBE

Directors

Richard Nowell

Helen Sprott (resigned 14 June 2019)

Michael Fuller (appointed 14 June 2019)

Company Secretary

Paul Townley (resigned 31 July 2018)

John Whiterow (appointed 31 July 2018 and resigned 19 March 2019)

Lesley Baliga (appointed 20 March 2019 and resigned 24 June 2019)

Linda Barry (appointed 24 July 2019)

Company number

07565292

Registered Office

6 Chancel Street
London. SE1 0UX

Bankers

NatWest Bank
125 Great Portland Street
London. W1A 1GA

Legal advisers

McDermott Will and Emery LLP
Heron Tower
110 Bishopsgate
London. EC2N 4AY

Auditors

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

Directors' Report

The Directors have pleasure in presenting their Annual Report and Financial Statements for the year ended 31 March 2019. The Financial Statements are set out on pages 9 to 12.

Principal activity

The principal activity of the company in the year under review was the exploitation of the expertise of the Philharmonia Orchestra's Digital media department and of its own created installations and productions.

The company is wholly owned by Philharmonia Limited, a charitable company limited by guarantee.

Review of activity in the year

The company continued with its core activity in the year under review. The main business activities were:

- The exploitation of RE-RITE and Universe of Sound, digital installations owned by the parent company Philharmonia Limited, and licensed by Philharmonia Limited to the company; and
- The continued promotion of its App, *The Orchestra*.

Financial review

The company made a profit in the year ended 31 March 2019 of £18,089 (2018 - £18,184). All the year's profit was gift aided up to the parent company, Philharmonia Limited.

Future developments

The company will continue its work primarily in seeking the exploitation of its parent company's digital products including Universe of Sound, its new virtual reality app The Virtual Orchestra and the organisation's bespoke orchestra extranet MOBI, and also to develop a business plan for exploiting these multiple products.

Going concern

The company expects to continue to generate profits over the next year. Its risks are low, as the main costs to the company are cross charged staff time and related expenditure, recognised on the basis of actual work done for the company. Therefore there are minimal unattributable overhead costs in maintaining the company.

The cash flow of the company has been aided by short-term intercompany funding from its parent company Philharmonia Limited, within terms agreed with its trustees, which do not disadvantage the parent company.

The directors have considered the cash flow support and assurances offered by the parent company, and consider that there is no reasonable likelihood that the company will not be able to continue in

Directors' Report Continued

operation for the foreseeable future. Therefore they have applied the going concern principle in preparing these financial statements.

Directors

The Directors in the year were as detailed on page 2. No directors held shares in the company at any time.

Statement as to disclosure of information to Auditor

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

Auditors

A resolution to re-appoint BDO LLP as auditors will be proposed at the next Annual General Meeting of the parent company.

The above report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Signed on behalf of the Board of Directors



Richard Nowell

19 December 2019

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of its profit or loss for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of Rite Digital Limited

Opinion

We have audited the financial statements of Rite Digital Limited ("the Company") for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, 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.

Independent Auditor's Report to the Members of Rite Digital Limited Continued

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Directors 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 Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors 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 Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report to the Members of Rite Digital Limited Continued

In preparing the financial statements, the Directors are responsible for assessing the 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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council'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 Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Fiona Condron (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Gatwick,

United Kingdom

Date: *20 Dec 2019*

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

**Statement of Comprehensive Income
for the year ended 31 March 2019**

		2019	2018
	Notes	£	£
Turnover	1	132,121	59,525
Cost of Sales		(106,150)	(41,202)
Gross profit		25,971	18,323
Administrative expenses		(7,882)	(139)
Profit on ordinary activities before tax	2	18,089	18,184
Taxation		-	-
Retained Profit for the financial year		18,089	18,184

	2019	2018
Retained Earnings	£	£
At 1 April	100	100
Results for the year	18,089	18,184
Qualifying charitable donation to Philharmonia Limited	(18,089)	(18,184)
At 31 March	100	100

Turnover and operating profit derive wholly from continuing operations.

The notes on pages 11 to 12 form part of these financial statements

Balance Sheet**As at 31 March 2019****Company Registration no.07565292**

	Notes	2019 £	2018 £
Current assets			
Debtors	4	46,116	12,423
Cash at bank and in hand		116,667	38,335
		162,783	50,758
Creditors: amounts falling due within one year	5	(162,683)	(50,658)
Net current assets		100	100
Total assets less current liabilities		100	100
Capital and reserves			
Called up share capital	6	100	100
Profit and loss account		-	-
Shareholders' funds		100	100

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006, and in accordance with the provisions of FRS 102 Section 1A – small entities.

The notes on pages 11 to 12 were approved and authorised for issue by the Board of Directors on 19 December 2019.

Richard Nowell



Director, Rite Digital Limited

Notes to the Financial Statements

Year ended 31 March 2019

1 Accounting policies

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 Section 1A – small entities. There were no material departures from that standard. As a qualifying entity (for the purposes of FRS102 Section 1A – small entities), the company has taken advantage of the reduced disclosure framework exemption from requirement to prepare a statement of cash flows.

The following principal accounting policies have been applied:

Turnover

Turnover represents income, excluding VAT, derived from the company's operations.

Expenditure

All expenditure is accounted for on an accruals basis.

Taxation

Rite Digital Limited has entered into an indefinite deed of covenant in favour of Philharmonia Limited (parent charity). Under the terms of the deed, Rite Digital Limited shall pay to Philharmonia Limited a sum equal to the taxable profit of the company, to the extent that it does not exceed the accounting profit for the period. Taxable profits transferred to the parent entity, a registered charity, are recognised as distributions from equity when the company has made an irrevocable commitment to the parent to pay the taxable profits. This payment is treated as a gift aid payment in accordance with tax legislation.

2 Operating profit

	2019	2018
The operating profit is stated after charging/(crediting):	£	£
Foreign Exchange gains	(885)	-
Auditor's remuneration	2,678	-

The audit fee of the company in 2018 was not provided for and is included with the fee for 2019.

3 Employees

Rite Digital Limited does not have any directly employed staff. However, the company does make use of various staff employed by its parent company, Philharmonia Limited. This usage is reflected in these financial statements through cross charges for staff costs and other overhead costs from the parent company where appropriate, based on a straightforward time-used apportionment basis.

None of the Directors received remuneration, or re-imbursement of expenses, from the company in the year (2018 - £nil).

Notes to the Financial Statements Continued
Year ended 31 March 2019

4	Debtors	2019 £	2018 £
	Trade Debtors	19,266	11,366
	Other Debtors	26,850	1,057
		<u>46,116</u>	<u>12,423</u>
5	Creditors: amounts falling due within one year	2019 £	2018 £
	Amount owing to parent company	151,175	29,836
	Accruals and deferred income	6,883	20,306
	VAT creditor	4,625	516
		<u>162,683</u>	<u>50,658</u>
6	Share capital - Authorised, allotted and called up	2019 £	2018 £
	100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

100 Ordinary shares of £1 each were issued on incorporation to the parent charity, Philharmonia limited.

7 Related party transactions

All intra-group transactions have taken place in the normal course of business. There are no other related party transactions requiring disclosure.

8 Ultimate parent company

Rite Digital Limited is a wholly owned subsidiary of Philharmonia Limited, a charitable company limited by guarantee. Philharmonia Limited is the largest and smallest group for which consolidated financial statements are drawn up. Copies of the consolidated financial statements for Philharmonia Limited can be obtained from the Registered office of the company.