



THE ROYAL PHILHARMONIC ORCHESTRA TRUST

Registered Charity Number 232370

Report of the Trustees and Financial Statements

For the Year ended 5 April 2024

The Royal Philharmonic Orchestra Trust
Trustees' Report and Financial Statements for the Year ended 5 April 2024

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The Royal Philharmonic Orchestra Trust
Trustees' Report and Financial Statements for the Year ended 5 April 2024

Trust Information

Trustees

Sir Peter Ellwood (Chair)

John Bimson

Charles Fairweather

Andrew Storey

Banker

Bank of Scotland

Pentland House

8 Lochside Avenue

Edinburgh

EH12 9DJ

Registered Office

16 Clerkenwell Green

London

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Independent Examiner

Charles Ssempijja, FCA

NFP Accountants Ltd

3rd Floor, 86-90 Paul Street

London

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Report of the Trustees for the Year ended 5 April 2024

The Trustees present their annual report and the financial statements of the Royal Philharmonic Orchestra Trust for the year ended 5 April 2024. 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 (FRS 102) updated and reissued in January 2022.

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 10. The Trust has also purchased shares in Royal Philharmonic Orchestra Ltd from six Members of the Orchestra on their departure from the Orchestra and sold shares to four Members leading to a net increase in the shares in Royal Philharmonic Orchestra Ltd owned by the Trust of 200 shares with a value of £2,000, as shown in note 7. As Royal Philharmonic Orchestra Ltd has refunded the relevant members for their shares and received the contribution for shares from the new Members, the share ownership changes increase the balance owed by the Trust to Royal Philharmonic Orchestra Ltd at the prior year end by the same amount, as explained in note 8.

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 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 2024 and up to the date of this report are:

Sir Peter Ellwood (Chair)
John Bimson
Charles Fairweather
Matthew Knight (resigned 30 May 2024)
Andrew Storey (appointed 30 May 2024)

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 2024 and the preceding financial year are set out in the Statement of Financial Activities on page 7.

Total income for the year was £118,427 (2023 - £108,000) comprising rent received from Royal Philharmonic Orchestra Ltd and £10,427 of bank interest. The Trustees are building 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 £2,140, was £116,287 (2023 - £105,595).

Unrestricted reserves of £954,663 at 5 April 2024 (2023 - £838,376) include £470,585 representing the cost of the freehold property owned by the Trust.

Future plans

The Trust has been notified by Royal Philharmonic Orchestra Ltd (RPO) that it will vacate the Trust's freehold property after March 2025. The property is being marketed and it is anticipated that the premises will continue to be occupied after March 2025, either by RPO on a rolling monthly lease, or a new tenant or a new owner. Costs in the next two financial years are forecast to be higher than in recent years due to legal and professional costs associated with marketing and leasing or selling the property.

In the event of a sale, the Trust intends to reinvest any proceeds in income generating assets, including property. After taking into account foreseeable operational needs and financial risks, the Trust plans to donate surplus income to achieve its charitable purpose of the advancement of musical education of mankind and in particular, supporting the work of the Royal Philharmonic Orchestra.

Employees and volunteers

The Trust had no employees and no volunteers other than the Trustees in 2023. 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', is written over a faint, circular embossed seal or watermark.

Peter Ellwood

Chair

26 September 2024

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 2024.

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

Date: 04/10/2024

Statement of Financial Activities for the year ended 5 April 2024

		Unrestricted and Total Funds Year to 5 April 2024 £	Unrestricted and Total Funds Year to 5 April 2023 £
	Note		
Income from			
Charitable Activities	2	108,000	108,000
Investment income	3	10,427	-
Total Income		118,427	108,000
Expenditure on			
Charitable Activities	4, 5	2,140	2,405
Total Expenditure		2,140	2,405
Net Income for the year		116,287	105,595
Unrestricted and total funds brought forward		838,376	732,781
Unrestricted and total funds carried forward		954,663	838,376

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.

The Royal Philharmonic Orchestra Trust
Trustees' Report and Financial Statements for the Year ended 5 April 2024

Balance Sheet as at 5 April 2024

		Total Funds As at 5 April 2024 £	Total Funds As at 5 April 2023 £
	Note		
Fixed Assets			
Tangible Fixed Assets	6	470,585	470,585
Total Fixed Assets		470,585	470,585
Current Assets			
Investments	7	455,677	300,000
Cash at bank and in hand		58,325	94,715
Total Current Assets		514,002	394,715
Creditors : Amounts falling due within one year	8	(29,924)	(26,924)
Net Current Assets		484,078	367,791
Total Assets less Current liabilities		954,663	838,376
Net Assets		954,663	838,376
Funds			
Unrestricted Funds		954,663	838,376
Total Funds	9	954,663	838,376

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

Approved by the Trustees and authorised for issue on 26 September 2024.



Peter Ellwood

Chair

1. Notes to the Financial Statements for the year ended 5 April 2024

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 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 (RPO), the current tenant of the property owned by the Trust up until March 2025 when the Orchestra's lease ends. The Trust is negotiating a rolling monthly lease extension, until summer 2025 with the RPO. The Trust is currently marketing the property and it is anticipated that the property will continue to be occupied after summer 2025. The Trust has built its funds balance to be able to weather a period without a tenant and to refurbish the property when it is vacant. The Trustees are confident that income will exceed cost commitments for 2025 and for the foreseeable future, other than the years of transition to a new tenancy or property sale, when a sustainable proportion of the funds balances may be utilised.

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 2024 (continued)

d. Income

Income comprises rent from 16 Clerkenwell Green and interest on bank 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 2024 (continued)

2. Income from Charitable Activities

Income from Charitable Activities in the year ended 5 April 2024 and 2023 is rent charged to Royal Philharmonic Orchestra Limited.

3. Investment Income

Bank interest of £10,427 was earned in 2024. In 2023 no interest was earned as no fixed term bank deposit reached maturity in the year.

4. Independent Examiner's Fee

Expenditure is stated after charging the Independent Examiner's fee of £1,040 (2023 – £1,140).

5. Expenditure on Charitable Activities

Expenditure in the year ended 5 April 2024 is £2,140 comprising legal, other professional fees and bank charges. In 2023, expenditure of £1,020 was the Independent Examiner's fee for the financial year of £1,140, net of a £120 reduction in the Independent Examiner's fee charged for the previous year (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 2024 and 2023.

7. Investments – current assets

	As at 5 April 2024 £	As at 5 April 2023 £
Fixed term bank deposit	447,677	294,000
Shares in Royal Philharmonic Orchestra Ltd	8,000	6,000
Total Investments – current assets	455,677	300,000

Notes to the financial statements for the year ended 5 April 2024 (continued)

8. Creditors due in less than one year

	As at 5 April 2024 £	As at 5 April 2023 £
Deferred rental income	23,439	23,439
Payable to Royal Philharmonic Orchestra Ltd	4,424	2,345
Accruals	2,060	1,140
Total Creditors due in less than one year	29,924	26,924

Deferred rental income in each year represents the portion of the rent received for the 25 March to 24 June quarter, which is attributable to the period after 5 April.

The amount due to Royal Philharmonic Orchestra Ltd comprises £2,000 for net purchases of shares in Royal Philharmonic Orchestra Ltd not transferred at the year end and fees paid for by RPO Limited on behalf of the Trust.

Accruals in 2024 are for legal fees and the Independent Examiner's fee, whereas accruals in 2023 represented only the Independent Examiner's fee.

9. Funds

The Funds held by the Trust at both 5 April 2024 and 5 April 2023 are unrestricted.

10. Operating Leases

The Trust has future operating lease rental income arising as follows:

	As at 5 April 2024 £	As at 5 April 2023 £
Operating lease rentals arising in:		
Less than one year	81,000	108,000
Two to five years	-	81,000
	81,000	189,000

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 current lease is expected to end in March 2025. The Trust is negotiating a rolling monthly lease extension until summer 2025 with the RPO.

Marketing is underway to secure income beyond summer 2025, as set out in the Future Plans section of the Trustees' Report on page 4.

11. Capital commitments

The Trust had no capital commitments at 5 April 2024 or 5 April 2023.