

ROYAL LIVERPOOL PHILHARMONIC SOCIETY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Charity Registration Number: 230538

Company Registration Number: 88235

Registered in England & Wales

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

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ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Chair's Statement

For the year ended 31 March 2024

The annual report sets out the Trustees' report and financial statements for the year ended 31 March 2024.

This has been a year in which we have delivered successfully against our artistic and community ambitions whilst returning a strong financial performance.

Financial performance

The report shows that we have continued to create income in all key areas – the Orchestra and Choir ticket sales and other income, the Hall programme and activities including event income, bars and catering, and our fundraising. We are also reporting growth on Orchestra Tax Relief receipts, with the government maintaining an increase in the rate of tax relief that we can claim against expenditure on orchestra activity. Our two key funders, Arts Council England and Liverpool City Council, maintained their invaluable support at previous levels. Meantime we have managed our costs to ensure only modest increases in expenditure. The net result is that our headline financial performance has been very strong, and we have maintained our overall position in relation to reserves and the underlying financial health of the organisation.

Investment in Liverpool Philharmonic Hall

A key element of our financial strategy is to both create the capacity, and where possible, generate additional income, to ensure we can continue to invest in the maintenance and improvement of our home, the Grade 2* listed Liverpool Philharmonic Hall. During this year we planned and worked to secure the funds to undertake a major redevelopment of our stage and choir area in summer 2024. This work will improve the working conditions and space in which the Orchestra and Choir can perform; it will provide disabled access to different levels of the performance area for the first time; and it will improve the aesthetic appearance of the stage area, including the back wall behind the choir, for the audience. We also planned for work in summer 2024 to replace our flat roof covering which is at the end of its life, and to improve the 1840 Room as a space for members, donors, sponsors, and VIP ticket holders at different events.

We will be able to pay for these works through a combination of our own financial resources, plus very generous support from Arts Council England, Liverpool City Council, Garfield Weston Foundation, Foyle Foundation, and Wolfson Foundation. Our financial performance, as well as our overall track record, is crucial to ensure the trust and support of these organisations, and we are very grateful for their confidence in us and in our work.

Concert programme

Across the year some 370,000 people attended concerts by the Royal Liverpool Philharmonic Orchestra and Choir, and associated ensembles, and by a breadth of performers in Liverpool Philharmonic Hall, the Music Room, and other venues.

The 2023-24 Orchestra season was the third under the leadership of our Chief Conductor Domingo Hindoyan and achieved our best audiences since 2019. We worked hard to maintain both the ambition and the variety of the programme we present. Our work spanned the breadth of the classical repertoire and included commissions and premieres by leading contemporary composers such as Eleanor Alberga, Gabriela Ortiz, and Joanna Marsh. We brought major international artists to Liverpool including Katia and Marielle Labeque, Isata Kanneh-Mason, Paul Lewis, Simone Lamsma, Johan Dalene, Sonya Yoncheva, and Vikingur Olafsson amongst many others. Our musicians extended our programme further, performing in other ensembles in our Close-Up, Lunchtime and Ensemble 10:10 series which featured many composers and works rarely or never before performed in Liverpool.

We continued to attract major artists from across musical genres, and in areas such as comedy and spoken word, to perform in the Hall, including a first ever appearance by Robert Plant, and concerts by Dexys, Seal and Katy Melua.

The Music Room strengthened its position as the leading small music venue in the city with a very strong programme of music across classical, folk, jazz, pop and other genres. As well as welcoming international artists, we promoted and presented talent from Liverpool and worked in partnership with key and diverse Liverpool organisations such as Milap, Africa Oye, Luma Creations, Liverpool Arab Arts Festival, and Wiring on the Wall.

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Chair's Statement [Continued]

For the year ended 31 March 2024

Nurturing talent and involving young people

We continued to provide opportunities for the young people of this city to make music and to develop their creativity through our Youth Company which now has ten ensembles ranging across choral singing, classical orchestras, a brass band, a session orchestra playing pop and showtunes, as well as programmes for young composers and songwriters. The Company's distinguished history, and the impact it has had on so many lives, was evidenced in the reunion concert of the Liverpool Philharmonic (formerly Merseyside) Youth Orchestra in which former member Sir Simon Rattle conducted past and present members in a joyous concert in front of a sold out audience.

Our ground-breaking In Harmony programme celebrated its fifteenth year working in North Liverpool, and involved some 1700 young people in regular orchestral music making.

And our Schools Concerts attracted almost 18,000 school children and their teachers from across the Liverpool City Region and beyond.

Our impact in our city

We are proud to represent Liverpool, and to play a fundamental role in the success, health and quality of life of the city. We do so through the concert programme that is enjoyed by hundreds of thousands of people every year; and through our work to develop the talent and creativity of the city's young people. We contribute our to the economy of the city through the contracts we undertake with suppliers, many of them local; the spend in the city of our visitors, and our employment of over 300 people, all being paid at least the Real Living Wage. We enhance the city's reputation through the global reputation our Orchestra has, not least through our recordings which are listened to by millions around the world. And we play our part major moments for the city. One of these was Liverpool's hosting of the Eurovision Song Contest in May 2023 and we were at the forefront of the celebrations with our newly commissioned Orchestral Eurovision concert Douze Points, and a joyous sold-out live screening of the final in the Hall. We were also proud to bring the National Symphony Orchestra of Ukraine for a superb concert at Liverpool Philharmonic Hall later in the year.

And we play a key role in something dear to my heart, the health of the adults and young people of this city. All of our work has important health and well-being outcomes, and we worked hard in the year to extend our Music and Health programme, working with an ever-growing group of NHS partners in Liverpool City Region to use music and music making to help service users with a range of mental and physical health conditions and challenges.

Funders and Supporters

We enjoyed superb support from a wide range of partners and funders.

These include Arts Council England, who as well as their core National Portfolio Funding are also supporting In Harmony and have awarded us £750,000 towards our Stage works. Liverpool City Council continued to offer significant core funding and has also worked superbly to help the Stage works with a long-term loan. We had considerable support from a range of trusts and foundations, and from over 1,000 individual donors who have supported us throughout the year. Their support is crucial to enable us to continue to build the quality, impact, and breath of our work and we thank them all.

One of our most generous supporters in recent years has been the Paul Hamlyn Foundation, who have supported our work in attracting new audiences, and our In Harmony programme. We are enormously grateful to them for making a major gift to us in September 2024 of £3.5million. This gift will be invested in a fund to provide a long term endowment to underpin and support our continuing work with young people, including In Harmony. In addition they have given us a one off gift of £500,000 to support investment in growth of our In Harmony Youth Hubs in the next three years. This exceptional support is indicative of their belief in the value of our work with young people, and we look forward to rewarding this faith for years to come.

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Chair's Statement [Continued]

For the year ended 31 March 2024

People

Her Majesty Queen Elizabeth II was Royal Patron of both the Royal Philharmonic Society and Royal Liverpool Philharmonic Choir until her death. We were delighted when His Majesty the King confirmed in May 2024 that he was pleased to accept these patronages in her place.

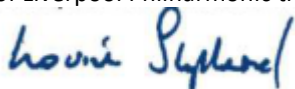
At the end of the 2023-24 season four long serving members of the Orchestra, who had over 160 years' service between them, retired. Jonathan Small was our Principal Oboe for forty years during which he was one of the most distinguished oboe players in the country. Alex Marks, (Violin), and Richard Wallace and Robert Shepley (Viola) also served the Orchestra with distinction over many years (forty-five in Richard's case). We thank all four of them for their great service and wish them well for their retirement.

I wish to thank my fellow Board members for the support they have given me, and for their contribution over the last year.

I would particularly like to thank Claire Jackson, Baroness Estelle Morris and Susanna Poole who stood down from the Board, for their important contributions to the organisation's governance. And Tony Harvey retired after several years as our Company Secretary, and formerly as Board Member and Chair of our Hall and Events Board. Tony's contribution to the organisation has been immense over several years. We are grateful to them all.

Sadly, we lost two former Chairmen of the Society in 2024, and I wish to pay tribute to the contributions that John Last and Peter Johnson made in the 1980s and 1990s.

On behalf of the Board, I wish to thank all our partners and funders, our staff and musicians, members of the Choir and Youth Company, our volunteers and everyone who has joined us as an audience member or participant, for their support of Liverpool Philharmonic throughout the year.



Louise Shepherd CBE
Chair

Date: 25/09/2024

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Trustees' Report (including Directors' Report and Strategic Report)

For the year ended 31 March 2024

The Board of Trustees ("the Board") of the Royal Liverpool Philharmonic Society ("the Society") present their Annual Report for the year ended 31 March 2024 prepared under the Companies Act 2006 and the Charities Act 2011 together with the audited group financial statements for that year. The financial statements have been prepared in accordance with FRS102 and comply with the Companies Act 2006, the Society's governing documents and the Statement of Recommended Practice FRS102 (the Charities SORP FRS102).

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Structure, governance and management

The Society is governed by its Memorandum and Articles of Association adopted on 31 March 1906 and last amended on 3 November 2014. The Society is a company limited by guarantee, registered at Companies House (registration number 88235) and a charity registered with the Charity Commission (registration number 230538).

The Society has a wholly owned subsidiary, Liverpool Philharmonic Hall and Events Limited, a private company registered in England (registration number 3110903). The subsidiary donates all of its profits back to the Society annually.

The Society consolidates into its financial statements the results of Liverpool Philharmonic Hall and Events Limited.

Board of trustees

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year were as noted on page 43. The Board of Trustees undertakes an annual review of its governance arrangements which includes its effectiveness.

The Board is responsible for the overall governance of the Society. The total number of Trustees may not exceed 11. 10 Trustees, including two members of the Orchestra, are co-opted on the recommendation of the Board, are appointed at the Annual General Meeting and may serve for a maximum of two consecutive three-year terms, if reappointed after the initial term. The Chief Executive of the Society is also a Trustee.

The Board meets bi-monthly to review strategy and operational performance including Arts Council England's monitoring reports and to set operating plans and budgets at least annually. The Board has a register of Trustee interests which is monitored at every Board meeting. It delegates certain powers in connection with the management of the Society to the Chief Executive. Delegated powers are covered in the Standing Orders and the Financial Regulations and are reviewed periodically by the Board.

The Board has a three committees which are made up of subgroups of the main Board. These Committees are

- Audit and Performance Committee comprising of up to three Trustees and the Company Secretary. This committee reviews the Society's risk profile, its approach to and implementation of risk management and internal control and is responsible for overseeing the external audit. It also examines the Society's performance in the achievement of the objectives outlined in its business and operational plans;
- Nominations Committee comprising The Chair of the Board of Trustees, the Deputy Chair of the Board of Trustees, the Chief Executive and one other which looks at nominations for future Board members; and
- Remuneration Committee comprising the Chair of the Board of trustees along with the non-salaried members of the Audit and Performance Committee. The salaries of the senior management team are agreed individually but approved by the Remuneration Committee.

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Trustees' Report (including Directors' Report and Strategic Report) [Continued]

For the year ended 31 March 2024

Trustee induction and training

An induction programme is designed for each new Trustee to enable them to understand the Society's operational ways of working, how its strategic objectives are delivered and the challenges it faces. Trustees are trained in accordance with their needs as assessed via a skills audit.

Executive

The Chief Executive is responsible for the day to day management of the Society's affairs and for implementing policies agreed by the Board of Trustees. The Chief Executive is assisted by an Executive Team. The members of the Executive team are set out on page 43.

Key management personnel

Remuneration of Key Management Personnel is negotiated on a case-by-case basis in line with the standard pay structures of the Society.

Strategic Report

Risk management

The Society's systems of risk identification and management are a key part of the responsibility of the Executive team.

The Executive team prepares a detailed risk register and make necessary changes to the policies and procedures relating to the specific risks facing Liverpool Philharmonic. The Risk Management System is reviewed in context with the policies on Reserves and Insurance. Changes to the risk profile, including risks arising from outside the organisation are monitored by the Executive who take account of impacts on the organisation's income streams, assessments of the economic climate, discussions with funders and programming accordingly.

The Audit and Performance Committee meets regularly throughout the year and examines the risk profile and Society mitigations at each meeting. The full Board reviews the risk map, which gives a graphical analysis of the key risks facing the business, provides challenge and scrutiny and oversees mitigations and other actions.

Financial performance

The year ended 31 March 2024 has been a challenging year for the Royal Liverpool Philharmonic Society (Liverpool Philharmonic) with increasing audience confidence demonstrated by increased income from Charitable activities. We continued to deliver our Learning Programme through the newly diversified delivery methods and are always looking to extend the programme further.

With the uplifted recovery rate for Orchestra Tax Relief (OTR) being at a full year of 50% (2023: 7 months 25%, 5 months 50%), the amount of OTR recovered has increased significantly allowing Liverpool Philharmonic to continue to deliver great art for all. The amount of OTR recovered was £2,716,000 (2023: £1,896,000).

Through careful cost control and the generosity of our donors, supporters and funders, an unrestricted surplus of £562,000 (2023: £183,000) which includes Orchestra Tax Relief credits of £2,716,000 (2023: 1,896,000), was reported before actuarial gains on the defined benefit pension scheme in the year of £182,000 (2023: £3,117,000 loss). The actuarial gain on the Defined Benefit Pension Scheme is primarily due to performance of the bond yields and the calculation of the discount factor that is used to calculate the present value of the future liabilities (note 23).

The Defined Benefit Pension Scheme was closed to future accrual of benefit on 31 March 2013 which will cap the growth of the scheme liabilities in future. Also, the Defined Benefit Pension Scheme has the ability to utilise Guaranteed Annuity Rates (GARs) when members retire. There has been no account of GARs in the calculation of the defined benefit pension liabilities and given the current economic climate with higher interest rates, the ability to purchase GARs means that the future liabilities of the scheme may be less financially onerous than it actually appears.

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Trustees’ Report (including Directors’ Report and Strategic Report) [Continued] For the year ended 31 March 2024

Strategic Report [Continued]

Fundraising income from individual donors (including Gift Aid) and corporate sponsorship was £728,000 (2023: £659,000). Liverpool Philharmonic has received extremely generous donations from many individual donors; corporate donors include Rathbones incorporating Investec Wealth & Investment (UK), Hill Dickinson LLP and Weightmans LLP. In addition to these generous donations, a significant number of audience members regularly donate.

Orchestra activities

Income from Orchestra performances and engagements showed a marginal gain on previous years income.

| | 2024 £’000 | 2023 £’000 |
|--|---------------|---------------|
| Liverpool orchestral performances admissions | 2,078 | 2,023 |
| Engagement fees | 309 | 756 |
| | <u>2,387</u> | <u>2,779</u> |

The Orchestra earns additional income through other activities including fees from broadcasting (2024: £165,000; 2023: £59,000) and royalties on recordings (2024: £54,000; 2023: £52,000).

Reserves

A target for unrestricted reserves has been set at £2,500,000 before pension reserves. The unrestricted reserve balance at 31 March 2024 was £4,066,000 before the Defined Benefit Pension Scheme liability of £694,000 (2023: £4,748,000 and £876,000 deficit respectively). With careful financial management and, the generous support from our funders, sponsors and donors, along with the benefit of Orchestra Taxation Relief, Liverpool Philharmonic has managed to transfer a surplus to reserves.

The surplus generated in this year will be transferred to reserves to help fund Liverpool Philharmonic’s financial stability for the unknown future events and continued investment in showcasing great art.

The Board performs a review of the reserves policy each year so that sufficient reserves can be established in line with the future needs of the business over the forthcoming years. The target of £2,500,000 has been set so that Liverpool Philharmonic can continue to meet its charitable objects and is not overly susceptible to changing economic conditions. £2,500,000 represents approximately four months core underlying operating costs which will protect Liverpool Philharmonic from fluctuations and reductions in earned income.

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Trustees' Report (including Directors' Report and Strategic Report) [Continued]

For the year ended 31 March 2024

Strategic Report [Continued]

Unrestricted reserves are reported at 31 March 2024 as surplus £4,616,000 (2023: £3,872,000 surplus) of which £694,000 deficit relates to the defined benefit pension deficit (2023: £876,000 deficit) reserves. The valuation of the defined benefit pension scheme has generated an actuarial gain of £182,000 (2023: £3,117,000 gain).

Free reserves, being total reserves before the Defined Benefit Pension Scheme liability less restricted reserves and unrestricted fixed assets at 31 March 2024 were:

| | 2024 £'000 | 2023 £'000 |
|--|---------------|---------------|
| Total reserves | 14,246 | 14,833 |
| <u>Add</u> : Defined benefit pension deficit | 694 | 876 |
| <u>Less</u> : Restricted reserves | (10,874) | (10,961) |
| Unrestricted fixed assets | (2,438) | (3,118) |
| | <u>1,628</u> | <u>1,630</u> |

Impairment

In February 2024, the Board of Trustees agreed the designs and plans for a capital project whereby the stage would be replaced. It was the decision to impair the stage installed in 2014 as it offers no value to the ongoing business. The assets impaired was as follows:

| | £'000 |
|--|--------------|
| Cost of leasehold improvements impaired | 1,479 |
| <u>Accumulated depreciation of assets impaired</u> | <u>(235)</u> |
| | <u>1,244</u> |

£1,244,000 has been written off reducing the restricted leasehold reserve accordingly. During the summer 2024 closure period, a new stage riser system will be installed in the auditorium.

Pension provisions

Liverpool Philharmonic operates a defined benefit pension scheme. The scheme is valued in accordance with Financial Reporting Standard 102. This resulted in an actuarial gain of £182,000 (2023: £3,117,000) during the year which has decreased the scheme deficit from £876,000 to £694,000. The Defined Benefit Pension Scheme has an ability to use guaranteed annuity rates (GARs) on retirement. However, the impact of GARs has not been calculated. Therefore, with the current actuarial rates, the liability may be less onerous than it appears in the financial statements.

The last technical triennial valuation has been completed during the previous year with an effective date of 31 March 2023 and a revised schedule of contributions was agreed shortly after. The agreed contribution level effective from 1 April 2022, has increased from £150,000 to £194,000 for the remaining 10 years of the recovery. This will be reviewed when the next full actuarial valuation is undertaken in 2025.

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Trustees' Report (including Directors' Report and Strategic Report) [Continued]

For the year ended 31 March 2024

Strategic Report [Continued]

A group personal pension plan was launched on 1 April 2013 which is a contributory scheme, available to all employees. This scheme is compliant with the recent pension legislation and has auto enrolled all Liverpool Philharmonic qualifying employees on 1 July 2014. Every three years following the launch, we auto-re-enrolled the few staff who opted out of the scheme.

Investment policy and performance

The Trustees seek to ensure that emerging cash and other liquid resources are held and are able to be utilised for the purposes set out in the Reserves Policy. It is the policy of the Trustees that, until reserves satisfy the levels set out in the Reserves Policy, the reserves are held in a number of low risk vehicles with the performance of Liverpool Philharmonic's Investment Managers being monitored by the Audit and Performance Committee. All financial providers are reviewed periodically.

Plans for future periods

The main focus for Liverpool Philharmonic is to recover from the impact of Covid-19 and continue to present an outstanding concert programme, bringing a diverse portfolio of world class artists to the Philharmonic Hall whilst touring the Orchestra across the United Kingdom and overseas. We will continue to have a significant impact both locally and nationally with our Learning programme, in particular through the expansion and development of In Harmony Liverpool which currently reaches 1,500 children in Everton and Anfield. As part of Liverpool Philharmonic's National portfolio award, we were delighted to be the grateful beneficiary of levelling up funding to develop a programme of events in Barrow which was launched during this year with a number of events taking place in Barrow.

The objectives and activities of the charity are discussed further below.

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Trustees' Report (including Directors' Report and Strategic Report) [Continued]

For the year ended 31 March 2024

Strategic Report [Continued]

Financial risk management

Prices of goods and services purchased are subject to contracts with suppliers based on market prices, and salary costs are subject to a formal annual review. Our standard payment terms are 30 days. Credit risk on amounts owed by donors is low. In terms of liquidity risk, Liverpool Philharmonic has no short term borrowings and our policies on the management of investments and reserves are set out above.

Inclusivity and relevance

Liverpool Philharmonic recognises that Inclusivity & Relevance is fundamental for the delivery of our strategic objectives and the development of our business. A ten year Inclusivity & Relevance Plan has been agreed which sets out aims and actions in relation to gender, ethnicity and disability, making our activities available and accessible to all. Through this Plan, we are working to embrace and champion the opportunities that inclusion & relevance offers in our leadership, company members and in the artistic and music genres we present.

Liverpool Philharmonic has many strengths, for example in the range of our artistic programme, and the reach of our learning programme. We are building upon these in our aim to be an organisation which is truly representative and engages its community; which presents a programme that celebrates and reflects the diversity of contemporary music and musicians; and which a leader is nationally and internationally in developing the diversity of our sector.

Equal opportunities

Liverpool Philharmonic operates an Equal Opportunities Policy on the recruitment of all employees, and in the promotion of its activities which encourages us to give:

- full and fair consideration of applicants for employment of people with any protected characteristic, having regard to their aptitudes and abilities;
- continuing employment and training of employees who become people with any protected characteristic; and
- training, career development and promotion of people with any protected characteristic employed by the company.

Liverpool Philharmonic has an Inclusivity & Relevance Plan, which is updated year on year.

Communications with staff

Staff are kept up to date with Liverpool Philharmonic developments and general matters of concern through a number of methods which include regular email updates and quarterly staff meetings where staff are actively encouraged to question management and offer ideas.

Post balance sheet events

There are no post balance sheet events to report.

Related parties

Details of related parties with which the society cooperates in the pursuit of its charitable objectives can be found in note 23 to these accounts.

Objectives and activities

As set out in the Trust Deed, Liverpool Philharmonic is established to promote, maintain, improve and advance education, particularly musical education, and for this purpose to encourage the arts of music, drama, mime, dance and singing, and to formulate, prepare and establish schemes thereof.

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Trustees' Report (including Directors' Report and Strategic Report) [Continued]

For the year ended 31 March 2024

Strategic Report [Continued]

Liverpool Philharmonic enhances and transforms lives through music. Our vision is that we will be rooted in our community and a national and international ambassador for the City of Liverpool. We will be a thriving, forward looking diverse music organisation, with musicians and the Royal Liverpool Philharmonic Orchestra at its heart, enhancing and transforming lives through a distinctive programme of excellence in performance and learning.

Liverpool Philharmonic is:

- a world class symphony orchestra, and associated choral and music ensembles; with
- an international concert hall presenting performances across a wide variety of music genres; and
- an extensive learning and engagement programme reaching across Liverpool and beyond.

Through this unique combination of assets, we bring the highest quality of musical experiences to our audiences. We aim to benefit Liverpool and its people through our work locally, nationally and internationally as described below.

Public benefit

In shaping the objectives for the year and planning the Society's activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The Society relies on grants, donations, sponsorship, engagement fees and income from sale of tickets to cover its operating costs. In setting the level of ticket prices and concessions, the Trustees give careful consideration to the accessibility of Liverpool Philharmonic to those on low incomes and with special needs.

Liverpool Philharmonic operates special schemes for various groups of the community which includes children and young people, school groups, students, young musicians and income support claimants providing them with access to heavily subsidised and discounted tickets.

Charges for Learning activities also have regard to ensuring those activities are accessible to the widest possible community, whatever their means and socio-economic background. In specific cases, membership of the youth and children's ensembles is means tested and supported by bursaries through the generous aid of our supporters. The extent of our Learning programme is described in more detail in the Chair's review of the year and on Liverpool Philharmonic's website. The website also makes video and audio content available free of charge to users across the world.

Learning

The Society supports an extensive and dedicated learning programme. The principal charitable activities are:

- staging of orchestral concerts for schools and families;
- supporting and developing a diverse range of ensembles and choirs involving professional, amateur and youth participants; and
- developing bespoke music education projects in a variety of local communities of all ages and environments with established education partners.

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Trustees' Report (including Directors' Report and Strategic Report) [Continued] For the year ended 31 March 2024

Strategic Report [Continued]

Orchestra and choir

The cornerstone of the Society's charitable activities is the Royal Liverpool Philharmonic Orchestra ("the Orchestra"), a contract symphony orchestra of musicians dedicated to the production and performance of music of the highest quality. The orchestra undertakes a range of activities including:

- performing, recording and promoting a diverse repertoire of live classical music locally, regionally, nationally and internationally;
- creating and maintaining audiences for classical music;
- supporting excellence in choral music through the Royal Liverpool Philharmonic Choir;
- recording a wide range of music for distribution through CD and digital means; and
- commissioning and premiering new works.

Liverpool Philharmonic Hall

The Society is resident at Liverpool Philharmonic Hall and as such extends its activities through Liverpool Philharmonic Hall and Events Limited to encompass:

- supporting roots, contemporary and jazz music through a diverse and high quality music programme; and
- maintaining and making accessible Liverpool Philharmonic Hall for current and future generations of music lovers.

Trustee's third party indemnity

Liverpool Philharmonic purchases liability insurance cover for its Trustees and other Officers which gives them appropriate cover against the consequence of any neglect or default on their part.

Fundraising standards information

The fundraising approach taken during the year has been to solicit funds from individuals, companies and charitable organisations. The society is grateful to all those who contributed.

Fundraising has been carried out by the internal development team.

The Society is registered with the Fundraising Regulator and during the year various steps were taken to ensure adherence to the Regulator's Code of Fundraising Practice.

During the year, the Society received no (2023: none) complaints about its fundraising work.

Going concern

The financial statements have been prepared on a going concern basis. The Trustees have given due regard to the macro economic risks faced by the Society, notably the increased pressure on income streams given price sensitivities and new audience cultivation. The trustees have concluded that the positive level of general reserves, a healthy cash balance, the benefit of Orchestra Tax Relief with the rate of 50% to cover the period to 31 March 2025 and an enhanced rate of 45% being confirmed for the foreseeable future.

and other sources of funding along with the continued support of its major funders, mean that the going concern basis remains appropriate for the preparation of these financial statements.

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Trustees' Report (including Directors' Report and Strategic Report) [Continued]

For the year ended 31 March 2024

Strategic Report [Continued]

Statement of trustees' responsibilities

The Trustees (who are also directors of The Royal Liverpool Philharmonic Society for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the Group and Charitable Company Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- 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 group and charitable company will continue in operation.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' Report, including the Strategic Report (on pages 3 to 10) was approved by the Board of Trustees on 25 September 2024



Louise Shepherd CBE
Chair



Stephen Gregory
Deputy Chair

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Independent Auditor's Report

To the Members of the Royal Liverpool Philharmonic Society

Opinion

We have audited the financial statements of the Royal Liverpool Philharmonic Society (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities (including the Income and Expenditure Account), the Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. 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 group's and parent charitable company's affairs as at 31 March 2024, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating 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 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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 course of 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 this gives rise to 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.

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Independent Auditor's Report

To the Members of the Royal Liverpool Philharmonic Society [Continued]

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 trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient 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's 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, 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 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 auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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.

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Independent Auditor's Report

To the Members of the Royal Liverpool Philharmonic Society [Continued]

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with the laws and regulations, we considered the following:

Audit response to risks identified

- the nature of the sector, control environment and organisation performance.
- results of our enquiries of management about their own identification and assessment of the risks of irregularities.
- any matters we identified having obtained and reviewed the Company's documentation of their 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 of fraud or non-compliance with laws and regulations.
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to compliance with Health and Safety legislation; compliance with copyright and other intellectual property law; and compliance with employment law. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override and we identified risk in relation to the posting of unusual journals and the manipulation of accounting estimates.

We also obtained an understanding of the legal and regulatory frameworks that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK (FRS 102), the Companies Act 2006, and the Charities Act 2022.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Data Protection Regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Audit response to risks identified

As a result of performing the above, we identified the compliance with Health and Safety legislation; compliance with copyright and other intellectual property law; and compliance with employment law as the key audit matter related to the potential risk of fraud.

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Independent Auditor's Report

To the Members of the Royal Liverpool Philharmonic Society [Continued]

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and members of the board concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that were unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees 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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mitchell Charlesworth

Alison Buckley (Senior Statutory Auditor)

For and on behalf of Mitchell Charlesworth (Audit) Limited

Accountants

Statutory Auditor

3rd Floor

44 Peter Street

Manchester

M2 5GP

Date: 25/09/2024

Mitchell Charlesworth (Audit) Limited is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Consolidated Statement of Financial Activities (including Income and Expenditure Account) For the year ended 31 March 2024

| | | 2024 | | | 2023 | | |
|---|-----------|-----------------------------|---------------------------|----------------------|-----------------------------|---------------------------|----------------------|
| | Notes | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds £'000 | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds £'000 |
| Income and endowments | | | | | | | |
| from: | | | | | | | |
| Donations and legacies | 3 | 4,498 | - | 4,498 | 4,775 | - | 4,775 |
| Charitable activities | 4 | 2,866 | 639 | 3,505 | 2,626 | 606 | 3,232 |
| Other trading activities | 5 | 4,557 | - | 4,557 | 4,018 | - | 4,018 |
| Investments | | 53 | - | 53 | 14 | - | 14 |
| Total income and endowments | | 11,974 | 639 | 12,613 | 11,433 | 606 | 12,039 |
| Expenditure on: | | | | | | | |
| Raising funds | 6 | 4,594 | - | 4,594 | 3,998 | - | 3,998 |
| Charitable activities | 7 | 9,547 | 726 | 10,273 | 9,105 | 869 | 9,974 |
| Total expenditure | | 14,141 | 726 | 14,867 | 13,103 | 869 | 13,972 |
| Net outgoing resources before (losses)/gains and transfers | | (2,167) | (87) | (2,254) | (1,670) | (263) | (1,933) |
| Net gains/(losses) on investments | | 13 | - | 13 | (43) | - | (43) |
| Impairment losses | 12 | - | (1,244) | (1,244) | - | - | - |
| Net expenditure | | (2,154) | (1,331) | (3,485) | (1,713) | (263) | (1,976) |
| Transfers between funds | | - | - | - | - | - | - |
| Tax receivable | 9 | 2,716 | - | 2,716 | 1,896 | - | 1,896 |
| Other recognised gains/ (losses): | | | | | | | |
| Actuarial gains on defined benefit pension schemes | | 182 | - | 182 | 3,117 | - | 3,117 |
| Net movement in funds | | 744 | (1,331) | (587) | 3,300 | (263) | 3,037 |
| Reconciliation of funds | | | | | | | |
| Fund balances at 31 March 2023 | | 3,872 | 10,961 | 14,833 | 572 | 11,224 | 11,796 |
| Fund balances at 31 March 2024 | 18 | 4,616 | 9,630 | 14,246 | 3,872 | 10,961 | 14,833 |

The statement of financial activities includes all gains and losses recognised in the years.

All incoming resources and resources expended relate to continuing operations.

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Balance Sheet

As at 31 March 2024

| | | Group | | Company | |
|--|-------|----------------------|----------------------|----------------------|----------------------|
| | Notes | 2024 £'000 | 2023 £'000 | 2024 £'000 | 2023 £'000 |
| Fixed assets | | | | | |
| Tangible assets | 12 | 13,041 | 13,971 | 13,041 | 13,971 |
| Investments | 13 | 545 | 532 | 545 | 532 |
| | | <u>13,586</u> | <u>14,503</u> | <u>13,586</u> | <u>14,503</u> |
| Current assets | | | | | |
| Stocks | | 32 | 43 | - | - |
| Debtors: Amounts falling due within one year | 14 | 4,957 | 3,390 | 4,807 | 3,281 |
| Cash at bank and in hand | | <u>950</u> | <u>1,855</u> | <u>736</u> | <u>1,799</u> |
| | | 5,939 | 5,288 | 5,543 | 5,080 |
| Creditors: Amounts falling due within one year | 15 | <u>(4,585)</u> | <u>(4,082)</u> | <u>(4,209)</u> | <u>(3,888)</u> |
| Net current assets | | <u>1,354</u> | <u>1,206</u> | <u>1,334</u> | <u>1,192</u> |
| Net assets excluding pension liability | | <u>14,940</u> | <u>15,709</u> | <u>14,920</u> | <u>15,695</u> |
| Defined benefit pension scheme liability | 22 | <u>(694)</u> | <u>(876)</u> | <u>(694)</u> | <u>(876)</u> |
| Total net assets | | <u><u>14,246</u></u> | <u><u>14,833</u></u> | <u><u>14,226</u></u> | <u><u>14,819</u></u> |
| The funds of the charity | 18 | | | | |
| Restricted income funds | | 9,630 | 10,961 | 9,630 | 10,961 |
| Unrestricted income funds | | | | | |
| General funds | | 5,310 | 4,748 | 5,290 | 4,734 |
| Pension reserve fund | | <u>(694)</u> | <u>(876)</u> | <u>(694)</u> | <u>(876)</u> |
| Total unrestricted funds | | <u>4,616</u> | <u>3,872</u> | <u>4,596</u> | <u>3,858</u> |
| Total funds | | <u><u>14,246</u></u> | <u><u>14,833</u></u> | <u><u>14,226</u></u> | <u><u>14,819</u></u> |

The financial statements were approved and authorised for issue by the Board of Trustees on 25/09/2024 and are signed on their behalf by:



Louise Shepherd CBE
Chair



Stephen Gregory
Deputy Chair

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Consolidated Cash Flow Statement For the year ended 31 March 2024

| | 2024 £'000 | 2023 £'000 |
|--|---------------|---------------|
| Cash flow from operating activities | (2,836) | (4,523) |
| Orchestra tax relief received | 2,716 | 1,896 |
| Net cash flow from operating activities | (120) | (2,627) |
| Cash flow from investing activities | | |
| Payments to acquire tangible fixed assets | (838) | (603) |
| Receipts from disposal of tangible fixed assets | - | - |
| Payments to acquire investments | - | (8) |
| Receipts from sales of investments | - | 10 |
| Movements in cash held as investments | - | (5) |
| Interest and dividends received | 53 | 14 |
| Net cash flow from investing activities | 785 | (592) |
| Net decrease in cash and cash equivalents | (905) | (3,219) |
| Cash and cash equivalents at 1 April 2023 | 1,855 | 5,074 |
| Cash and cash equivalents at 31 March 2024 | 950 | 1,855 |
| Reconciliation of net outgoing resources to net cash flow from operating activities | | |
| Net income/(expenditure) for the year | (587) | 3,037 |
| Orchestra tax relief received | (2,716) | (1,896) |
| Dividends and interest received | (53) | (14) |
| Depreciation and impairment of tangible fixed assets | 524 | 502 |
| Losses/(gains) on investments | (13) | 43 |
| Impairment losses | 1,244 | - |
| Actuarial gains on defined benefit pension scheme | (182) | (3,117) |
| (Increase)/decrease in stock | 11 | (19) |
| Decrease in debtors | (1,567) | (1,774) |
| Increase/(decrease) in creditors | 503 | (1,285) |
| Net cash outflow from operating activities | (2,836) | (4,523) |

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Notes to the Financial Statements

For the year ended 31 March 2024

Accounting policies

a) Basis of preparation

The Charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £'000.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) Taxation

The Society is a registered Charity and no provisions are considered necessary for taxation other than VAT. The trading subsidiary gift aids all of its profits to the Charity annually and, as such, does not incur a Corporation Tax charge.

Orchestra tax relief is accrued based on reasonable estimates of recoverability.

c) Group financial statements

These financial statements consolidate the results of the Society and its wholly owned subsidiary, Liverpool Philharmonic Hall and Events Limited on a line by line basis.

The accounting period for Liverpool Philharmonic Hall and Events Limited is co-terminus with that of the Society. As permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP, no separate Statement of Financial Activities (SOFA) has been presented for the Charity. The net charity expenditure for the year was £3,491,000 (2023: net expenditure of £1,856,000) and the net movement in funds was £593,000 (2023: £3,157,000).

d) Going concern

As noted on page 9 of the Trustees' Report, the Trustees have given due regard to the pressure on income streams and increasing costs. The Trustees have concluded that the positive level of general reserves, a healthy cash balance, the benefit of Orchestra Tax Relief at an increased rate of 50% along with other sources of funding and the continued support of its major funders, mean that the going concern basis remains appropriate for the preparation of these financial statements.

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Notes to the Financial Statements [Continued]

For the year ended 31 March 2024

Accounting policies [Continued]

e) Incoming resources

Voluntary income including grants, donations, gifts, legacies and memberships including related gift aid, that provides core funding or is of a general nature is recognised where there is certainty of receipt and where the amount can be measured with sufficient reliability. Voluntary income is only deferred where:

- the donor specifies that the income must only be used in future accounting periods; or
- the donor has imposed conditions which must be met before the Society has unconditional entitlement to the income.

Income from trading activities, e.g. ticket sales, is recognised in the accounting period in which the event takes place.

Investment income is recognised on a receivable basis.

Grants that carry specific conditions of performance, received specifically for charitable activities, are recognised as earned and restricted.

Deferred income is released in line with the expenditure incurred on the projects funded by the income.

f) Volunteers and donated services and facilities

The value of services rendered by volunteers is not incorporated in these financial statements. Where donated services and facilities are regarded as material they will be recognised in the SOFA providing that the benefit to the Charity is reasonably quantifiable. Should the donation of a gift of goods permit resale, the income from that sale will be recognised at the point of realisation.

g) Resources expended

Expenditure is recognised on an accruals basis and is reported gross of related income. Expenditure on direct costs relating to events is matched to the period in which the event occurs. Expenditure on staff salaries is charged to the financial statements as incurred and is not deferred to future periods.

Treatment of support costs

Support services are absorbed into the relevant activities undertaken by the Society. This is done on a basis consistent with the average consumption of resources.

Categorisation

Expenditure is recognised in the following categories:

- Expenditure on raising funds including the costs incurred whilst carrying out commercial trading operations, investment management costs and other fundraising costs; and
- Expenditure on charitable activities includes all direct and indirect cost associated with undertaking charitable primary purpose activities.

h) Irrecoverable VAT

Where irrecoverable VAT has been incurred on an exempt charitable activity it is reflected as a cost to that charitable activity. Where irrecoverable VAT has been incurred by a support or service function it is allocated to activities on the same basis as the support or service function.

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Notes to the Financial Statements [Continued]

For the year ended 31 March 2024

Accounting policies [Continued]

i) Leases

The Society incurs operating lease charges on office and specialist equipment. The title to the equipment remains with the lessor. Rentals payable and receivable under operating leases are charged to the SOFA on a straight line basis over the period of the lease.

j) Tangible fixed assets

Leasehold property is stated at depreciated historical cost. Other fixed assets are stated at their purchase cost, together with any incidental cost of acquisition. Assets are depreciated on a straight line basis over their useful economic lives as follows:

| | Years |
|------------------------|---------------------------|
| Leasehold property | Over useful economic life |
| Musical instruments | 10 - 20 |
| Furniture and fittings | 10 |
| Computers and IT | 3 |

Assets costing £100 or more are capitalised at cost. The purchase of music or minor items of IT, furniture and equipment is written off in the year in which the expense is incurred.

k) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the SOFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

The investment in the subsidiary is measured at cost less impairment.

l) Stock

Finished goods stocks relating to bars, catering and other trading stocks are valued at cost.

m) Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

n) Funds

Restricted income funds account for income which has been raised for or spent on a specific purpose. Grants and income that relate to specific capital expenditure are treated as restricted funds.

o) Employee benefits

When employees have rendered a service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Notes to the Financial Statements [Continued]

For the year ended 31 March 2024

Accounting policies [Continued]

p) Pensions

The Society operated a defined benefit pension scheme for the benefit of a number of its employees, the assets of which are held separately from those of the Society in independently administered funds. The scheme was closed to new members in 2001 and was closed to future accrual of benefits in 2013.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability. The expected return on the schemes' assets and the increase during the year in the present value of the schemes' liabilities arising from the passage of time are included within the SOFA below net movements in funds. This represents a departure from the SORP FRS 102. However, the Trustees consider that given the non-cash nature of the charge and its volatility, in order to present a fair and balanced view of the financial performance of the Society it is more appropriate to disclose this item separately.

Pension scheme surpluses, to the extent that they are considered recoverable, or deficits, are recognised in full and presented on the face of the balance sheet.

The Society also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Society in an independently administered fund. The contributions paid by the Society are recognised as an expense in the SOFA when they fall due.

q) Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

r) Judgements and key sources of estimation uncertainty

Critical areas of judgement

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Classification of finance and operating leases

At the inception of each lease, management undertake an assessment of the terms of the lease including the payments to be made over the life of the lease, the fair value of the asset subject to the lease, the length of the lease and whether the terms of the lease transfer substantially all of the risks and rewards of ownership.

Based on this assessment, management will determine whether the lease should be classified as a finance or operating lease.

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Notes to the Financial Statements [Continued]

For the year ended 31 March 2024

Accounting policies [Continued]

Critical accounting and estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Useful economic life of tangible fixed assets

The useful economic life of tangible fixed assets is judged at the point of purchase. As standard, the assets are depreciated over their useful economic life based on the depreciation policy stated above.

Impairment of trade debtors

At each balance sheet date, management undertake a review of outstanding debtor balances and consider whether there is any indication of impairment or any balances requiring provision.

This calculation is based on the financial position of the customers, the payment history and any ongoing discussions.

Valuation of the Pension Scheme defined benefit liability

The present value of the Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pension liability at 31 March 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Orchestra tax relief accrued income

Due to the delay between signing the accounts and submission of the orchestra tax relief claim, management estimate the value of the reclaim and include a debtor balance in the financial statements. The estimate is based upon previous claims and consideration of the programme of events during the year.

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Notes to the Financial Statements [Continued]

For the year ended 31 March 2024

1 Statutory information and legal status of the Society

The Royal Liverpool Philharmonic Society is charity, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on page 43.

The liability of all members in the event of winding up is limited to £1 and as a registered charity, the Society is entitled to claim exemption from the charge to tax on income and charitable gains under current tax legislation. Any commercial activities which fall outside the statutory exemption for the purposes of Corporation Tax are conducted through Liverpool Philharmonic Hall and Events Limited, which transfers all its taxable profits annually to the Society via Gift Aid. In the opinion of the Trustees, no liability to corporation tax arose in respect of the Society's activities in the year.

2 Related party disclosure

The Society has taken advantage of the exemption available under section 33 of FRS 102, Related Party Disclosures, not to disclose transactions or balances with group entities that have been eliminated on consolidation. See note 23 for details of other related party transactions.

| 3 | Income from donations and legacies | 2024 | 2024 | 2024 |
|---|---|--------------------------|---------------------|--------------------------|
| | | Unrestricted £'000 | Restricted £'000 | Total Income £'000 |
| | Grants | | | |
| | Arts Council England Core Grant | 2,473 | - | 2,473 |
| | Liverpool City Council | 909 | - | 909 |
| | | <hr/> | <hr/> | <hr/> |
| | | 3,382 | - | 3,382 |
| | Other voluntary income | | | |
| | Donations, gifts and Gift Aid | 799 | - | 799 |
| | Legacies and bequests | 317 | - | 317 |
| | | <hr/> | <hr/> | <hr/> |
| | | 1,116 | - | 1,116 |
| | | <hr/> | <hr/> | <hr/> |
| | Total for the year ended 31 March 2024 | <hr/> 4,498 <hr/> | <hr/> - <hr/> | <hr/> 4,498 <hr/> |

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Notes to the Financial Statements [Continued]

For the year ended 31 March 2024

| 3 | Income from donations and legacies [Continued] | 2023 | 2023 | 2023 |
|---|--|-----------------------|---------------------|-----------------------|
| | | Unrestricted £'000 | Restricted £'000 | Total Income £'000 |
| | Grants | | | |
| | Arts Council England Core Grant | 2,273 | - | 2,273 |
| | Arts and Culture Recovery Grant | 112 | - | 112 |
| | Liverpool City Council | 1,109 | - | 1,109 |
| | | <hr/> | <hr/> | <hr/> |
| | | 3,494 | - | 3,494 |
| | Other voluntary income | | | |
| | Donations, gifts and Gift Aid | 662 | - | 662 |
| | Legacies and bequests | 619 | - | 619 |
| | | <hr/> | <hr/> | <hr/> |
| | | 1,281 | - | 1,281 |
| | | <hr/> | <hr/> | <hr/> |
| | Total for the year ended 31 March 2023 | 4,775 | - | 4,775 |
| | | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| 4 | Income from charitable activities | 2024 | 2024 | 2024 |
| | | Unrestricted £'000 | Restricted £'000 | Total Income £'000 |
| | Orchestral activities | | | |
| | Liverpool orchestral performances admissions | 2,078 | - | 2,078 |
| | Engagement fees | 309 | - | 309 |
| | Programme sales | 1 | - | 1 |
| | Ensembles income | 33 | - | 33 |
| | Broadcasting | 165 | - | 165 |
| | Royalties and other income | 54 | - | 54 |
| | | <hr/> | <hr/> | <hr/> |
| | | 2,640 | - | 2,640 |
| | | <hr/> | <hr/> | <hr/> |
| | Learning activities | | | |
| | Ticket sales for schools and ensemble concerts | 132 | - | 132 |
| | Ensemble subscriptions | 25 | - | 25 |
| | Workshop fees | 1 | - | 1 |
| | Other | 42 | 180 | 222 |
| | Project grants and trusts | 26 | 454 | 480 |
| | | <hr/> | <hr/> | <hr/> |
| | | 226 | 634 | 860 |
| | | <hr/> | <hr/> | <hr/> |
| | Other activities | | | |
| | Other project grants | - | 5 | 5 |
| | | <hr/> | <hr/> | <hr/> |
| | | - | 5 | 5 |
| | | <hr/> | <hr/> | <hr/> |
| | Total for the year ended 31 March 2024 | 2,866 | 639 | 3,505 |
| | | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Notes to the Financial Statements [Continued]

For the year ended 31 March 2024

4 Income from charitable activities [Continued]

| | 2023 Unrestricted £'000 | 2023 Restricted £'000 | 2023 Total Income £'000 |
|--|-------------------------------|-----------------------------|-------------------------------|
| Orchestral activities | | | |
| Liverpool orchestral performances admissions | 2,023 | - | 2,023 |
| Engagement fees | 141 | - | 141 |
| Ensembles income | 59 | - | 59 |
| Broadcasting | 52 | - | 52 |
| Royalties and other income | 153 | - | 153 |
| | <u>2,428</u> | <u>-</u> | <u>2,428</u> |
| Learning activities | | | |
| Ticket sales for schools and ensemble concerts | 107 | - | 107 |
| Ensemble subscriptions | 23 | - | 23 |
| Workshop fees | (1) | - | (1) |
| Other | 44 | 119 | 163 |
| Project grants and trusts | 25 | 471 | 496 |
| | <u>198</u> | <u>590</u> | <u>788</u> |
| Other activities | | | |
| Other project grants | - | 16 | 16 |
| | <u>-</u> | <u>16</u> | <u>16</u> |
| Total for the year ended 31 March 2023 | <u>2,626</u> | <u>606</u> | <u>3,232</u> |

5 Income from other trading activities

| | 2024 Unrestricted £'000 | 2024 Restricted £'000 | 2024 Total Income £'000 |
|---|-------------------------------|-----------------------------|-------------------------------|
| Commercial trading operations (note 13) | 4,557 | - | 4,557 |
| Total for the year ended 31 March 2024 | <u>4,557</u> | <u>-</u> | <u>4,557</u> |

| | 2023 Unrestricted £'000 | 2023 Restricted £'000 | 2023 Total Income £'000 |
|---|-------------------------------|-----------------------------|-------------------------------|
| Commercial trading operations (note 13) | 4,018 | - | 4,018 |
| Total for the year ended 31 March 2023 | <u>4,018</u> | <u>-</u> | <u>4,018</u> |

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Notes to the Financial Statements [Continued]

For the year ended 31 March 2024

| 6 | Expenditure on raising funds | 2024 | 2024 | 2024 |
|---|---|-----------------------|---------------------|-----------------------|
| | | Unrestricted £'000 | Restricted £'000 | Total Income £'000 |
| | Fundraising (note 8) | 165 | - | 165 |
| | Cost of generating voluntary income (note 8) | 213 | - | 213 |
| | Investment management (note 8) | 391 | - | 391 |
| | Commercial trading operations (note 13) | 3,825 | - | 3,825 |
| | | <hr/> | <hr/> | <hr/> |
| | Total for the year ended 31 March 2024 | 4,594 | - | 4,594 |
| | | <hr/> | <hr/> | <hr/> |
| | | 2023 | 2023 | 2023 |
| | | Unrestricted £'000 | Restricted £'000 | Total Income £'000 |
| | Fundraising (note 8) | 146 | - | 146 |
| | Cost of generating voluntary income (note 8) | 186 | - | 186 |
| | Investment management (note 8) | 341 | - | 341 |
| | Commercial trading operations (note 13) | 3,325 | - | 3,325 |
| | | <hr/> | <hr/> | <hr/> |
| | Total for the year ended 31 March 2023 | 3,998 | - | 3,998 |
| | | <hr/> | <hr/> | <hr/> |

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Notes to the Financial Statements [Continued]

For the year ended 31 March 2024

7 Expenditure on charitable activities

| | 2024 | | | 2023 | | |
|--|---------------------|-------------------|---------------------|---------------------|-------------------|----------------|
| | Orchestral £'000 | Learning £'000 | Total £'000 | Orchestral £'000 | Learning £'000 | Total £'000 |
| Orchestral salaries and fees | 3,977 | - | 3,977 | 3,832 | - | 3,832 |
| Direct artistic costs | 665 | 169 | 834 | 791 | 123 | 914 |
| Augmenting extras | 190 | - | 190 | 142 | 3 | 145 |
| Programme costs | 11 | - | 11 | 17 | - | 17 |
| Travel and subsistence | 104 | 12 | 116 | 57 | 2 | 59 |
| Library and music hire | 157 | 14 | 171 | 151 | 4 | 155 |
| External room hire charges | 25 | 24 | 49 | 1 | 20 | 21 |
| Artistic planning and orchestra management | 439 | 692 | 1,131 | 399 | 674 | 1,073 |
| Vehicles | 54 | - | 54 | 34 | - | 34 |
| Workshop fees and costs | - | 231 | 231 | - | 155 | 155 |
| Other direct expenditure | 1,569 | 141 | 1,710 | 1,621 | 229 | 1,850 |
| Total direct costs | 7,191 | 1,283 | 8,474 | 7,045 | 1,210 | 8,255 |
| Direct costs re-apportioned on orchestra use basis | 7,191 | 1,283 | 8,474 | 7,045 | 1,210 | 8,255 |
| Hall refurbishment | 250 | 11 | 261 | 250 | - | 250 |
| Support costs (note 8) | 1,241 | 297 | 1,538 | 1,186 | 283 | 1,469 |
| Total costs based on activities | 8,682 | 1,591 | 10,273 | 8,481 | 1,493 | 9,974 |
| | | | | | | |
| | | | 2024 | 2024 | 2024 | |
| | | | Unrestricted | Restricted | Total | |
| | | | £'000 | £'000 | £'000 | |
| Orchestral | | | 8,432 | 250 | 8,682 | |
| Learning | | | 1,115 | 476 | 1,591 | |
| Total for the year ended 31 March 2024 | | | 9,547 | 726 | 10,273 | |
| | | | | | | |
| | | | 2023 | 2023 | 2023 | |
| | | | Unrestricted | Restricted | Total | |
| | | | £'000 | £'000 | £'000 | |
| Orchestral | | | 8,231 | 250 | 8,481 | |
| Learning | | | 874 | 619 | 1,493 | |
| Total for the year ended 31 March 2023 | | | 9,105 | 869 | 9,974 | |

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Notes to the Financial Statements [Continued]

For the year ended 31 March 2024

7 Expenditure on charitable activities [Continued]

| | 2024 | | | 2023 | | |
|--------------------------|-------------------|----------------------|----------------|-------------------|----------------------|----------------|
| | Staffing £'000 | Other Costs £'000 | Total £'000 | Staffing £'000 | Other Costs £'000 | Total £'000 |
| Analysis of direct costs | 4,386 | 4,088 | 8,474 | 4,241 | 4,014 | 8,255 |
| | 4,386 | 4,088 | 8,474 | 4,241 | 4,014 | 8,255 |

Direct and indirect costs of the orchestra have been apportioned across charitable activities on an activity led basis.

8 Allocation of group support and central services costs

| | Charitable Activities | | | Raising Funds | | Cost of Generating Voluntary Income | Total |
|--------------------------------|----------------------------------|---------------------------------|------------------------------------|-------------------------------|--|--|-------|
| | Orchestra Activities £'000 | Learning Activities £'000 | Fundraising Activities £'000 | Other Expenditure £'000 | | £'000 | £'000 |
| 2024 | | | | | | | |
| Fundraising | 11 | 19 | 86 | 11 | | 108 | 235 |
| Marketing | 369 | 38 | - | 17 | | - | 424 |
| Communications | 50 | 7 | 4 | 4 | | 4 | 69 |
| Operations and financial costs | 349 | 100 | 41 | 141 | | 48 | 679 |
| Depreciation | 158 | 26 | 5 | 64 | | 11 | 264 |
| Governance | 55 | 55 | 18 | 18 | | 18 | 164 |
| Other | 249 | 52 | 11 | 136 | | 24 | 472 |
| | 1,241 | 297 | 165 | 391 | | 213 | 2,307 |

Support costs are allocated on a percentage basis consistent with the average annual use of resources using a basis of percentage time; headcount or usage of Philharmonic Hall. Support costs are re-charged to LPHE in line with cross charging agreements. Support costs are charged in the financial year in which they are incurred.

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Notes to the Financial Statements [Continued]

For the year ended 31 March 2024

8 Allocation of group support and central services costs [Continued]

| | Charitable Activities | | | Raising Funds | | Cost of Generating Voluntary Income | Total |
|--------------------------------------|----------------------------------|---------------------------------|------------------------------------|------------------------------------|-------------------------------|--|-------|
| | Orchestra Activities £'000 | Learning Activities £'000 | Fundraising Activities £'000 | Other Expenditure £'000 | | £'000 | £'000 |
| 2023 | | | | | | | |
| Fundraising | 9 | 16 | 75 | 9 | 92 | 201 | |
| Marketing | 397 | 53 | - | 14 | - | 464 | |
| Communications | 36 | 5 | 3 | 3 | 3 | 50 | |
| Operations and financial costs | 343 | 99 | 41 | 126 | 46 | 655 | |
| Depreciation | 145 | 24 | 4 | 57 | 10 | 240 | |
| Governance | 43 | 43 | 14 | 14 | 14 | 128 | |
| Other | 213 | 43 | 9 | 118 | 21 | 404 | |
| | 1,186 | 283 | 146 | 341 | 186 | 2,142 | |
| | | | | | | | |
| | | Staffing £'000 | Direct Costs £'000 | General Costs £'000 | Depreciation £'000 | Total £'000 | |
| 2024 | | | | | | | |
| Support costs | | 980 | 119 | 933 | 275 | 2,307 | |
| | | | | | | | |
| 2023 | | | | | | | |
| Support costs | | 898 | 200 | 794 | 250 | 2,142 | |
| | | | | | | | |
| Analysis of governance costs: | | | | | 2024 £'000 | 2023 £'000 | |
| Staffing | | | | | 71 | 66 | |
| General | | | | | 62 | 51 | |
| Audit fees | | | | | 31 | 13 | |
| | | | | | 164 | 130 | |

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Notes to the Financial Statements [Continued]

For the year ended 31 March 2024

9 Taxation

The charity is exempt from tax on income and gains falling within sections 466 to 493 of the Corporation Tax Act 2010 or sections 521 to 536 of the Income Tax Act 2007 to the extent that these are applied to its charitable objects.

The charity has included a tax credit in respect of Orchestra Tax received/receivable as follows:

| | 2024 £'000 | 2023 £'000 |
|--------------------------------------|---------------|---------------|
| Current year relief receivable | 2,200 | 1,600 |
| Under provision of prior year relief | 516 | 296 |
| | <u>2,716</u> | <u>1,896</u> |

10. Net outgoing resources

Net outgoing resources are stated after charging:

| | 2024 £'000 | 2023 £'000 |
|---|---------------|---------------|
| Depreciation of tangible fixed assets | 525 | 602 |
| Profit on disposal of tangible fixed assets | - | (3) |
| Impairment losses | (1,244) | - |
| Operating lease rentals | 15 | 2 |
| | <u></u> | <u></u> |

11 Auditor's remuneration

| | 2024 £'000 | 2023 £'000 |
|--|---------------|---------------|
| Fees payable to the charity's auditor for the audit of the charity's annual accounts | 15 | 14 |
| Fees payable to the charity's auditor for other services: | | |
| Audit of the charity's subsidiaries | 8 | 9 |
| Taxation compliance | 3 | 3 |
| | <u></u> | <u></u> |

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Notes to the Financial Statements [Continued]

For the year ended 31 March 2024

12 Fixed assets - Group and Company

| | Leasehold Property £'000 | Assets Under Construction £'000 | Furniture & Fittings £'000 | Computers & IT £'000 | Musical Instruments £'000 | Total £'000 |
|----------------------------------|--------------------------------|---------------------------------------|----------------------------------|----------------------------|---------------------------------|----------------|
| Costs | | | | | | |
| At 1 April 2023 | 23,775 | 849 | 1,945 | 339 | 236 | 27,144 |
| Additions | - | 741 | 60 | 26 | 11 | 838 |
| At 31 March 2024 | 23,775 | 1,590 | 2,005 | 365 | 247 | 27,982 |
| Accumulated depreciation: | | | | | | |
| At 1 April 2023 | 11,772 | - | 1,048 | 276 | 77 | 13,173 |
| Charge for the year | 302 | - | 154 | 38 | 30 | 524 |
| Impairment | 1,244 | - | - | - | - | 1,244 |
| At 31 March 2024 | 13,318 | - | 1,202 | 314 | 107 | 14,941 |
| Net book value | | | | | | |
| At 31 March 2023 | 12,003 | 849 | 897 | 63 | 159 | 13,971 |
| Net book value | | | | | | |
| At 31 March 2024 | 10,457 | 1,590 | 803 | 51 | 140 | 13,041 |

All leasehold property has more than 100 years remaining on the lease. It is not practicable to quantify the difference between carrying value and the market value of the leasehold property.

13 Fixed asset investments

| Group and Company | Listed Investments £'000 | Cash or cash Equivalents £'000 | Other Investments £'000 | Total £'000 |
|--------------------------------------|--------------------------------|--------------------------------------|-------------------------------|----------------|
| Investments at fair value | | | | |
| Investments at 1 April 2023 | 338 | - | 194 | 532 |
| Additions | 4 | - | 9 | 13 |
| Movement in cash held as investments | | | | |
| Disposals | | | | |
| Gains/(losses) | | | | |
| Investments at 31 March 2024 | 342 | - | 203 | 545 |

Investments are held with Investec plc, the Society's Investment Manager, and M&G Charifund.

The Trustees believe that the carrying value of the investments is supported by their underlying net assets.

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Notes to the Financial Statements [Continued]

For the year ended 31 March 2024

13 Fixed asset investments [Continued]

Company

The wholly owned subsidiary, Liverpool Philharmonic Hall and Events Limited (LPHE) donates its profits to RLPS annually. Staff originally in the employment of the Society are seconded to LPHE and charged accordingly. The Society is the sole shareholder in LPHE and a Shareholder's Agreement is in place to set out the arrangements between the Society and LPHE.

| | Interest in Group Undertaking £ |
|--|---------------------------------------|
| Cost at 31 March 2024 and 1 April 2023 | 1 |

The principal group undertaking of the Society at 31 March 2024:

| | Country of incorporation and registration number | Activity | Issued share capital | % share capital held | Date of financial statements |
|---|---|--|----------------------------|----------------------------|------------------------------------|
| Liverpool Philharmonic Hall and Events Limited | England and Wales 3110903 | Catering, bars and venue management | £1 | 100% | 31 March 2024 |

A summary of the trading results of LPHE is shown below:

| | 2024 £'000 | 2023 £'000 |
|---------------------------|---------------|---------------|
| Turnover | 4,557 | 4,018 |
| Cost of sales | (747) | (619) |
| Gross profit | 3,810 | 3,399 |
| Operating expenses | (3,078) | (2,706) |
| Net profit/(loss) | 732 | 693 |
| Net assets of LPHE | 19 | 14 |

Intragroup sales totalled £1,072,000 (2023: £587,000) resulting in total external sales of £2,298,000 (2023: £3,431,000). The external sales are included in the consolidated statement of financial activities within Activities for generating funds - Commercial trading operations.

Intragroup Cost of sales and operating expenses of £440,000 (2023: £441,535) are included in cost of activities for generating funds - commercial trading operations.

Notes to the Financial Statements [Continued]
For the year ended 31 March 2024

* No security is held, and no interest is charged on intercompany balances.

The future minimum lease payments under non-cancellable operating leases are as follows:

Other

2023

£'000

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Notes to the Financial Statements [Continued]

For the year ended 31 March 2024

| 17 | Deferred income | Group £'000 | Company £'000 |
|----|----------------------------|---------------------|---------------------|
| | At 1 April 2023 | 3,326 | 1,408 |
| | Additions during the year | 3,419 | 1,569 |
| | Amounts released to income | (3,976) | (1,408) |
| | | <u>3,419</u> | <u>(1,408)</u> |
| | At 31 March 2024 | 3,419 | 1,569 |
| | | <u><u>3,419</u></u> | <u><u>1,569</u></u> |

Income has been deferred for performances due to take place after the year-end and also for projects which were incomplete at the year-end.

| 18 | Total funds | At 1 April 2023 £'000 | Incoming Resources £'000 | Outgoing Resources £'000 | Transfer £'000 | Gains, Losses and Taxation £'000 | At 31 March 2024 £'000 |
|----|----------------------------|--------------------------------|--------------------------------|--------------------------------|-------------------|---|---------------------------------|
| | Group | | | | | | |
| | Current year | | | | | | |
| | Restricted funds: | | | | | | |
| | Hall refurbishment fund | 10,853 | - | (250) | - | (1,244) | 9,359 |
| | Learning fund | 108 | 639 | (476) | - | - | 271 |
| | | <u>10,961</u> | <u>639</u> | <u>(726)</u> | <u>-</u> | <u>(1,244)</u> | <u>9,630</u> |
| | Unrestricted funds: | | | | | | |
| | General funds | 4,748 | 11,974 | (14,141) | - | 2,729 | 5,310 |
| | Pension reserve | (876) | - | - | - | 182 | (694) |
| | | <u>3,872</u> | <u>11,974</u> | <u>(14,141)</u> | <u>-</u> | <u>2,911</u> | <u>4,616</u> |
| | Total funds | <u><u>14,833</u></u> | <u><u>12,613</u></u> | <u><u>(14,867)</u></u> | <u><u>-</u></u> | <u><u>1,667</u></u> | <u><u>14,246</u></u> |

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Notes to the Financial Statements [Continued]

For the year ended 31 March 2024

18 Total funds [continued]

| Company | At 1 April 2023 £'000 | Incoming Resources £'000 | Outgoing Resources £'000 | Transfer £'000 | Gains, Losses and Taxation £'000 | At 31 March 2024 £'000 |
|----------------------------|--------------------------------|--------------------------------|--------------------------------|-------------------|---|---------------------------------|
| Current year | | | | | | |
| Restricted funds: | | | | | | |
| Hall refurbishment fund | 10,853 | - | (250) | - | (1,244) | 9,359 |
| Learning fund | 108 | 639 | (476) | - | - | 271 |
| | 10,961 | 639 | (726) | - | (1,244) | 9,630 |
| Unrestricted funds: | | | | | | |
| General funds | 4,734 | 8,143 | (10,316) | - | 2,729 | 5,290 |
| Pension reserve | (876) | - | - | - | 182 | (694) |
| | 3,858 | 8,143 | (10,316) | - | 2,911 | 4,596 |
| Total funds | 14,819 | 8,782 | (11,042) | - | 1,667 | 14,226 |

Hall refurbishment fund

The hall refurbishment fund relates to the capital works at Philharmonic Hall where funding was specifically donated for the project. The associated leasehold improvements are depreciated over their useful economic life as a corresponding restricted cost.

Learning fund

The learning fund relates to all learning works that have received funding with restrictions. The balance at the year-end of £119,000) relates directly to a legacy that was given for our learning work and will be retained until a project has insufficient funds to continue.

Pension Scheme Fund

The Pension Scheme fund is a fund set up to enable the Society to honour its pension commitments. An amount is transferred into and out of the fund annually. The amount transferred is an unrealised surplus or deficit calculated using the rules set out in section 28 of FRS 102.

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Notes to the Financial Statements [Continued]

For the year ended 31 March 2024

18 Total funds [Continued]

| Group | At 1 April 2022 £'000 | Incoming Resources £'000 | Outgoing Resources £'000 | Transfers £'000 | Gains, Losses and Taxation £'000 | At 31 March 2023 £'000 |
|----------------------------|--|---|---|----------------------------|---|---|
| Prior year | | | | | | |
| Restricted funds: | | | | | | |
| Hall refurbishment fund | 11,105 | - | (252) | - | - | 10,853 |
| Learning fund | 119 | 606 | (617) | - | - | 108 |
| | 11,224 | 606 | (869) | - | - | 10,961 |
| Unrestricted funds: | | | | | | |
| General funds | 4,565 | 13,329 | (13,104) | - | (43) | 4,748 |
| Pension reserve | (3,993) | - | - | - | 3,117 | (876) |
| | 572 | 13,329 | (13,103) | - | 3,074 | 3,872 |
| Total funds | 11,796 | 13,915 | (13,972) | - | 3,074 | 14,833 |
| | | | | | | |
| Company | At 1 April 2022 £'000 | Incoming Resources £'000 | Outgoing Resources £'000 | Transfers £'000 | Gains, Losses and Taxation £'000 | At 31 March 2023 £'000 |
| Current year | | | | | | |
| Restricted funds: | | | | | | |
| Hall refurbishment fund | 11,105 | - | (252) | - | - | 10,853 |
| Learning fund | 119 | 606 | (617) | - | - | 108 |
| | 11,224 | 606 | (869) | - | - | 10,961 |
| Unrestricted funds: | | | | | | |
| General funds | 4,431 | 10,124 | (9,778) | - | (43) | 4,734 |
| Pension reserve | (3,993) | - | - | - | 3,117 | (876) |
| | 438 | 10,124 | (9,778) | - | 3,074 | 3,858 |
| Total funds | 11,662 | 10,730 | (10,647) | - | 3,074 | 14,819 |

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Notes to the Financial Statements [Continued]

For the year ended 31 March 2024

18 Analysis of group net (liabilities)/assets between funds

| Current year | Unrestricted £'000 | Restricted £'000 | Total 2024 £'000 |
|----------------------------------|-------------------------------|-----------------------------|---------------------------------|
| Group | | | |
| Tangible fixed assets | 2,438 | 10,603 | 13,041 |
| Investments | 545 | - | 545 |
| Current assets | 5,668 | 271 | 5,939 |
| Current liabilities | (4,585) | - | (4,585) |
| Defined pension scheme liability | (694) | - | (876) |
| | <u>3,372</u> | <u>10,874</u> | <u>14,246</u> |
| Company | | | |
| Tangible fixed assets | 2,438 | 10,603 | 13,041 |
| Investments | 545 | - | 545 |
| Current assets | 5,272 | 271 | 5,543 |
| Current liabilities | (4,209) | - | (4,209) |
| Defined pension scheme liability | (694) | - | (694) |
| | <u>3,352</u> | <u>10,874</u> | <u>14,226</u> |
| Prior year | Unrestricted £'000 | Restricted £'000 | Total 2023 £'000 |
| Group | | | |
| Tangible fixed assets | 3,118 | 10,853 | 13,971 |
| Investments | 532 | - | 532 |
| Current assets | 5,180 | 108 | 5,288 |
| Current liabilities | (4,082) | - | (4,082) |
| Defined pension scheme liability | (876) | - | (876) |
| | <u>3,872</u> | <u>10,961</u> | <u>14,833</u> |
| Company | | | |
| Tangible fixed assets | 3,118 | 10,853 | 13,971 |
| Investments | 532 | - | 532 |
| Current assets | 5,180 | 108 | 5,080 |
| Current liabilities | (3,888) | - | (3,888) |
| Defined pension scheme liability | (876) | - | (876) |
| | <u>3,858</u> | <u>10,961</u> | <u>14,819</u> |

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Notes to the Financial Statements [Continued]

For the year ended 31 March 2024

| 19 | Analysis of staff costs | Group | | Company | |
|----|--|---------------|---------------|---------------|---------------|
| | | 2024 £'000 | 2023 £'000 | 2024 £'000 | 2023 £'000 |
| | Wages, salaries and fees | 6,116 | 5,672 | 4,335 | 4,077 |
| | Social security costs | 554 | 501 | 451 | 410 |
| | Defined contribution pension contributions | 156 | 157 | 129 | 121 |
| | Defined benefit pension contributions | 194 | 344 | 194 | 344 |
| | | 7,020 | 6,674 | 5,109 | 4,952 |

Emolument of employees

The number of employees of Liverpool Philharmonic whose emoluments (salaries, wages and benefits in kind) fell within the following bands was:

| | 2024 No. | 2023 No. |
|---------------------|-------------|-------------|
| £60,001 - £70,000 | 1 | 1 |
| £70,001 - £80,000 | - | 2 |
| £80,001 - £90,000 | 1 | |
| £90,001 - £100,000 | 2 | |
| £100,001 - £110,000 | - | - |
| £110,001 - £120,000 | - | 1 |
| £120,001 - £130,000 | 1 | |

Staff numbers

The number of employees during the year was as follows:

| | Group | | Company | |
|-------------|-------------|-------------|-------------|-------------|
| | 2024 No. | 2023 No. | 2024 No. | 2023 No. |
| Total staff | 261 | 255 | 129 | 132 |

All staff were contracted by the Society however the cost of a number of staff were recharged to the Society's subsidiary company, Liverpool Philharmonic Hall and Events Limited.

20 Trustee emoluments

The Trustees did not receive any emoluments or expenses in respect of services as Trustees in the year. The remuneration paid to employees who were also Trustees of the Charity was:

| | 2024 £'000 | 2023 £'000 |
|-----------------------|---------------|---------------|
| Salaries | 161 | 188 |
| Social security costs | 18 | 21 |
| Pension costs | 4 | 6 |
| | 183 | 215 |

Those employees who were Trustees during the year were: Sameeta Gahir as Orchestra member and Michael Eakin the Society's Chief Executive.

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Notes to the Financial Statements [Continued]

For the year ended 31 March 2024

20 Trustee emoluments (Continued)

Key management personnel

The charity considers its Key Management Personnel to comprise, the Chief Executive, the Directors, the Heads of Department and the Department Managers. Total employee benefits in respect of these individuals were £875,052 (2023: £1,056,579).

21 Financial commitments

There were no contractual commitments for the acquisition of tangible fixed assets contracted for but not provided in the financial statements.

22 Pensions

Schemes

Liverpool Philharmonic operates two pension schemes:

1. A defined benefit pension scheme providing benefits based on final pensionable salaries. The assets of the scheme are held separately from those of the Society, being invested with Clerical Medical Investment Group Limited. This scheme was closed to new members in September 2001. On 31 March 2013, the scheme was closed to accrual of future benefits; and
2. A group personal pension scheme with assets held separately from those of the Society. The scheme assets are administered and invested by Scottish Life and is open to all employees.

Defined Benefit Scheme

The contributions to the Defined Benefit Scheme are determined by a qualified actuary, employed by Clerical Medical, on the projected unit basis.

The pension contributions from the Society in the year was £194,000 (2023: £150,000). The current Schedule of Contributions agreed on 17 July 2020 with the Scheme Trustee states agreed increasing annual contributions of initially £100,000 up to 31 March 2023, £150,000 up to 31 March 2024 and £194,000 up to 31 March 2033. The scheme was last valued as at 31 March 2019.

The total net income recognised in the period was as follows:

| | 2024 £'000 | 2023 £'000 |
|---|---------------|---------------|
| Employer contributions recognised as expenditure | (43) | (107) |
| Other movement recognised as other gains and losses | 31 | 2,880 |
| Net income/(expenditure) recognised | (12) | 2,773 |

Amounts recognised in the balance sheet were as follows:

| | 2024 £'000 | 2023 £'000 |
|-------------------------------------|---------------|---------------|
| Present value of funded obligations | (13,643) | (13,976) |
| Fair value of plan assets | 12,949 | 13,100 |
| | (694) | (876) |

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Notes to the Financial Statements [Continued]

For the year ended 31 March 2024

22 Pensions [Continued]

Changes in the present value of the defined benefit obligations were as follows:

| | 2024 | 2023 |
|---|---------------|---------------|
| | £'000 | £'000 |
| Opening defined benefit obligation | 13,976 | 19,071 |
| Interest expense | 662 | 524 |
| Benefits paid | (683) | (729) |
| Actuarial (gains)/losses | (312) | (4,890) |
| Closing defined benefit obligation | 13,643 | 13,976 |

Changes in the fair value of pension plan assets were as follows:

| | 2024 | 2023 |
|----------------------------|---------------|---------------|
| | £'000 | £'000 |
| Opening plan assets | 13,100 | 15,078 |
| Interest income | 619 | 417 |
| Employer contributions | 194 | 344 |
| Benefits paid | (683) | (729) |
| Actuarial losses | (281) | (2,010) |
| Closing plan assets | 12,949 | 13,100 |

The amount that each major class of pension plan assets constitutes of the fair value of the total plan assets was as follows:

| | 2024 | 2024 | 2023 | 2023 |
|------------------|--------------|---------------|--------------|---------------|
| | % | £'000 | % | £'000 |
| Equities | 19.7 | 2,557 | 17.1 | 2,234 |
| Bonds | 10.0 | 1,290 | 9.3 | 1,220 |
| Cash | 3.2 | 412 | 4.3 | 563 |
| Property | 3.4 | 444 | 3.2 | 421 |
| Insured pensions | 63.7 | 8,246 | 66.1 | 8,662 |
| | 100.0 | 12,949 | 100.0 | 13,100 |

The actuarial return on plan assets was as follows:

| | 2024 | 2023 |
|------------------------------------|--------------|----------------|
| | £'000 | £'000 |
| Interest income | 619 | 417 |
| Actuarial losses | (281) | (2,010) |
| Total return on plan assets | 338 | (1,593) |

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Notes to the Financial Statements [Continued]

For the year ended 31 March 2024

22 Pensions [Continued]

Assumptions and valuation

The assumptions used over the last five years and in the valuation by the actuary undertaken at 31 March 2023 were:

| | 2024 % | 2023 % | 2022 % | 2021 % | 2020 % |
|---|-----------|-----------|-----------|-----------|-----------|
| Discount rate | 4.90 | 4.85 | 2.80 | 2.10 | 2.40 |
| Inflation (RPI) | 3.35 | 3.35 | 3.85 | 3.353 | 2.75 |
| Inflation (CPI) | 3.00 | 2.95 | 3.45 | 2.95 | 2.35 |
| Allowance for revaluation of deferred pensions of CPI or 5% pa if less | 3.00 | 2.95 | 3.45 | 2.95 | 2.35 |
| Allowance for revaluation of deferred pensions of CPI or 2.5% pa if less | 2.50 | 2.50 | 2.50 | 2.50 | 2.35 |
| Allowance for pension in payment increases of RPI or 5% pa if less | 3.10 | 3.10 | 3.55 | 3.20 | 2.70 |
| Allowance for pension in payment increases of RPI or 2.5% pa if less | 2.05 | 2.05 | 2.25 | 2.15 | 1.95 |
| Allowance for pension in payment increases of RPI or 5% pa if less, min 3% pa | 3.70 | 3.70 | 3.95 | 3.75 | 3.50 |
| Allowance for pension in payment increases of CPI or 2.5% pa if less | 1.95 | 1.95 | 2.20 | 2.00 | 1.80 |
| Allowance for pension in payment increases of CPI or 5% pa if less, min 3% pa | 3.55 | 3.60 | 3.75 | 3.60 | 3.40 |
| Allowance for commutation of pension for cast at retirement | 50 | 50 | 50 | 50 | 75 |

The defined benefit pension scheme was closed to future accrual of benefits on 31 March 2013. Salary escalation assumptions are not applicable.

The scheme has a number of annuities in respect of past retirements. These are understood to fully match the associated liabilities and so have been excluded from both the assets and liabilities at each accounting date.

The impact of guaranteed annuity rates (GARs) has not been allowed for and at the current interest rates, the pension liability may be less onerous than it appears.

| | 2024 Male (years) | 2024 Female (years) | 2023 Male (years) | 2023 Female (years) |
|--|-------------------------|---------------------------|-------------------------|---------------------------|
| Life expectancy for members aged 65 at 31 March | 21.4 | 24.2 | 21.9 | 24.5 |
| Life expectancy for members aged 45 at 31 March from their 65th birthday | 22.7 | 25.6 | 23.3 | 25.9 |

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Notes to the Financial Statements [Continued]

For the year ended 31 March 2024

22 Pensions [Continued]

Sensitivity analysis

The following table provides an indication of the sensitivity of the value of liabilities to changes in assumptions:

| Change | Impact on liabilities | |
|------------------------------------|-----------------------|---------------|
| | 2024 £'000 | 2023 £'000 |
| Current value | 13,643 | 13,976 |
| Discount rate -50 points | 14,464 | 14,485 |
| Discount rate +50 points | 12,897 | 13,190 |
| Price inflation rate -25 points | 13,546 | 13,861 |
| Price inflation rate +25 points | 13,757 | 14,081 |
| Increase life expectancy by 1 year | 14,102 | 14,438 |

Defined contribution scheme

The cost of contributions to the defined contribution scheme was £194,000 (2023: £344,000). At the year-end £Nil (2023: £Nil) was owed in respect of these contributions.

23 Related party transactions

Mr A Cornall is a director of Cornall Music Limited. Mr Cornall acts in a freelance capacity as Consultant Artistic Director responsible for artistic direction for Liverpool Philharmonic. Fees charged to Liverpool Philharmonic in relation to his management role were £32,476 (2023: £32,717). Amounts outstanding to Cornall Music Limited at 31 March 2024 were £3,221 (2023: £Nil).

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Reference and Administrative Details

For the year ended 31 March 2024

President

The Right Honourable Earl of Derby DL

Honorary Vice Presidents

Ian Wright

Trustees

Louise Shepherd (Chair)

Estelle Morris (Deputy Chair) (resigned 6 November 2023)

Michael Eakin (Chief Executive)

Susanna Poole* (resigned 6 November 2023)

Olga Smolen * (appointed 6 November 2023)

Vanessa Bakewell

Angela Bellingham*

Claire Jackson* (resigned 29 January 2024)

Sameeta Gahir

Stephen Gregory (Deputy Chair)

Bryan Johnson

Camilla Mankabady

* member of the Audit and Performance Committee

Executive team

Peter Garden Executive Director - Performance and Learning

Stephan Heaton Executive Director - Finance, Facilities, and IT

Millicent Jones Executive Director - Audiences and Development

Sandra Roberts Artistic Planning Director (Orchestra and Ensembles)

Company Secretary

Stephan Heaton

Registered Office

Philharmonic Hall

Hope Street

Liverpool

L1 9BP

Company registration number

88235

Charity registration number

230538

ROYAL LIVERPOOL PHILHARMONIC SOCIETY

Reference and Administrative Details [Continued]

For the year ended 31 March 2024

Independent Auditors

Mitchell Charlesworth (Audit) Limited
3rd Floor, 44 Peter Street
Manchester
M2 5GP

Legal advisors

DWF LLP
5 St Pauls Square
Old Hall Street
Liverpool
L3 9AE

Principal Banker

HSBC plc
Royal Liver Buildings
Pier Head
Liverpool
L3 1HU

Investment Manager

Investec Wealth & Investment Limited
The Plaza
100 Old Hall Street
Liverpool
L3 9AB