



THE ROYAL PHILHARMONIC ORCHESTRA TRUST

Registered Charity Number 232370

Report of the Trustees and Financial Statements

For the Year ended 5 April 2021

Contents

	Page
Trust Information	2
Report of the Trustees	3
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8
Notes to the accounts	9

Trust Information

Trustees

Sir Peter Ellwood (Chair)
John Bimson
Benjamin Cunningham

Banker

Bank of Scotland
Pentland House
8 Lochside Avenue
Edinburgh
EH12 9DJ

Registered Office

16 Clerkenwell Green
London
EC1R 0QT

Independent Examiner

Charles Ssempijja, ACA
NFP Accountants Ltd
3rd Floor, 86-90 Paul Street
London
EC2A 4NE

Report of the Trustees for the Year ended 5 April 2021

The Trustees present their annual report and the financial statements of the Royal Philharmonic Orchestra Trust for the year ended 5 April 2021. These comply with the Charities Act 2011. The Trustees have also adopted the provisions of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, issued in July 2014 and updated in February 2016 and October 2018.

Constitution and Objects

The Royal Philharmonic Orchestra Trust ("the Trust") was established on 9 November 1963 with the objective of the advancement of the musical education of mankind and in particular promoting, encouraging and supporting the study, practice and performance of orchestral music by the Royal Philharmonic Orchestra. It is a charity registered with the Charity Commissioners for England and Wales (registration no. 232370).

Related parties

Royal Philharmonic Orchestra Ltd is an independently controlled but connected charity registered with the Charity Commissioners for England and Wales (registration no. 244533).

During the year, the Trust has charged £108,000 rent to Royal Philharmonic Orchestra Ltd as explained in note 2 and note 8. The Trust has also purchased shares in Royal Philharmonic Orchestra Ltd from two Members of the Orchestra on their departure from the Orchestra. Royal Philharmonic Orchestra Ltd has refunded the relevant members for their shares, leading to an increase in the balance owed by the Trust to Royal Philharmonic Orchestra Ltd of £2,000 as shown in note 7.

Public Benefit

The principal asset of the Trust is a freehold property which is leased to the Royal Philharmonic Orchestra for its administrative offices. This facilitates the work of the Orchestra, which reaches the public at large through orchestral performances, recordings and music making workshops that enrich lives.

The Trustees can therefore confirm that the Trust has complied with the duty in section 17 of the Charities Act 2011 to have due regard to the guidance on public benefit published by the Charity Commission of England and Wales.

Governance

The Trustees during the year to 5 April 2021 and up to the date of this report are:

Sir Peter Ellwood (Chair)
John Bimson
Benjamin Cunningham

Achievements and Performance

During the year, the Trust has continued to rent its freehold property to the Royal Philharmonic Orchestra.

Financial Review

The results for the year to 5 April 2021 and the preceding financial year are set out in the Statement of Financial Activities on page 6.

Total income for the year was £108,180 (2020 - £30,660) primarily comprising rent received from Royal Philharmonic Orchestra Ltd. Rent was waived until December 2019, after which the Trustees began to build reserves in order to be able to refurbish and maintain the Trust's freehold property at a future date and continue to support the work of the Royal Philharmonic Orchestra.

The surplus in the year, after total costs of £900, was £107,280 (2020 - £23,734).

Unrestricted reserves of £625,758 at 5 April 2021 (2020 - £518,477) include £470,585 representing the cost of the freehold property owned by the Trust.

Employees and volunteers

The Trust had no employees and no volunteers, other than the Trustees in either 2021 or 2020. The Trustees were not remunerated for their services and no expenses were reimbursed.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

In preparing these financial statements, the Trustees are required to:

- Prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Trust
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees' Annual Report is approved by the Trustees

By order of the Trustees

A handwritten signature in black ink, appearing to read 'Peter Ellwood', written in a cursive style.

Peter Ellwood

Chair

18 November 2021

Independent examiner's report to the Trustees of The Royal Philharmonic Orchestra Trust

I report to the Trustees on my examination of the accounts the Royal Philharmonic Orchestra Trust (the Trust) for the year ended 5 April 2021.

Responsibilities and basis of report

As the charity Trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. Accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. The accounts do not accord with those records; or
3. The accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view, which is not a matter considered as part of an independent examination.

Departure from the 2008 Regulations

I understand that the financial statements have been prepared to give a 'true and fair' view, and have departed from the Charities (Accounts and Reports) Regulations 2008, only to the extent required to provide a 'true and fair view'. This departure has involved following SORP 2015 FRS102, rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 (SORP 2005), which is referred to in the extant regulations, but has since been withdrawn.

Conclusion

I have no concerns and have come across no matters in connection with the examination to which attention should be drawn in this report in order to be enable a proper understanding of the accounts to be reached.

Signed:



Charles Ssempijja, ACA
NFP Accountants Ltd
3rd Floor, 86-90 Paul Street, London EC2A 4NE

Date: 18 November 2021

Statement of Financial Activities for the year ended 5 April 2021

		Unrestricted and Total Funds Year to 5 April 2021 £	Unrestricted and Total Funds Year to 5 April 2020 £
	Note		
Income from			
Charitable Activities	2	108,000	30,560
Investment income	3	180	100
Total Income		108,180	30,660
Expenditure on			
Charitable Activities	4, 5	900	6,926
Total Expenditure		900	6,926
Net Income for the year		107,280	23,734
Unrestricted and total funds brought forward		518,477	494,743
Unrestricted and total funds carried forward		625,758	518,477

There were no recognised gains and losses in the current or preceding financial year other than those dealt with in the Statement of Financial Activities. All income and expenditure relates to continuing activities.

The notes on pages 9 to 12 form part of these financial statements.

Balance Sheet as at 5 April 2021

		Total Funds As at 5 April 2021 £	Total Funds As at 5 April 2020 £
	Note		
Fixed Assets			
Tangible Fixed Assets	6	470,585	470,585
Total Fixed Assets		470,585	470,585
Current Assets			
Investments	7	92,000	15,000
Cash at bank and in hand		93,033	59,852
Total Current Assets		185,033	74,852
Creditors : Amounts falling due within one year	8	(29,860)	(26,960)
Net Current Assets		155,173	47,892
Total Assets less Current liabilities		625,758	518,477
Net Assets		625,758	518,477
Funds			
Unrestricted Funds		625,758	518,477
Total Funds	9	625,758	518,477

The notes on pages 9 to 12 form part of these financial statements.

Approved by the Trustees and authorised for issue on 18 November 2021



Peter Ellwood

Chair

1. Notes to the Financial Statements for the year ended 5 April 2021

a. Accounting convention

The financial statements have been prepared in accordance with the United Kingdom Accounting Standards, in particular 'FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

The Royal Philharmonic Orchestra Trust ("the Trust") is a public benefit entity for the purposes of FRS 102 and a registered charity. Its financial statements are therefore also prepared in accordance with the "Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102" (Charities SORP (FRS 102)).

The financial statements have been prepared on a going concern basis and under the historical cost convention. The principal accounting policies are set out below and have been applied consistently throughout the year.

The financial statements are prepared in sterling, the functional currency of the Trust. Monetary amounts are rounded to the nearest pound.

b. Going concern

The Trustees have assessed whether the use of the going concern basis of preparing the accounts is appropriate and have considered the impact of the COVID-19 pandemic as well as other possible events or conditions that might cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements.

The Trust has the ability to charge rent to the Royal Philharmonic Orchestra Limited, the current tenant of the property owned by the Trust. Although the Trust has waived rent in several past years, it is now charging rent at a market rate and building its funds to be able to weather a period without a tenant and to refurbish the property when it is vacant. The Trustees are confident that rental income will exceed cost commitments for 2022 and for the foreseeable future.

c. Significant accounting estimates and judgements

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

The treatment of the property owned by the RPO Trust is considered by the Trustees to have the most significant effect on amounts recognised in the financial statements. The property, 16 Clerkenwell Green, is recognised in the financial statements as a tangible fixed asset, because it is rented to a related charity. It is recognised at cost and has not been depreciated because it has retained its economic value at the end of each financial year.

1. Notes to the Financial Statements for the year ended 5 April 2021 (continued)

d. Income

Income comprises rent from 16 Clerkenwell Green and interest on term deposits. Income is recognised when received and the Trust is entitled to the income.

e. Expenditure

Expenditure is incurred, either in relation to the property, 16 Clerkenwell Green or in connection with the governance of the charity, including maintaining Trust deeds and other compliance.

f. Tangible Fixed Assets

The Trust's Tangible Fixed Asset is an office rental property 16 Clerkenwell Green, London. It is recognised at cost and not depreciated, because it includes land in a central London location and its residual valuation is at least equal to its cost. The last formal external independent valuation of the property was undertaken in 2018. In subsequent years, a range of central London property market indicators has been used to determine whether there is a possibility that an impairment of the carrying value of the property could have occurred.

g. Cash and Cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with maturities of three months or less.

h. Financial Instruments

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the Trust's balance sheet when the Trust becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

All debtor and creditor balances are considered to be basic financial instruments under FRS 102.

i. Investments

Investments include a minority shareholding in Royal Philharmonic Orchestra Limited and fixed term bank deposits of more than three months.

Shares in Royal Philharmonic Orchestra Limited are available for sale to new Orchestra Members. Shares are purchased from Orchestra Members when they leave the Orchestra.

Contributions from new Royal Philharmonic Orchestra Members for shares are collected by Royal Philharmonic Orchestra Limited and recognised as receivable from Royal Philharmonic Orchestra Limited when the full amount required to purchase a Member's shareholding of 100 £10 shares has been contributed and the share certificate issued.

Contributions are repaid to Members when they leave, by Royal Philharmonic Orchestra Limited and the Trust recognises the amount as refundable to Royal Philharmonic Orchestra Limited.

Notes to the financial statements for the year ended 5 April 2021 (continued)

2. Income from Charitable Activities

Income from Charitable Activities in the year ended 5 April 2021 and 2020 is rent charged to Royal Philharmonic Orchestra Limited from 20 December 2019.

3. Investment income

Interest earned when fixed term bank deposits of more than three months reached maturity, was £180 in 2021 (2020 - £100).

4. Independent Examiner's Fee

Expenditure is stated after charging the Independent Examiner's fee of £1,140 (2020 – £2,520).

5. Expenditure on Charitable Activities

Expenditure in the year ended 5 April 2021 of £900 is the Independent Examiner's fee for the financial year of £1,140, net of a £240 reduction in the Independent Examiner's fee charged for the previous year. In 2020, costs of £6,926 comprised legal fees for updating the Deed of Resignation and Appointment of Trustees and for advice in relation to 16 Clerkenwell Green and the Independent Examiner's fee (note 4).

6. Tangible Fixed Assets

The Trust's Tangible Fixed Asset is the freehold property 16 Clerkenwell Green, which is shown at cost of £470,585 at both 5 April 2021 and 2020.

7. Investments – current assets

	As at 5 April 2021	As at 5 April 2020
	£	£
Fixed term bank deposit	85,000	10,000
Shares in Royal Philharmonic Orchestra Ltd	7,000	5,000
Total Investments – current assets	92,000	15,000

Notes to the financial statements for the year ended 5 April 2021 (continued)

8. Creditors due in less than one year

	As at 5 April 2021	As at 5 April 2020
	£	£
Deferred rental income	23,440	23,440
Payable to Royal Philharmonic Orchestra Ltd	3,000	1,000
Accruals	3,420	2,520
Total Creditors due in less than one year	29,860	26,960

Deferred rental income in each year represents the portion of the rent received for the 24 March to 24 June quarter, which is attributable to the period after 5 April.

The amount due to Royal Philharmonic Orchestra Ltd represents payments for purchases of shares in Royal Philharmonic Orchestra Ltd not transferred at the year end.

The accrual at the year end represents the Independent Examiner's fee for the year ended 5 April 2021 of £1,140 and £2,280 accrued for the Independent Examiner's fee for the year ended 5 April 2021 not invoiced until 6 April 2021.

9. Funds

The Funds held by the Trust at both 5 April 2021 and 5 April 2020 are unrestricted.

10. Operating Leases

The Trust has future operating lease rentals arising as follows:

	As at 5 April 2021	As at 5 April 2020
	£	£
Operating lease rentals arising in:		
Less than one year	108,000	108,000
Two to five years	216,000	324,000
	324,000	432,000

The Trust has leased 16 Clerkenwell Green to the Royal Philharmonic Orchestra Limited since August 1986. For several years prior to 2020, it offered a rent waiver to the Orchestra. Rent, at a current market rate was reinstated in December 2019. The lease is currently expected to end in June 2024.

11. Capital commitments

The Trust had no capital commitments at 5 April 2021 or 5 April 2020.

