

LONDON PHILHARMONIC ORCHESTRA LIMITED

England & Wales · Charity number 238045

Details

Other names	LONDON PHILHARMONIC ORCHESTRA
Status	Registered
Legal form	Charitable company
Company number	00357059
Registered	1965-01-12
Register	View on the Charity Commission register

Contact

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Activities

Objects: THE COMPANY IS ESTABLISHED TO PROMOTE, MAINTAIN, IMPROVE AND ADVANCE EDUCATION, PARTICULARLY MUSICAL EDUCATION, AND TO ENCOURAGE THE ARTS, INCLUDING THE ARTS OF MUSIC, DRAMA, MIME, DANCE, AND SINGING AND TO FORMULATE, PREPARE AND ESTABLISH SCHEMES THEREFORE PROVIDED THAT THE OBJECTS OF THE COMPANY SHALL BE OF A CHARITABLE NATURE ONLY. AND, AS ANCILLARY TO THE FOREGOING OBJECTS TO HOLD AND PARTICIPATE IN CONCERTS, AND TO PERFORM ORCHESTRAL AND INSTRUMENTAL WORKS, OPERAS, BALLETS AND ENTERTAINMENTS OF THIS KIND AND TO FORM AND MAINTAIN A SYMPHONIC ORCHESTRA OF THE HIGHEST POSSIBLE STANDING TO SERVE THE NEEDS OF THIS AND OTHER MUSICAL INSTITUTIONS IN GREAT BRITAIN AND ABROAD.

Activities: PROVISION OF ORCHESTRAL SERVICES AND MUSIC EDUCATION

Classification

- **How:** Provides Services
- **What:** Arts/culture/heritage/science
- **Who:** Children/young People, The General Public/mankind

Geography

- **Area of benefit:** NATIONAL AND FOREIGN
- Brighton And Hove
- East Sussex
- Greenwich
- Lambeth
- Lewisham
- Southwark

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£12,736,854	£11,885,064	£9,158,219	43
2023-08-31	£12,758,165	£13,971,272	£8,015,908	40
2022-08-31	£10,575,632	£10,145,897	£9,269,500	40
2021-08-31	£7,305,374	£6,668,843	£9,089,046	40
2020-08-31	£8,977,277	£7,736,092	£7,931,344	39

Trustees

Name	Role	Appointed
CATHERINE HOGEL	Chair	2013-05-30
DAVID BURKE		2020-06-01
DAVID DOUGLAS BUCKLEY		2017-04-28
DEBORAH DOLCE		2021-07-01
David Whitehouse		2024-04-24
Emily Benn		2023-07-13
Jamie EMEKA AMAFAMUNA Njoku-Goodwin		2021-10-20
Jesus Herrera		2025-06-16
Kate Birchall		2021-05-20
Mark Christopher Vines		2020-10-07
Michelle Crowe Hernandez		2024-04-09
Neil Westreich		2021-05-20
Simon Burke		2025-04-23
Simon Carrington		2025-04-23
Simon Estell		2024-04-24
Sir Nigel Boardman		2024-04-09
Tania Mazzetti		2020-10-07
Yuen Minn Majoe		2022-05-06

LONDON PHILHARMONIC ORCHESTRA LIMITED

England & Wales - Charity number 238045

Accounts



Consolidated Report and Financial Statements

31 August 2024

Charity number: 238045

Company number: 00357059



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Executive Summary



2023/24 was an incredible ambitious and successful year for the London Philharmonic Orchestra.

Our performances started with Mahler's epic Symphony No. 2, recorded live for Sky Arts, and concluded with Wagner's *Götterdämmerung*. Intervening concerts included taking us off-site to new venues, and embraced AI and audience participation. We gave nine world or UK premieres as part of our London season, plus a further five by our Young Composers, including *Raíces (Roots)* by Composer-in-Residence Tania León, which we have subsequently performed a further nine times.

The Sky Arts project was part of a four-part documentary, opening up the Orchestra, its musicians and the creative process to a whole new audience. This was the first time the Orchestra has ever undertaken a project like this, and the openness with which the members and Edward Gardner approached the process showed the engaging and passionate personality of the Orchestra – and the sector. The series has been incredibly successful, reaching over 1m viewers, and has been nominated for a Royal Philharmonic Society Award in their Storytelling category. It has also had a demonstrable effect on audience numbers at the end of the season.

Our work on the South Coast developed at pace, and we now have 14 partnerships across the region, inspiring participants and LPO musicians alike and authentically building relationships with the local communities alongside our ten residency concerts in the region.

We launched a new Conducting Fellowship, to help support two emerging conductors from backgrounds currently under-represented in the sector, which received 213 applications, and we extended our Junior Artists Overture – the entry stage of our talent development schemes, to the South Coast of England. The Orchestra also restructured its audition process following guidance from Black Lives in Music, and joined a consortium of six orchestras in Recruiting Classical, a scheme providing centralised auditions and professional development opportunities for musicians from the Global Majority.

Over 26,000 people engaged with our schools' and family concerts in total, and over 250,000 experienced a live performance.

We have also continued to reach out digitally, reaching over 200 million streams during the year. On social media, we continue to be one of the most followed orchestras globally, reaching over 1.6m followers, and our work in this field was recognised by the Digital Culture Network.

Financially, 2023/24 box office income for LPO promotions was our highest-grossing ever, as was income for performance fees. This, alongside careful cost management and strong fundraising results, enabled the Orchestra to create a strong operating surplus for the year. This is despite the second half of the year being affected by the ongoing 12.5% reduction in funding from Arts Council England, which now constitutes just 15% of turnover.

Looking forward, the reduction from Arts Council England will create challenges, and whilst inflation has reduced from the 2022 peak, it still remains a challenge across all of the Orchestra's activities. However it will not diminish our ambition. On the concert platform we will continue to work with leading conductors, soloists and composers in innovative, as well as classical, programmes, and show our ambition and excellence on the concert platform. We have plans to significantly increase performances in the UK – with Glasgow, Gateshead, Manchester, Sheffield, Nottingham, Birmingham, Malvern, Aldeburgh and Bristol all in the pipeline, alongside our regular residencies.

Having established deep-rooted community partnerships around our regional residencies, we are keen to explore this model in communities that don't have access to, or infrastructure for, regular orchestral performances. We will also continue to build on our sector-leading talent development strands, and work with both adults and young people living with disability.

None of this would be possible without the support, hard work and dedication of a network of exceptional musicians, staff, supporters, participants and audience. Sincere thanks to you all.

A stylized, handwritten signature in dark ink, appearing to read 'David Burke'.

David Burke
Chief Executive

A stylized, handwritten signature in dark ink, appearing to read 'Elena Dubinets'.

Elena Dubinets
Artistic Director

Strategic Report – 31 August 2024



The Trustees are pleased to present their annual Trustees' Report together with the consolidated financial statements of the charity for the year ended 31 August 2024, which are also prepared to meet the requirements for a Directors' Report and accounts for Companies House purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Our Purpose and Activity

The primary purpose of the Orchestra is **to bring wonder to the modern world through the power of orchestral music.**

In doing so we aim to:

- provide a high-quality and diverse series of orchestral performances, engaging world-class conductors and soloists to perform with the Orchestra and sharing their work with the widest possible audience in London, nationally and internationally
- embed the Orchestra in the communities we serve through active dialogue, creative activity and formal and informal musical performance, providing a two-way dialogue ensuring and promoting the relevance of orchestral music, whilst providing opportunities for creative engagement with currently under-served groups in society
- develop a repertoire, workforce and audience that truly reflect the modern world, challenging structural, social, historic and embedded inequalities that restrict access to the artform, ensuring all individuals are able to explore and develop their creative potential
- continually challenge ourselves to innovate and evolve, exploring operational, presentational and digital opportunities following our commitment to undertake our work effectively, responsibly and sustainably.

This is in accordance with our charitable objects as set out in our governing document, being:

- To promote, maintain, improve and advance education, particularly musical education, and to encourage the arts, including the arts of music, drama, mime, dance and singing, and to formulate, prepare and establish schemes therefore provided that the objects of the company shall be of a charitable nature only, and, as ancillary to the foregoing objects to hold and participate in concerts, and to perform orchestral and instrumental works, operas, ballets and entertainments of this kind and to form and maintain a symphonic orchestra of the highest possible standing to serve the needs of this and other musical institutions in Great Britain and abroad.

The Trustees have considered the Charity Commission's guidance on public benefit in shaping our objectives for the year and planning our activities, including the guidance 'Public benefit: running a charity (PB2)'. The Orchestra runs a major Education and Community programme, including a significant number of initiatives for those who may not be able to experience the concert hall environment, and has increased community-led collaborations regionally during the year (see page 6).

Accessibility and affordability are key considerations to our programmes, with a broad range of programmes and tickets available from £14 (£7 for concessions) for all self-promoted concerts. The Orchestra offers a significant digital and broadcast presence. All of the concerts filmed during 2023/24 were available for free for a limited time as part of the arrangement with Marquee TV, and several were broadcast for free on BBC Radio 3, one on Classic FM, and one on Sky Arts.

The Orchestra relies on grants and income from fees and charges to cover its operating costs.

The strategies employed to achieve the charity's aims and objectives are:

- to present a varied and inventive programme that reflects the energy, ambition, excitement, enthusiasm, breadth and traditions of contemporary London and the South East
- to reach a broad audience through a wide range of concert and opera performances, Education and Community projects, broadcasts and recordings
- to attract, retain, develop and celebrate a diverse ensemble of world-class musicians
- to deliver a top-level experience to every audience with whom the LPO interacts
- to maintain the long-term sustainability of the Orchestra.

Seoul Arts Center in South Korea welcomes the LPO, October 2023





Achievement & performance

1 Performances

The Orchestra is driven in its mission to provide world-class performance to the widest possible audience, sharing wonder through the power of orchestral music.

During the year the LPO gave over 140 full-scale performances, through its residencies in London, Brighton, Eastbourne, Saffron Walden and Glyndebourne, as well as internationally and around the UK.

The London season opened with Edward Gardner conducting Mahler's Symphony No. 2. The sold-out performance was filmed as part of a four-episode documentary series for Sky Arts, reaching an audience of over 1m across the UK. Gardner also conducted a four-concert festival titled 'The Music in You', as well as masterworks including Tippett's Symphony No. 2, Brahms's Symphony No. 1 and Tchaikovsky's Symphony No. 4.

'The Music in You' explored the theme of creativity from multiple angles. Beginning with Haydn's *The Creation*, subsequent concerts included one related to dance, including a world premiere by Composer-in-Residence Tania León and Wayne McGregor's AI-inspired digital response to Szymanowski's *Harnasie*; a jazz/music theatre concert with the UK premiere of Luís Tinoco's Accordion Concerto and a semi-staged performance of Kurt Weill's *Seven Deadly Sins* with Danielle de Niese; and a concert showcasing youthful creativity, featuring Julia Fischer giving the world premiere of a new violin concerto by Daniel Kidane and culminating in *Mozart's Mass in C minor*.

Weill's *Seven Deadly Sins*, starring Danielle De Niese, at Battersea Arts Centre as part of *The Music in You* festival, 13 March 2024



Alongside these four concerts, the festival included a chamber and a family concert. The chamber concert responded to the audience's creativity including a piece by Alex Ho in which audience members were asked to write/draw elements for the musicians to improvise to, and another by Ryan Carter where audiences became part of the performance via an app downloaded onto their mobile phones. The family concert also included audience participation led by Brazilian-American composer Clarice Assad, based on the life of footballer Marta. The festival introduced us to many new audiences, not just through the wide range of repertoire and artforms, but also via different venues – the Southbank Centre, Battersea Arts Centre, and St John's Waterloo in London.

The season closed with the long-awaited performance of Wagner's *Götterdämmerung* conducted by Vladimir Jurowski. Originally planned for during the Covid-cancelled season of 2020/21, this concluded the Orchestra's *Ring Cycle* with a truly epic performance which *The Guardian* called 'overwhelmingly worth the wait ... the quality was hard to exaggerate', and *The Times* 'suitably apocalyptic'.

Our regional residencies offered debut performances for our two Fellow Conductors, Charlotte Politi and Luis Castillo-Briceño, as well as well-received performances led by Kahchun Wong, Natalia Ponomarchuk and Gemma New. These continue to be some of the most popular concerts the Orchestra gives, with highly loyal audiences in all three venues.

Internationally, the Orchestra gave 31 overseas performances, including tours to Germany, Spain, Belgium, Holland and Poland, with planning during the year covering future tours to South Korea, Taiwan, Japan, China, France and the USA.

The Orchestra was also joined by conductors including Ryan Bancroft, Jonathon Heyward, Paavo Järvi, Tianyi Lu, Oksana Lyniv and Robin Ticciati. World-class soloists the Orchestra brought to its audiences included Christian Tetzlaff, Hélène Grimaud, Julian Joseph, Anna Lapwood, Angela Gheorghiu, Anne-Sophie Mutter, Inon Barnatan, Danielle de Niese, Julia Fischer, Randall Goosby, and our very own Pieter Schoeman in Florence Price's Violin Concerto No. 2.

We constantly expand the artform by commissioning new music, often with international partners: in 2023/24 we gave nine world or UK premieres, plus our acclaimed Debut Sounds concert by our Young Composers. Cuban-American Tania León held the title of Composer-in-Residence, and her first piece written for the Orchestra, *Raíces (Roots)*, not only received its world premiere in London, but subsequently toured to both Germany, and the following season America, receiving ten performances by the Orchestra to date.



2 Communities

The Orchestra's work with the communities it serves, and the dialogues they produce, are an essential way of ensuring its long-term evolution and relevance. We proactively engage with, and learn from, communities new and old through performance, workshops, and a diverse range of creative-based opportunities.

Last year's appointment of a Regional Partnerships Manager focussing on Brighton and Eastbourne has made real progress, with 14 new relationships established, forging a genuine and meaningful nexus of partnerships with the community beyond our performance bases in these areas. Each new project has been devised in genuine collaboration, led by each new partner's needs. Examples include Soundcastle, a mental health charity running weekly music sessions, where the Orchestra collaborated on an end of season recording of work; Highdown Gardens and Creative Waves, who run summer school classes for the local community; Worthing Philharmonic Orchestra, where members of the LPO sit in with local amateur musicians to support their development and music-making; and Langney Shopping Centre, where the LPO performed carols as the council opened a new community space in this centre in one of Eastbourne's underserved areas.

Collectively, the South Coast projects – which during the year also included the Orchestra's first full concert specifically for schools in the region, and projects in association with the local music hubs – have distinctively embedded the Orchestra as a genuine community resource beyond its regular audience base, and have helped build networks with other partners such as the local Chamber of Commerce, and a regional supporter base.

In London, the partnership with St John's Waterloo saw an increased number of public concerts alongside performances for the organisations with which the church works, including co-curated workshops and come-and-

play sessions. The Orchestra even held its fundraising Gala at the venue, bringing the story of the work the two organisations are doing together to a key part of its donor base.

The Orchestra has continued its longstanding partnerships with the South London Music Education Hubs of Lambeth, Southwark, Lewisham and Royal Greenwich, including delivering a programme of holiday music courses for young instrumentalists, and the Open Sound Ensemble for young disabled people and their parents and carers at the new Woolwich Works venue in South East London. Its series of BrightSparks schools concerts and FUNharmonics family concerts reached a combined audience of over 15,000, and included two performances in Thurrock with partner Orchestras Live, alongside the London and Eastbourne dates.

The Orchestra continues to run OrchLab, one of the UK's largest orchestral music programmes with disabled adults, devised and developed with Drake Music (experts in music, technology and disability), to make music through workshops in care centres in London and beyond. At the heart of OrchLab are our LPO values of collaboration and inclusivity. This year the programme included developing accessible technology, bespoke web activities, a national online training session, and events including intensive series of workshops at four centres in Stevenage, Harrow, Newham and Borehamwood. In autumn 2024, OrchLab was longlisted for a Digital Culture Award in the Accessibility category.

The Orchestra ran a series of workshops, Crisis Creates, which increased wellbeing through creativity and performance amongst people experiencing homelessness, and culminated with a performance on the Royal Festival Hall stage.

The Orchestra encourages its senior staff to sit on boards of other charities and schools, utilising our leadership position to offer expertise to others in the sector and beyond.

'Crisis Creates' workshop, March 2024



BrightSparks schools' concert at Eastbourne's Congress Theatre, May 2024





3 Equality, Diversity, Inclusion and Belonging

Our modern world must hear and sense itself in the music we perform; it must see itself in the artists that we are and the artists with whom we engage; if we are to embrace, understand and serve it, the modern world must be represented through the entirety of the Orchestra, its management and its leadership.

The Orchestra has a deep and longstanding commitment to increasing its diversity on and off the concert platform. It has developed a five-year Inclusivity and Relevance strategy, which is led and monitored by its Equity, Diversity and Inclusion Steering Committee.

Across its self-promoted concerts, the Orchestra performed 15 different works by female composers (of which two were repeated twice) and eight different pieces by composers from the Global Majority, including a new commission from Tania León. It also explored opportunities to invite new voices by commissioning works for future seasons from composers from a range of under-represented backgrounds. The Orchestra collaborated with 17 soloists and five conductors from the Global Majority. More than one in four of the UK concerts featured a female conductor, and Karina Canellakis joined us for a major tour of Greece and Germany.

The Orchestra is also committed to building a diverse workforce in a long-term sustainable way. LPO Junior Artists has been specifically developed to support musicians from under-represented backgrounds aged 15–19. Along with its feeder programme, Junior Artists Overture, over 200 young people took part in these schemes during the year, whilst some activities also included LPO Junior Artists alumni.

This season saw the first cohort of the new LPO Fellow Conductors scheme. The programme selects two emerging conductors annually from backgrounds currently under-represented in the sector, giving them performance and assistant conductor opportunities, and mentoring them throughout the year. We received applications from 188 candidates, of whom seven were invited to conduct the Orchestra in a specially-designed session before the two winners were chosen. A third finalist was also invited to work with the Orchestra as part of their professional development, and subsequently gained a place on the scheme for 2024/25. The feedback from both Fellows was extremely positive, and one of the two now has major agency representation and high-profile dates on the back of this scheme.

Members of the Orchestra continue to work with Black Lives in Music (BLiM) to explore the barriers to the sector, including as a consortium member of the award-winning Recruiting Classical (a series of auditions and professional development opportunities for musicians from the Global Majority), and are actively helping BLiM develop their 10-point plan for inclusive recruitment. The Orchestra has already restructured its audition process, with the initial round being held by anonymous audio file, ensuring all applicants have an equal chance at this stage. Recruitment processes for administrative and Board roles were similarly evaluated and updated to limit opportunity for bias.

Outside of the workforce, the Orchestra's Education and Community programme partners with a diverse range of participants through tailored programmes such as OrchLab and Open Sound, which engage with disabled adults, and young people with Special Education Needs and Disabilities respectively. Over 50% of attendees at our BrightSparks school concerts (some 10,000 in total) were from the Global Majority, reflecting the diversity of the London community where these schools are based.

2023/24 LPO Junior Artist Nahuel (left) with his LPO mentor, Principal Bassoon Jonathan Davies





4 Rising Talent

The Orchestra believes that talent is indiscriminate, and is proactively using the expertise of its musicians to develop the next generation of artists through a series of industry-leading schemes.

The flagship Foyle Future Firsts professional development scheme took on 17 new participants for the year. The scheme was launched in 2004 and research shows that 88% of participants have remained in the music profession, either as performers or teachers.

Five emerging composers worked with Composer-in-Residence Tania León over the course of the season in the Orchestra's Young Composers scheme. The pieces they created were performed at the annual Debut Sounds showcase concert at the Queen Elizabeth Hall, giving these young musicians a platform to present themselves to audiences and the industry. Alumni of this scheme have gone on to win the prestigious Siemens Prize (twice), RPS Composition Award and BAFTA nominations, whilst others have been commissioned to write works for the Orchestra's international concert series at the Southbank Centre.

As discussed earlier, the LPO Junior Artists and Junior Artist Overture programmes develop the pre-conservatoire area of the talent pipeline. We were delighted that several members and alumni were successful in applications to continue music at higher education and conservatoire level, and that we were able to welcome onto the programme one of our former Junior Artists, clarinettist Beth Crouch, who has since gone on to perform with the Orchestra in paid engagements during 2024/25.

The inaugural year of the Fellow Conductors scheme has completed the range of progression routes into the sector. The participants fed back very strongly, not only on the support and mentorship they received from Edward

Gardner, but also how the direct experience they gained on the platform conducting the Orchestra on numerous occasions was fundamental to their artistic development.

The Orchestra offered debuts at Eastbourne and Brighton to emerging artists and conductors including Bertie Baigent, Laura van der Heijden, Charlotte Politi, James Henshaw and Luis Castillo-Briceño. It also offered concerto appearances to two of its own young Principals, Annemarie Federle and Benjamin Mellefont, as part of their own continuing professional development.

5 Sustainability

Minimising our impact on the environment is a commitment that the LPO is passionate about pursuing. We seek ways to operate our orchestra, our programme and our company that limit our impact and can benefit the planet.

The Orchestra has a Sustainability Working Group, made up of members of each of the operational departments and led by Board member Deborah Dolce. As such, we have identified four key areas for our Sustainability Plan where we believe we have a role to play:

- As individuals
- Through our organisational operations
- Within our partnerships
- In collaboration with our audiences.

During the year, Committee members undertook departmental audits to develop specific initiatives the company can undertake to reduce its carbon footprint and increase awareness of sustainability issues, building towards an environmental-themed season for 2025/26.

2023/24 LPO Young Composers with Composer-in-Residence Tania León (left)





6 Digital and broadcast

Technology enables the Orchestra to reach significant audiences, including many for whom it would not be possible to hear the Orchestra live, or who may have their first experience through this format. The LPO is committed to exploring new technologies and the opportunities they present to develop the artform, presentation and reach.

The Orchestra began the year working on a project with video game developer MiHoYo, developing an Extended Reality concert based on the internationally-released video game *Genshin Impact*. The project utilised cutting-edge technology, including recording on the world's largest LCD screen for enhanced graphics, with the online performance on YouTube, *Memories of an Endless Journey*, receiving 6.1m views to date.

During the 2023/24 season we provided over 200 million streams/downloads across the major platforms, as well as developing long-form streaming to audiences that do not have opportunity to see the Orchestra live on a regular basis. Central to this strategy was the partnership with Marquee TV, presenting full-length concerts to a global audience. The Orchestra also partnered with Sky TV on a four-part documentary series, 'Backstage with the London Philharmonic Orchestra', giving an insight into the preparation process of the season's opening concert, Mahler's Symphony No. 2, and the lives of the musicians involved. This has proved incredibly popular, with over 1m views to date, and has been shortlisted for a Royal Philharmonic Society Award in the Storytelling category.

The LPO's CD label had strong success. Edward Gardner's live performance of Tippett's *The Midsummer Marriage* won the *Gramophone* Award for Opera Recording of the Year, and the Orchestra was nominated for Orchestra of the Year at the same awards, for its overall label activity.

Several concerts continue to be selected each season for broadcast on BBC Radio 3, and other stations offer opportunities for reach via interviews and recording excerpts.

The LPO's social media presence continued to increase over the year, growing by over 500,000 followers across all social media channels to over 1.6m overall. The LPO was the top-performing orchestra in the world on Instagram, TikTok and YouTube over this 12-month period, and by the end of the season was the most-followed UK orchestra on TikTok, Facebook and Instagram. This success was rewarded in autumn 2024 in the form of a longlisting for a Digital Culture Network Award in the Digital Marketing category.

Series 7 of the 'LPO Offstage' podcast with Yolanda Brown continued to give behind-the-scenes insights into the modern orchestra. The series, which continues to delight passengers travelling around the world on British Airways, drew to a close after over 80 episodes, pending the development of a new concept for 2024/25.

Digital technology also helped in the Orchestra's community programmes: for example, Zoom has increased the reach of some of the teaching and mentoring programmes and allowed us to run a nationally available online training day for care centres wishing to use resources developed for OrchLab. The continued development of tech-led accessible instruments has benefitted both the OrchLab and Open Sound projects, with the OrchLab website sharing a range of accessible music resources for disabled people at no cost.

Extended Reality concert based on the video game *Genshin Impact*



The LPO and LPC team celebrate their 2023 Gramophone Opera Award for Tippett's *The Midsummer Marriage*





Financial

Income for the group for the year was £12.73m, compared to £12.75m in the prior year; however there were some notable difference of income sources making up this amount. The 2022/23 figure included a one-off £1m donation towards the Orchestra's capital ambitions, which was replaced by £300k and £850k gained from box office and performance fees in 2023/24 (touring and recording). Also included in this figure is a reduction of £100k in public funding via Arts Council England, as part year implication of their 12% reduction of core funding on an ongoing basis, bringing our total ACE subsidy to just 15% – one of the lowest of any European symphony orchestra.

The Orchestra received funding from Arts Council England's Transform Programme to develop and implement innovative changes through the period to March 2026 to help transition to a lower public funding base following funding reduction. The grant will be applied across a variety of areas including office operations (finance systems and digital storage projects), restructuring and consultancy aimed at revenue generation through increased commercial activities, and exploring performances in alternative venues to broaden our audiences.

The Orchestra made an exceptional operating surplus of £665k (2023: £385k), which combines with a one-off legacy gift and net capital project movement of £58k to make the posted surplus of £852k. The previous year's Statement of Financial Activities shows a loss (before investment movement) during the year of £1,213k, as this also included an exceptional transfer of funds to the London Philharmonic Trust, representing funds set aside for a capital scheme. Paper gains on investments and revaluation of the Orchestra's violin in the year were £290k, bringing the overall gain on SOFA to £1.142m. £84k income was generated by the endowment portfolio during 2023/24.

The London Philharmonic Orchestra Trading Ltd – for non-charitable trading – generated a profit of £1,287, and has secured a number of opportunities for 2024/25.

The Orchestra has established an Innovation Fund, which stands at £500,000, in order to trial new models across all of the Arts Council England Investment Principles. This offers a defined budget specifically ring-fenced for some of the special new initiatives outlined in the 2022/23 Business Plan. This year, the fund supported projects including 'Dance Re-imagined', Wayne McGregor's AI-inspired digital response to Szymanowski's *Harnasie*; and the Sky Arts Mahler 2 documentary. Several of these projects subsequently went on to cover costs from income generated, however the fund allowed the Orchestra to commit to the projects before full details were finalised. Transfer to the Innovation Fund of £168,686 was therefore agreed to reflect this. The Fund will in future be promoted to appropriate donors and provide opportunities for people with special interest in these areas to support the Orchestra to reach new audiences and trial new approaches. Plans for the Covid designated funds will be reviewed during 2024/25 – see page 12.

The general (risk) reserve posted a surplus of £42,779, bringing this fund to £1.385m, which, while above the level of £1.1m set in the reserves policy, given the uncertain economic environment, levels of inflation and particular cashflow challenges around the Orchestra Tax Relief, will enable the Orchestra to respond appropriately in the current environment.

Every effort is being made to diversify income from a balance of sources to protect the Orchestra's future. The establishment of the Sound Futures endowment through the Catalyst programme is one of several strategies to support the Orchestra's longer-term ambition. The endowment has been invested in a broad range of conservative investment options, with Rathbones appointed to help manage the funds alongside a highly experienced Investment Committee. The Special Projects and Innovation funds exist to enable mid-term planning to continue appropriately (see below) in this delicate environment, alongside giving confidence and financial means to trial new models.

The Orchestra welcomes the Government's commitment to maintain the Orchestra Tax Relief scheme, however the reduction of the rate from 50% to 45% of eligible costs, combined with the removal of EU costs from the calculating rate, will reduce its impact in coming years. In total, it is estimated that 2024/25 will result in a modest operating surplus and 2025/26 a small deficit, although plans are ongoing to move this towards a break-even position if possible.

Going Concern

The Orchestra has demonstrated its ability to adapt its activities through what has continued to be a turbulent period for the economy and the sector, including a period of high inflation. The confirmation of the permanent extension of the higher rate of Orchestra Tax Relief of 45% has given certainty over this expected future value of this income stream. The Orchestra considers there to be a reasonable expectation that a proportionate element of fundraising will continue, based on existing pledges, ongoing conversations and cautious expectations. In the event that projected fundraising income is not received, the Orchestra is still confident it could cover its costs, but this would be likely to impact planned activities. On this basis of ongoing receipt of Arts Council Grant, current reserve levels that can be appropriately utilised if required, and ongoing activities (including an element of fundraising), the Trustees are confident that the company is a going concern.

Investment Policy

The establishment of the Sound Futures endowment is one of several strategies to support the Orchestra's longer-term ambition. The £3.2m endowment has been invested in a broad range of conservative investment



Financial *cont.*

options, with Rathbones appointed to manage the funds on a discretionary basis alongside a highly experienced Investment Committee consisting of Trustees David Burke and Catherine Høgel, as well as Jamie Korner (charity investment specialist) and Bruno De Kegel (private wealth specialist). The investment objective of the portfolio was so designed as to produce annual income in the range of £60–£80k on a long-term basis, and preserving the real value of the capital over the longer term is also of great importance. This year it produced income of £84k. The valuation of the portfolio increased by £374k, with an additional £129k invested.

Development Income

As a registered charity, the London Philharmonic Orchestra is grateful to all those individuals and organisations that offer financial support to enable and enhance its activities. We are grateful to all of the many corporate, trust and individual supporters that contribute to our work.

In particular for this financial year we would like to thank the following for their generous support: Arts Council England, The American Friends of the London Philharmonic Orchestra, Steven M. Berzin, The Candide Trust, Dunard Fund, Mrs Aline Foriel-Destezet, The Foyle Foundation, Patricia Haitink, Aud Jebsen, the International Board of Governors, JTI, Mr & Mrs Philip Kan, The London Community Foundation and Cockayne – Grants for the

Arts, The Lord and Lady Lurgan Trust, Sir Simon and Lady Robey, Rothschild Foundation, Scops Arts Trust, TIOC Foundation, Neil Westreich, and William & Alex de Winton. The LPO would also like to thank all those who made donations to support the Orchestra during its 2023/24 season.

This year's Annual Gala was held at new community partner St John's Waterloo, and featured performances by the LPO under the batons of the two Fellow Conductors, Charlotte Politi and Luis Castillo-Briceño. 185 guests came together to celebrate the Orchestra and the event raised £164k to support the core work of the LPO. The American Friends of the London Philharmonic Orchestra held their first Gala in February 2024, raising over \$225k.

Development income for the year was £2.1m, alongside £129k from legacies that have been put into the endowment and £1.9m from Arts Council England (£73k restricted). £66k of development income was restricted towards capital. A further £749k of unrestricted income was received, and £1.2m restricted. Included in the restricted funds were £443k towards Education and Community work, and £742k towards the London concert season and projects including the Conducting Fellowship.

The comparative figure for the prior year was £3.2m in development income, alongside £8k legacies and £2m from Arts Council England. Other restricted income included £421k towards Education and £639k towards the London concert season.

Fellow Conductors Charlotte Politi and Luis Castillo-Briceño, with soprano Sally Matthews, at the LPO 2024 Gala at St John's Waterloo





Financial *cont.*

Fundraising

The London Philharmonic Orchestra's fundraising department solicits sponsorship, donations and membership from individuals, business, Government bodies and charitable foundations. The team is committed to best practice in ethical fundraising process and abides by the Funding Regulator's Code of Fundraising Practice, which includes specific guidance to ensure the charity does not put undue pressure on any individual to make a contribution or pledge. The Orchestra has a formal Gift Acceptance policy and does not use third-party fundraisers to make asks of members of the public. No complaints were received during the year.

We are registered with the Fundraising Regulator and are compliant with the Code of Fundraising Practice. We continue to comply with the European Union's General Data Protection Regulation (GDPR).

Reserves Policy

The London Philharmonic Orchestra requires reserves in order to provide for contingencies as they may arise. The nature of the London Philharmonic Orchestra's operations requires reliance on significant levels of income from sponsorship and donations that can show substantial variation due to changes in the economic climate or exceptional events after the Company's artistic plans are formulated. The Company aims to retain general (risk) reserves at a level the Trustees anticipate will be sufficient to provide security from such unexpected variations and other risks highlighted below. This has been set at £1.1m, following detailed analysis of the risks faced. The current value is £1.385m (2023: £1.342m), which while above the level set, will help address wider ongoing economic uncertainty.

The designated COVID-19 Fund established in 2019/20 has been an important factor in enabling the organisation to budget to carry out a range of activity, in particular as the organisation adapts to changes in audience behaviour post-COVID. The fund balance stood at £490,184 at year end. The organisation plans to expend this over the coming 2–3 years and will review plans in this regard in 2024/25 to best support the work of the Orchestra.

The Company has designated and revaluation reserves of £4.308m (2023: £3,644m) that have been set aside out of unrestricted funds by the Board. £246,470 of this, along with the revaluation reserve of £371,000, represents the value of the fixed assets. The revaluation reserve of £371,000 consists predominantly of the increased value (since acquisition) of the Sanctus Seraphin violin, but also a historic revaluation of the music library. This value can also only be realised by disposing of tangible fixed assets.

£2.2m has been set aside to a Special Projects Fund to enable special programmes at the Royal Festival Hall such as Rachmaninov's *The Bells*, Strauss's *Alpine Symphony*, and Mahler's Eighth Symphony with innovative director Tom Morris. The fund will also be used to enable strategically important tours and advanced commissions to be upheld in these uncertain times. It is currently anticipated that this fund will be spent out over the next 4–5 years.

The Orchestra utilised the Innovation Fund established in 2020/21, transfers of £168k were agreed, and the fund stands at £500k at year end. Projects supported by the fund are detailed in the financial review, page 10. This fund enables the organisation to trial new models across all of the Arts Council England Investment Principles. The fund will continue to offer a defined budget specifically ring-fenced for some of the special new initiatives outlined in the 2022/23 Business Plan. The fund will in future be promoted to appropriate donors and provide opportunities for people with special interest in these areas to support the Orchestra to reach new audiences and trial new approaches.

The Orchestra has established an endowment to allow deeper collaboration with the Southbank Centre and other venues on a long-term basis. When originally established, the endowment benefited from £1m match funding from Arts Council England. The value of the endowment at 31 August 2024 was £3,197k (2023: £2,823k), which is considered sufficient to meet the investment targets set. For clarity, the Orchestra has taken the decision to keep this endowment within the main charity rather than in a separate trust. Interest from the endowment is considered restricted for use towards strategic collaborations with key venues. The long-term aim is to maintain the capital value, whilst being able to draw down £60–£80k on an annual basis.

The Orchestra continues with preliminary steps towards an exciting capital project, with funds held for this now held and managed by The London Philharmonic Trust, which protects the Orchestra's ongoing work and gives greater clarity to the day-to-day operations of the Orchestra through its charitable activity.

The Orchestra's trading subsidiary, London Philharmonic Orchestra Trading Ltd, generated a modest profit of £1,287.

The Orchestra's total reserves are therefore £9.158m, which is made up of designated reserves (£3.937m), revaluation reserves (£371k), restricted reserves (£268k), the Orchestra's endowment (£3.197m), and general (risk) reserves of £1.385m. Prior Year respective figures were total reserves £8.016m, made up of designated reserves (£3,298m), revaluation reserves (£346k), restricted reserves (£206k), the Orchestra's endowment (£2.823m), and general (risk) reserves of £1.343m.



Financial *cont.*

Risk Management

The Trustees have overall responsibility for ensuring that the organisation operates an appropriate system of controls, financial and otherwise, to provide reasonable assurance that:

- the charity is operating efficiently and effectively
- proper records are maintained and financial information, used within the charity or for publication, is reliable
- the charity complies with relevant laws and regulations.

A detailed risk register is maintained, grading all identified risks and any actions taken to manage them. This is monitored on an ongoing basis by management and reported to the Audit Committee on an annual basis. The key risks that have been identified to the successful delivery of LPO's strategy and artistic programme are:

- The impact of the current economic environment on voluntary income, ticket and recording sales and other earned income, most notably international touring. The Orchestra prepares detailed budgets including sensitivity analysis where appropriate, and continues to seek to diversify income streams where possible.
- The impact of the economic environment on partner organisations and funders with which the organisation has close working relationships – the Orchestra continues to work collaboratively with partner organisations to address these challenges.
-

Plans for future periods

After year end, the Orchestra started a busy touring year with a tour to Japan in September 2024, followed by trips to the US, China, and Europe.

The 2024/25 London season started with a trio of concerts conducted by Edward Gardner, with soloists Joyce DiDonato, Leif Ove Andsnes and Patricia Kopatchinskaja. Other highlights of the first part of the season included a project with sarod player Amjad Ali Khan and appearances by Renée Fleming and Víkingur Ólafsson. A mini-series of three concerts at the Southbank Centre's Queen Elizabeth Hall offered the opportunity to perform a repertoire aimed at slightly different audiences, including a programme combining Vivaldi's *The Four Seasons* with Evan Williams's provocatively-titled *Dead White Man Music*; a concert featuring a trio of works by Frank Zappa; and an evening of minimalist music with percussionist Colin Currie.

The 2024/25 season concludes with two concerts as part of a new collaborative festival with Southbank Centre, 'Multitudes'. Targeted specifically at new and younger audiences, the festival combines orchestral works with other artforms. The first concert will consist of music by Ravel performed alongside Australian circus company Circa, whilst the final performances of the festival, Mahler's epic Symphony No. 8, will be staged by innovative director Tom Morris.

Outside of London, the Orchestra continues to further build on its residencies, including the 14 new partnerships now developed along the South Coast. As an example, the local Music Hubs will perform pre-concert showcases to regional LPO audiences, including members of the community groups with whom we are working, who regularly attend the performances. We hope to expand our work into Dover, which is an area new to the LPO and with no orchestral performance history, building on our community-led co-commissioning model to integrate the Orchestra from the grassroots upwards. Further UK dates included performances in Glasgow, Gateshead, Manchester, Nottingham, Malvern and Bristol.

The Orchestra will also continue its commitment to its long-standing programmes OrchLab and Open Sound Ensemble and its Rising Talent strands, furthering the development of talent and disabled music-making across the UK.

The Orchestra maintains its long-held ambition for a permanent home alongside its residency at the Royal Festival Hall. Conversations are ongoing and feasibility work is progressing, and it is hoped further news about these plans will be forthcoming during the coming year.

Elena Dubinets steps down on 1 May 2025. Jesús Herrera will take up the role of Artistic Director from 16 June 2025. The Board would like to note the creativity and commitment Elena has brought to the role.

Trustees' Report



Reference and administrative details

Charity number	238045
Company number	00357059
Registered Office	89 Albert Embankment, London SE1 7TP

Our Advisors

Auditors	Crowe UK LLP, 55 Ludgate Hill, London EC4M 7JW
Bankers	Virgin Money, 154–158 Kensington High Street, London W8 7RL
Solicitors	Charles Russell Speechlys LLP, 5 Fleet Place, London EC4M 7RD Mayer Brown International LLP, 201 Bishopsgate, London EC2M 3AF

Directors and Trustees

Emily Benn	
Kate Birchall*	<i>Vice-President from 25 May 2024</i>
Nigel Boardman	<i>Vice-Chair, appointed 9 April 2024</i>
David Buckley#	<i>Appointed 25 April 2024; Chair of Audit Committee</i>
David Burke#•‡∅	
Deborah Dolce†	
Elena Dubinets•‡∅	
Simon Estell*	<i>Appointed 9 April 2024</i>
Lord Hall of Birkenhead	<i>Retired 4 December 2023</i>
Michelle Crowe Hernandez	<i>Appointed 9 April 2024</i>
Catherine Høgel•°‡	<i>Chair</i>
Martin Höhmann*‡#•‡∅	<i>President, retired 24 April 2024</i>
Tanya Joseph∅	
Hugh Kluger*	<i>Retired 24 April 2024</i>
Kate Leek*	
Minn Majoe*∅	
Tania Mazzetti*	
Jamie Njoku-Goodwin	
Andrew Tusa#•	<i>Retired 23 January 2024</i>
Mark Vines*	<i>Vice-President; President from 9 April 2024</i>
Neil Westreich	
David Whitehouse*	<i>Appointed 9 April 2024</i>

- * Player Director
- # Member of the Audit Committee
- ° Member of the Events Committee
- Member of the Nominations Committee
- ‡ Member of the Investment Committee
- ‡ Member of the Premises Committee
- † Member of the Sustainability Committee
- ∅ Member of the Equity, Diversity and Inclusion Steering Committee

Secretary
David Burke



Key Management personnel

Chief Executive	David Burke
Artistic Director	Elena Dubinets
Finance Director	Frances Slack
Campaigns & Projects Director	Nicholas Jackman
Concerts Director	Roanna Gibson
Development Director	Laura Willis/ Olivia Highland (maternity cover Jan 2025 onwards)
Education & Community Director	Talia Lash
Marketing & Communications Director	Kath Trout

Governing Document

The London Philharmonic Orchestra Limited ('The Company') was formed as a private limited Company on 6 October 1939, registration number 357059 and is registered with the Charity Commission under Charity Number 238045. The Directors therefore carry out the role of Trustees under Charities legislation. The Company is governed by its Memorandum and Articles of Association last amended on 22 May 2012.

Board of Directors/Trustees

The London Philharmonic Orchestra is owned by its shareholding members, who are the Orchestra's musicians whose name appears on the 'Orchestral list' ('Members'). There are a maximum 80 members, and shares for any vacant position are held by the President.

Under the updated Memorandum and Articles of Association approved at the Company's AGM on 22 May 2012, the membership can elect up to eleven Non-Executive Directors and seven Player Directors. This change ensures compliance with the latest updates to the Charities Act, whilst strengthening the Board's capacity in key areas such as governance and fundraising. The Chair of the Orchestra is elected from the Non-Executive Directors, whilst the Chair of the Players' Committee, a member of the Orchestra, also takes the title President.

Organisation

The Board is responsible for monitoring the Company's core business and provides the Company with access to advice and guidance in the new areas of the Company's operations. The level of membership is continually reviewed to ensure effective governance of the Company. Eight subcommittees of the Board have been established with delegated responsibilities for audit, development, investment, the annual Gala, nominations, marketing, premises, and player issues. Authority for the day-to-day management of the Company has been delegated to the Chief Executive and the Artistic Director.

An Advisory Council was also established on 22 May 2012, whose members advise and assist the Board on matters of strategic and/or orchestral importance without formal governance responsibility.

Governance code

Strong governance and management are critical to our success and reputation. We have a Board of Trustees that takes overall responsibility for the charity and our work. They are responsible for ensuring we are effectively and properly run and meet our goals as a charity. Our Board is responsible for:

- Furthering our overall purpose, as set out in our governing document and setting our direction and strategy
- Ensuring our work is effective, responsible and legal
- Safeguarding our finances, resources and property and ensuring they are used to further our purpose
- Being accountable to those with an interest or stake in what we do or who regulates us
- Establishing clear boundaries with the staff, musicians and contractors who carry out our work between the governance role of the Board and operational or day-to-day matters ensuring the Board operates effectively.

The Board reviews its own governance practice annually against the Charity Governance Code, with no major concerns identified.



Advisory Council

The members of the Advisory Council at the time of signature are below.

Roger Barron (Chairman)
Christopher Aldren
Kate Birchall*
Richard Brass
Helen Brocklebank
YolanDa Brown OBE
David Buckley#
Simon Burke
Simon Callow CBE
Desmond Cecil CMG
Jane Coulson
Andrew Davenport
Guillaume Descottes
Cameron Doley
Lena Fankhauser
Christopher Fraser OBE
Jenny Goldie-Scot
Jonathan Harris CBE FRICS
Nicholas Hely-Hutchinson DL
Dr Catherine C. Høgel•°≠
Martin Höhmann*≠#•‡ Ø
Jamie Korner‡
Andrew Neill
Nadya PowellØ
Sir Bernard Rix
Victoria Robey CBE≠
Baroness Shackleton
Thomas Sharpe KC
Julian Simmonds≠
Daisuke Tsuchiya
Mark Vines*
Chris Viney
Laurence Watt
Elizabeth Winter

- * Player Director
- # Member of the Audit Committee
- ° Member of the Events Committee
- Member of the Nominations Committee
- ‡ Member of the Investment Committee
- ≠ Member of the Premises Committee
- Ø Member of the Equity, Diversity and Inclusion Steering Committee

Recruitment and training of Trustees

Player Directors are appointed by the members at the Annual General Meeting of the Company after nomination by at least two Company members as required by the Company's Articles of Association. Non-Executive Directors are recommended to the Board by the Nominations Committee and can be appointed to the Board either to fill a vacancy or as an additional Trustee. Any Trustee so appointed shall hold office only until the next Annual General Meeting. The Articles also provide that only those persons who are named on the Orchestral List may be a member of the Company.

New Trustees and Council members undergo an orientation to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Board and decision making processes, the business plan and recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role. New Player Board members are offered coaching from professional coaches as part of their induction.

Related Parties and co-operation with other organisations

Board member Jamie Njoku-Goodwin is a Trustee of Britten Pears Arts, and until early September 2023 sat on the National Council of Arts Council England. Chief Executive David Burke and President Mark Vines hold ex-officio positions on the board of Henry Wood Hall, a charitable rehearsal space where the Orchestra regularly rehearses. Catherine Høgel, David Burke and David Buckley are Trustees of The London Philharmonic Trust. During the year, playing members of the Board received no remuneration for the additional duties resulting from being members of the Board, with the exception of the President, Vice-President and Vice-Chair of the player committee, as disclosed in note 6. David Whitehouse is director of Slidesymphony Ltd who provide musical services to the Orchestra receiving performance fees and expenses on the same scale as those paid to other playing members in respect of their performances with the Orchestra as per the MU collective agreement. The fees paid are included within note 6, Trustee emoluments on page 32.

The Orchestra has a trading subsidiary, of which David Buckley, Mark Vines, Catherine Høgel and David Burke are directors. All group transactions between the charity and its subsidiary are eliminated on consolidation. A management charge of £746 (2023: £1,810) was charged during the year representing LPO Trading Limited's share of group overheads and other passed on costs. The trading company generated a modest profit of £1,287 (2023: £3,647). At the year end the outstanding balance of £1,981 (2023: £8,323) was due to the charity.



Trustees

The Trustees who served throughout the year and subsequent to the year end and the beneficial interests of the Trustees in the Company's shares at 31 August 2024 and 1 September 2023 were:

	Ordinary shares of £1 each	
	31 Aug 24	31 Aug 23
Kate Birchall (Vice-President)	1	1
Simon Estell	1	1
Kate Leek	1	1
Minn Majoe	1	1
Tania Mazzetti	1	1
Mark Vines (President)	22	1
David Whitehouse	1	1

Employment Policy

The Orchestra is an equal opportunities employer. Full and fair consideration is given to all job applications. Regular consultation is given between all staff and their managers, with due consideration given to their training and employment needs. Meetings take place on a regular basis with all staff and departmentally to ensure all employees are aware of the Orchestra's activities and performance.

Pay policy for senior staff

Staff salaries are set by the Chief Executive, in consultation with the Finance Director. The Chief Executive and the Artistic Director salaries are set by the Chairman and President. (The position of Chairman is an unpaid position). Payment for equivalent roles are tracked where possible and used for benchmarking purposes.

Statement of Trustees' Responsibilities



The Trustees (who are also directors of the London Philharmonic Orchestra for the purposes of company law) are responsible for preparing the Strategic Report and the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. 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;
- make judgments 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to re-appoint Crowe UK LLP as the Company's auditors will be proposed at the forthcoming Annual General Meeting.

Disclosure of Information to Auditors

Insofar as each of the trustees/directors of the charity at the date of approval of this report is aware there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each trustee/director has taken all of the steps that he/she should have taken as a trustee/director in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The Trustees' Report and Strategic Report were approved by the Board of Trustees and signed on behalf of the Board on 27 January 2025.

A handwritten signature in black ink, appearing to read 'Catherine Høgel', is placed above the printed name.

Catherine Høgel
Trustee (Chair)

A handwritten signature in black ink, appearing to read 'Mark Vines', is placed above the printed name.

Mark Vines
Trustee (President)



Independent Auditor's Report

To the Members of the London Philharmonic Orchestra Limited

Opinion

We have audited the financial statements of London Philharmonic Orchestra Limited (the "charitable company") and its subsidiary (the "group") for the year ended 31 August 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 trustee's 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Independent Auditor's Report *cont.*



Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 statement of trustees' responsibilities set out on page 18, 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 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 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

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.

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

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

Irregularities, including fraud, are instances of noncompliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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 might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were health and safety legislation, taxation legislation, employment legislation, and General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, tested the application of cut-off and revenue recognition, particularly around voluntary income and grants; reviewing accounting estimates for

Independent Auditor's Report *cont.*



biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.

For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect noncompliance with all laws and regulations.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in dark ink, appearing to read 'Jayne Rowe', is located below the 'Use of our report' section.

Jayne Rowe
Senior Statutory Auditor
For and on behalf of
Crowe UK LLP
Statutory Auditor
London
Date: 03 April 2025

Consolidated Statement of Financial Activities

(incorporating an income and expenditure account)
Year ended 31 August 2024

	Note	Unrestricted Funds 2024	Restricted Funds 2024	Endowment 2024	Total Funds 2024	Total Funds 2023
		£	£	£	£	£
Income from						
Donations and legacies	2	2,688,170	1,325,644	129,120	4,142,934	5,207,730
Charitable Activities	3	8,415,983	-	-	8,415,983	7,362,197
Other trading activities		23,002	-	-	23,002	22,000
Investments	4	60,120	94,815	-	154,935	166,238
Total Income		11,187,275	1,420,459	129,120	12,736,854	12,758,165
Expenditure on						
Raising funds	5	525,851	18,895	-	544,746	536,353
Charitable activities	5	9,979,779	1,340,019	20,520	11,340,318	13,434,919
Total Expenditure		10,505,630	1,358,914	20,520	11,885,064	13,971,272
Net income/(expenditure) for the year before investment gains						
		681,645	61,545	108,600	851,790	(1,213,107)
Gains on revaluation of Fixed Assets		25,000	-	-	25,000	-
Net gains/(losses) on investments		-	-	265,521	265,521	(40,485)
Net movement in funds		706,645	61,545	374,121	1,142,311	(1,253,592)
Reconciliation of Funds						
Total funds brought forward as at 1 September 2023	18	4,986,562	206,164	2,823,182	8,015,908	9,269,500
Total funds carried forward as at 31 August 2024	18	5,693,207	267,709	3,197,303	9,158,219	8,015,908

The above results are from continuing activities and there are no other gains and losses except as stated above. The accompanying notes on pages 25–43 form part of these financial statements.

Consolidated and Charity Balance Sheets

Year ended 31 August 2024

	Note	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Fixed assets					
Tangible assets	11	617,470	653,604	617,470	653,604
Investments	12	4,826,938	4,423,665	4,826,938	4,423,665
Current assets		5,444,408	5,077,269	5,444,408	5,077,269
Stock and Work in progress	13	89,633	91,627	89,633	91,627
Debtors	14	4,811,529	3,749,373	4,812,765	3,751,697
Cash at bank and in hand		540,271	836,791	516,714	826,667
		5,441,433	4,677,791	5,419,112	4,669,991
Creditors: amounts falling due within one year	15	(1,727,622)	(1,719,152)	(1,705,301)	(1,711,352)
Net current assets		3,713,811	2,958,639	3,713,811	2,958,639
Creditors: amounts falling due in more than one year	16	-	(20,000)	-	(20,000)
Net assets		9,158,219	8,015,908	9,158,219	8,015,908
Capital and reserves					
Unrestricted funds					
Called up share capital	17	80	80	80	80
General (Risk) reserve	18	1,385,473	1,342,694	1,385,473	1,342,694
Revaluation reserve	18	371,000	346,000	371,000	346,000
Designated Fund 1 : Fixed Assets	18	246,470	307,604	246,470	307,604
Designated Fund 2: Special Projects	18	2,200,000	2,000,000	2,200,000	2,000,000
Designated Fund 3: Innovation	18	500,000	500,000	500,000	500,000
Designated Fund 4: COVID appeal	18	490,184	490,184	490,184	490,184
Designated Fund 5: Premises Transition	18	500,000	-	500,000	-
Restricted Funds					
Endowment Fund Interest	18	149,716	146,164	149,716	146,164
Capital Campaign		57,993	-	57,993	-
Education, touring and concert work		60,000	60,000	60,000	60,000
Endowment Funds					
Endowment Funds - Catalyst	18	3,197,303	2,823,182	3,197,303	2,823,182
Equity shareholders' funds/(deficit)		9,158,219	8,015,908	9,158,219	8,015,908

The Trustees have prepared group accounts in accordance with section 298 of the Companies Act and section 138 of the Charities Act 2011. The charity has taken exemption from presenting its unconsolidated profit and loss account under section 408 of the Companies Act 2006. The net gain of the charity in 2024, after gains on investments and transfer of profits from the trading company (£1,287) was £1,142,311 (2023: £1,253,592 loss).

These financial statements for the company (Company Registration Number 0035705) were approved by the Board of Trustees on 27 January 2025. The accompanying notes on pages 25–43 form part of these financial statements.
Signed on behalf of the Board of Trustees



Catherine Høgel
Trustee (Chair)



Mark Vines
Trustee (President)

Consolidated Cash Flow Statement

Year ended 31 August 2024

	Group and charity 2024	Group and charity 2023
	£	£
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	(301,583)	(2,445,945)
Cashflows from investing activities	-	-
Dividends, interest and rents from investments	154,935	166,238
Proceeds from the sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	(12,121)	(39,399)
Proceeds from the sale of investments	50,868	318,219
Purchase of investments	(58,476)	(625,277)
Net cash provided by (used in) investing activities	135,206	(180,219)
Cash Flows from financing activities	-	-
Net cash provided by (used in) financing activities	-	-
Change in cash and cash equivalents in the reporting period	(166,377)	(2,626,164)
Cash and cash equivalents at the beginning of the reporting period	2,546,279	5,172,443
Change in cash and cash equivalents due to exchange rate movements	-	-
Cash and cash equivalents at the end of the reporting period	2,379,902	2,546,279
Cash held as cash	540,271	836,791
Cash held as investments	1,839,631	1,709,488
	2024	2023
	£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	1,142,311	(1,253,592)
Adjustments for:	-	-
Depreciation charges	73,254	73,559
(Gains) / losses on investments	(265,521)	40,485
Dividends, interest and rents from investments	(154,935)	(166,238)
(Gain) on Revaluation of fixed assets	(25,000)	-
Loss / (profit) on the disposal of fixed assets	-	7,182
(Increase) / decrease in stocks	1,994	26,021
(Increase) / decrease in debtors	(1,062,156)	(1,503,295)
Increase / (decrease) in creditors	(11,530)	329,933
Net cash provided by (used in) operating activities	(301,583)	(2,445,945)



Notes to the accounts

1 Company Information

London Philharmonic Orchestra Limited is a registered charity and as such is a non-profit making organisation, limited by shares. The number of members at 31 August 2024 is 63 and their liability on a liquidation is limited to £1 each.

London Philharmonic Orchestra Limited is registered as a limited liability company in England and Wales under number 357059 and its registered office is 89 Albert Embankment, London SE1 7TP. It is also a Public Benefit Entity registered with the Charity Commission under number 238045.

Accounting policies

Critical accounting judgements and key areas of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods. The most significant estimate within the financial statements relates to the accrued income for the Orchestral Tax Credit for the 2023/24 period. As is consistent with prior years, this claim is yet to be submitted to HMRC. The Orchestra works with professional advisors to review, prepare and submit the claim, and have prepared this year's figures on a basis consistent with prior years. Previous years' claims have been received in a timely manner.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

a) Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – Charities SORP (FRS 102) 2nd edition, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The consolidated financial statements incorporate the financial statements of the Charity and its 100% owned subsidiary London Philharmonic Trading Ltd (Company Number 9979254).

The Trustees have departed from the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in note 6, 'Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel' to show the musicians' payments for playing in the Orchestra in aggregate. The Trustees feel that this is necessary to avoid reducing the pool of available Trustees required to successfully govern the Orchestra. These Player-Directors are not remunerated for their services as Trustees.

The London Philharmonic Orchestra meets the definition of a Public Benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Preparation of the accounts on a going concern basis

The Orchestra has demonstrated its ability to adapt its activities through what has continued to be a turbulent period for the economy and the sector, including a period of high inflation. The confirmation of the permanent extension of the higher rate of Orchestra Tax Relief of 45% has given certainty over this expected future value of this income stream. The Orchestra considers there to be a reasonable expectation that a proportionate element of fundraising will continue, based on existing pledges, ongoing conversations and cautious expectations. In the event that projected fundraising income is not received, the Orchestra is still confident it could cover its costs, but this would be likely to impact planned activities. On this basis of ongoing receipt of Arts Council Grant, current reserve levels that can be appropriately utilised if required, and ongoing activities (including an element of fundraising), the Trustees are confident that the company is a going concern.

c) Accounting convention

The financial statements are prepared under the historical cost convention with the exception of the revaluation of the Sanctus Seraphin violin, valuation of investments and the music library at its 1993 valuation as permitted in FRS 102.



d) Foreign currency

The functional currency of the Orchestra is considered to be in pounds sterling because that is the currency of the primary economic environment in which the charity/group operates. The financial statements are presented in pounds sterling.

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year-end, in accordance with FRS102. Any gains or losses arising on translations are reported as part of the transaction within the SOFA and are not material; they are therefore not disclosed separately.

e) Fund accounting

Unrestricted funds:

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the objectives of the Charity and which have not been designated for other purposes.

Designated funds are unrestricted funds, which have been applied or reserved by the Trustees for a specific purpose. The aim and use of each designated fund is set out in the notes to the accounts.

Revaluation Funds relates to revaluations of the Sanctus Seraphin violin and the music library.

Restricted funds are those which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The purpose for which restricted funds are held is analysed in the notes to the accounts (see note 18).

The expendable Endowment comprises monies that must be held as capital and spent over a minimum 25 years. Interest from the endowment is credited to restricted funds and applied to joint projects between the Orchestra and its regular venues under the terms of the endowment.

f) Income

Voluntary income including donations, gifts and legacies and grants that are of general nature are recognised where there is entitlement, receipt is more probable than not and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Legacies are included in the financial statements as income in the year in which the charity is notified and when the value and entitlement of the legacy is known with reasonable certainty.

Income from the charitable trading operation is recognised as earned (as the related goods and services are provided).

Investment income is recognised on a receivable basis.

g) Donated services and facilities

Donated services and facilities are included at the value to the charity where this can be quantified. No amounts are included in the financial statements for services donated by volunteers. Gifts in Kind are included at current market value where their value is ascertainable and material. The estimated valuation of gifts in kind is based on the value of the contribution to the charity, or the valuation the charity would have had to pay to acquire the assets.

h) Government Grants

Government grants are recognised on the performance model, when the organisation has complied with any conditions attaching to the grant and the grant will be received.

i) Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance-related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that result in the payment being unavoidable.

- Costs of raising funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with the performance of concerts and educational programmes and include both the direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. per capita, staff costs by the time spent and other costs by their usage.



j) Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation, which is provided in equal annual instalments over the estimated useful lives of the assets.

The rates of depreciation are applied as allocated support costs (see note 5) and are charged at a rate of:

- Leasehold improvements: 10% straight line (over term of lease)
- Music library: 4% straight line
- Computer equipment (PCs/laptops): 33% straight line
- Computer equipment (servers/IT infrastructure): 20% straight line
- Furniture, fixtures, fittings and office equipment: 15% reducing balance
- Musical instruments: 10% reducing balance
- Motor vehicles: 15% straight line
- Sanctus Seraphin violin: not depreciated

The Sanctus Seraphin violin has not been depreciated on the basis of it being an appreciating asset. The violin was last valued in 2024 and the increase in value reflected in the accounts. Assets over £1,000 are capitalised.

k) Stocks and work in progress

Own-label CDs in the course of development at the Balance Sheet date are valued at cost. Stock is stated at the lower of cost or net realisable value.

l) Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

m) Pensions

Pension costs are recognised in the accounts when they are paid. The Company does not operate its own pension scheme, but offers to make contributions into employees' private schemes or alternatively contributes to an external auto-enrolment scheme. Pensions are allocated from unrestricted funds, as no restricted funding directly covers employee costs. Total payments are as per note 6 in the accounts.

n) Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transactions value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and debtors excluding prepayments. Financial liabilities held at amortised cost comprise creditors excluding other taxes and social security and deferred income and income in advance.

o) Debtors

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

p) Creditors

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

q) Investments

Listed investments are stated at the market closing price on 31 August 2024. Gains and losses in the year are taken to the Statement of Financial Activities.

r) Cash

Cash at bank and in hand includes all forms of cash and deposits readily available on demand, except those designated as investments. These cash balances are used in our cash flow statements and future cash projections.

Notes to the accounts *cont.*

2 Income from Donations and Legacies

	Total Funds	Total Funds
	2024	2023
	£	£
Gifts and memberships	2,130,052	3,119,184
Donated goods and services	84,166	51,206
Grants from government and other public bodies (see note 8)	1,928,716	2,037,340
	4,142,934	5,207,730

Development income for the year was £2.1m, alongside £129k from legacies that have been put into the endowment and £1.9m from Arts Council England (£73k restricted). £66k of development income was restricted towards capital. A further £749k of unrestricted income was received, and £1.2m restricted. Included in the restricted funds were £443k towards Education and Community work, and £742k towards the London concert season and projects including the Conducting Fellowship.

The comparative figure for the prior year was £3.2m in development income, alongside £8k legacies and

£2m from Arts Council England (£49k restricted). Other restricted income included £421k towards education and £639k towards the London concert season.

The charity is grateful for in-kind support from, among others, Jeroboams, Lindt, and Neal's Yard. The total value of all in-kind support is estimated at £84,166 (2023: £51,206). The estimated value of these goods and services is recognised within unrestricted incoming resources as a donation, and an equivalent charge being included in unrestricted expenditure under charitable activities.

3 Income from charitable activities

	Total	Total
	Funds	Funds
	2024	2023
	£	£
Ticket and programme sales	1,763,426	1,443,900
Performance fees	4,661,132	3,816,020
Recording Label & Streaming	162,041	226,054
Other Income	1,829,384	1,876,223
	8,415,983	7,362,197

4 Investment income

	2024	2023
	£	£
Dividend	83,552	67,212
Investment Interest	25,600	51,845
Bank Interest	45,783	47,181
	154,935	166,238

Notes to the accounts *cont.*

5 Analysis of Expenditure

Net income stated after charging:	2024	2023
	£	£
Operating Lease rentals	186,240	192,455
Depreciation	73,255	73,558
Fees payable to the company's auditors for taxation purposes	9,300	21,080
Fees payable to the company's auditors for the audit of the Company's annual accounts	33,200	31,000

Charitable Activities

	Concert Promotions of Orchestra	Engagements and Tours	Education Activities	Total 2024	Total 2023
	£	£	£	£	£
Orchestra fees	2,205,237	2,453,707	205,376	4,864,320	4,248,984
Conductor, Soloist, & Choir fees	1,018,744	397,533	90,177	1,506,454	1,896,928
Travel, Hire, subsistence and accommodation	337,439	1,016,149	67,143	1,420,731	1,146,252
Presentation, Marketing & Programme costs	769,635	619	20,812	791,066	741,775
House rentals and Promotor Commissions	569,585	51,950	55,657	677,192	641,435
LPO Recording Label	140,892	-	-	140,892	172,818
Subscriptions and professional assistance	-	-	56,389	56,389	44,069
Other Direct Costs	635,962	194,453	265,705	1,096,120	988,334
Support Costs	343,333	343,333	100,488	787,154	756,865
Capital project - London Philharmonic Trust transfer	-	-	-	-	2,797,459
Total	6,020,827	4,457,744	861,747	11,340,318	13,434,919

Expenditure on charitable activities was £11,340,318 (2023: £13,434,919), of which £9,979,779 was unrestricted (2023: £10,147,762) and £1,340,019 was restricted (2023: £3,270,951).

Cost of raising funds

	Total 2024	Total 2023
	£	£
Direct Costs	464,937	459,361
Support Costs	79,809	76,992
Total	544,746	536,353

Notes to the accounts *cont.*

Allocation of Support costs

	Operations of Orchestra	Costs of Raising Funds	Total 2024	Total 2023
	£	£	£	£
Apportioned staff costs	418,987	-	418,987	395,052
Rent and Rates	109,029	26,743	135,772	127,901
Office overhead costs	105,603	25,903	131,506	110,575
Legal and other professional fees	2,409	591	3,000	18,038
Audit and tax advice	42,795	-	42,795	47,928
Finance Charges	17,974	4,409	22,383	29,385
Deprecitation	30,675	7,524	38,199	38,503
Travel, expenses etc	59,682	14,639	74,321	66,475
Total	787,154	79,809	866,963	833,857



6 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

The number of persons employed by the Company, including Trustees with contracts of service, were as follows:

	2024	2023
	No.	No.
Average No	43	41

The number of persons employed by the Company, including Trustees with contracts of service, were as follows (FTE):

	2024	2023
	No.	No.
Administration	5	5
Concert management	13	13
Education	4	4
Marketing	9	9
Development	8	8
Other	1	1
	40	40

Staff costs incurred during the year in respect of these employees were:

	2024	2023
	£	£
Wages and salaries	1,722,099	1,584,919
Social security costs	174,260	161,891
Other pension costs	109,933	98,324
	2,006,292	1,845,134

The number of senior staff (including Trustees with contracts of service) paid over £60,000 during the year (salary plus taxable benefits excluding pension contributions) was:

	2024	2023
	No.	No.
£60,001 to £70,000	3	1
£70,001 to £80,000	1	1
£80,001 to £89,000	1	-
£90,001 to £100,000	-	1
£100,000 to £110,000	-	-
£110,000 to £120,000	1	1

The pension contributions for the provision of money purchase schemes in respect of the higher-paid employees above totalled £121,236 (2023: £93,811).

Notes to the accounts *cont.*



The Key Management personnel of the Charity comprises the President, Vice-President, Vice-Chair of the Player Committee, Chief Executive, Artistic Director (also trustees), Finance Director, Campaigns and Projects Director, Concerts Director, Development Director, Education and Community Director, and Marketing and Communications Director. Total remuneration paid to key management personnel was £801,661 (2023: £759,770).

The seven Trustees who are playing members of the Orchestra received performance fees and expenses on the same scale as those paid to other playing members in respect of their performances with the Orchestra as per the MU collective agreement.

In addition to fees payable to the President, Vice-President, Vice-Chair of the Player Committee, Chief Executive and Artistic Director, one trustee claimed expenses of £25 in the year (2023: £0).

Trustees' emoluments

	2024	2024	2023	2023
	£	£	£	£
	Salary	Pension	Salary	Pension Restated
Kate Birchall	1,661	-	-	-
David Burke	112,503	32,098	110,458	26,831
Elena Dubinets	85,315	59,898	96,526	39,722
Martin Hohmann	14,252	855	20,800	1,248
Minn Majoe	830	-	-	-
Mark Vines	11,077	665	5,500	300
Performance fees & expenses to seven player directors	341,721		313,075	

This note is not compliant with the SORP, which requires remuneration to all musicians on the board (Player Directors) to be presented alongside the format used above for the President, Vice-President, Vice-Chair of the Player Committee and Chief Executive. The Trustees feel that to do so will have an adverse effect on the effective operation of the charity as musicians are reluctant to act as Trustees if that role requires disclosure of fees received as this can result in comparison of remuneration with their peers. This would result in reducing the pool of available Trustees required to successfully govern the Orchestra. These Player Directors are not remunerated for their services as Trustees. The total amount of donations received from the Trustees directly associated with the Charity and their related parties is £304,867 (2023: £784,127).

7 Related Parties

Board member Jamie Njoku-Goodwin is a Trustee of Britten Pears Arts, and until early September 2023 sat on the National Council of Arts Council England. Chief Executive David Burke and President Mark Vines hold ex-officio positions on the board of Henry Wood Hall, a charitable rehearsal space where the Orchestra regularly rehearses. Catherine Høgel, David Burke and David Buckley are Trustees of The London Philharmonic Trust. During the year, playing members of the Board received no remuneration for the additional duties resulting from being members of the Board, with the exception of the President, Vice-President and Vice-Chair of the player committee, as disclosed in note 6. David Whitehouse is director of Slidesymphony Ltd who provide musical services to the Orchestra receiving performance fees and expenses on the same scale as those paid to other playing members in respect of their performances with the Orchestra as per the MU collective agreement. The fees paid are included within note 6, Trustee emoluments on page 32.

The Orchestra has a trading subsidiary, of which David Buckley, Mark Vines, Catherine Høgel and David Burke are directors. All group transactions between the charity and its subsidiary are eliminated on consolidation. A management charge of £746 (2023: £1,810) was charged during the year representing LPO Trading Limited's share of group overheads and other passed on costs. The trading company generated a modest profit of £1,287 (2023: £3,647). At the year end the outstanding balance of £1,981 (2023: £8,323) was due to the charity.



8 Grants receivable from government and other public bodies

Grant income

	2024	2023
	£	£
Arts Council of England	1,830,223	1,975,814
South Bank Centre Residency subsidy	25,446	61,526
Arts Council England Transform (Restricted)	73,047	-
	1,928,716	2,037,340

9 Changes in grants deferred

		Grants received	Utilised in year	Balance 31 August 2024
	£	£	£	£
Arts Council of England	-	1,830,223	(1,830,223)	-
South Bank Centre Residency subsidy	-	25,446	(25,446)	-
Arts Council England Transform (Restricted)	-	164,520	(73,047)	91,473
	-	2,020,189	(1,928,716)	91,473

10 Taxation

LPO is eligible under Part 11 Corporation Tax Act 2010 and section 271 Taxation of Chargeable Gains Act 1992 to exemption from taxes on income, donations and capital gains arising from the pursuit of its charitable objectives. LPO Trading Ltd donates its profits to the LPO and therefore is not liable to pay capital gains or corporation tax. The Orchestra has taken advantage of the Orchestra Tax Relief made available by the Finance Bill 2016. See Accounting Policies within 'Critical Accounting Judgements and Key Areas of Estimation Uncertainty' for further details.

Notes to the accounts *cont.*

11 Tangible fixed assets – Group and Charity

	Leasehold improve- ments	Vehicle	Music Library	Computer equipment	Furniture, Fixtures fitting and office equipment	Musical instruments	Sanctus Seraphin Violin	Total
	£	£	£	£	£	£	£	£
Cost or valuation								
At 31 August 2023	59,985	233,678	267,211	164,609	315,218	240,299	400,000	1,681,000
Additions	-	-	762	3,557	-	7,802	-	12,121
Disposals	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	25,000	25,000
At 31 August 2024	59,985	233,678	267,973	168,166	315,218	248,101	425,000	1,718,121
Accumulated depreciation								
At 31 August 2023	48,851	140,220	262,933	101,305	302,402	171,685	-	1,027,396
Charges for the year	2,324	35,055	174	25,299	3,001	7,402	-	73,255
Disposals	-	-	-	-	-	-	-	-
At 31 August 2024	51,175	175,275	263,107	126,604	305,403	179,087	-	1,100,651
Net book value								
At 31 August 2024	8,810	58,403	4,866	41,562	9,815	69,014	425,000	617,470
At 31 August 2023	11,134	93,458	4,278	63,304	12,816	68,614	400,000	653,604

Musical instruments are generally contemporary, low-value instruments whose value is fairly represented by the written down cost of such instruments. The Sanctus Seraphin violin is used during performances and has aesthetic and musical qualities, but also intrinsic value. Consequently, this violin was valued at a current market value of £425,000 at 31 August 2024 by J&A Beare, London, Members of the British Antique Dealers Association; Dealers, restorers and makers of fine violins, violas, cellos and bows. The original historic cost of the violin was £35,000. The Trustees are not aware of any material changes since the last valuation.

The music library was revalued at £250,000 in 1993. No historical information is available with respect to the music library's net book value under historic cost convention, as the cost of acquiring the bulk of the library was expensed through the income and expenditure account over a number of years. Additions to the library since 1993 have been included at cost.

Notes to the accounts *cont.*

12 Investments – Group and Charity

	Cash	Traded Investments	Total
	£	£	£
Valuation at 1 September 2023	1,709,488	2,714,177	4,423,665
Additions at cost	-	58,476	58,476
Disposals at carrying value	-	(50,868)	(50,868)
Net increase in cash	130,144	-	130,144
Net gains/(losses)	-	265,521	265,521
Valuation at 31 August 2024	1,839,632	2,987,306	4,826,938

Valuation at 31 August 2024 are both actual and historic costs. Historic costs of traded investments as at 31 August 2024 are £2,638,691.

Investments by investment type

	2024	2023
	£	£
UK Bonds	303,201	288,194
UK Equity	964,003	852,867
International Equity	989,914	865,652
International Bonds	258,971	248,048
Infrastructure	130,150	126,070
Property	194,108	205,500
Other	146,960	127,846
Cash	1,839,631	1,709,488
	4,826,938	4,423,665

The Charity also has a 100% holding of 1 ordinary shares of £1 each in London Philharmonic Orchestra Trading Limited, a limited company incorporated and registered in England and Wales, company registration number 09979254. The subsidiary had income of £23,002 and expenditure of £21,714. Capital and reserves as at 31 August 2024 totalled £0.

13 Stocks and work in progress – Group and Charity

	2024	2023
	£	£
Stocks of own-label recorded CDs	24,928	25,981
Work in progress of own-label CDs not released	64,705	65,646
	89,633	91,627



14 Debtors

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£	£	£	£
Trade debtors	108,927	60,369	108,182	54,369
Intercompany debtors	-	-	1,981	8,324
Other debtors	231,202	138,041	231,202	138,041
Prepayments	731,119	273,425	731,119	273,425
Accrued Income	3,740,281	3,277,538	3,740,281	3,277,538
	4,811,529	3,749,373	4,812,765	3,751,697

15 Creditors: amounts falling due within one year

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£	£	£	£
Trade creditors	405,275	206,974	404,529	206,974
Intercompany creditors	-	-	75	-
Value Added Tax	146,127	52,604	146,427	51,604
Other taxes and social security	61,449	71,913	61,449	71,913
Other creditors	92,702	117,084	92,702	117,084
Accruals	272,196	490,126	270,246	488,326
Deferred income and income in advance < 1yr	749,873	780,451	729,873	775,451
	1,727,622	1,719,152	1,705,301	1,711,352

£780,451 of deferred income within one year was brought forward from 2022/23. This was all recognised in 2023/24. The balance carried forward as at year end was £749,873.

16 Creditors: amounts falling due in more than one year – Group and Charity

	2024	2023
	£	£
Deferred income and income in advance > 1yr	-	20,000
	-	20,000



17 Called up share capital

	2024	2023
	£	£
Authorised		
200 ordinary shares of £1 each	200	200
Allotted, called up and fully paid		
80 ordinary shares of £1 each	80	80

18 Reserves – Group

	Balance at 1 September 2023	Income	Expenditure	Transfer of amount	Balance at 31st August 2024
	£	£	£	£	£
<i>Unrestricted Funds</i>					
Called up share capital	80	-	-	-	80
General (risk) reserve	1,342,694	11,175,154	(9,623,098)	(1,509,277)	1,385,473
Revaluation reserve	346,000	25,000	-	-	371,000
	1,688,774	11,200,154	(9,623,098)	(1,509,277)	1,756,553
<i>Designated Funds</i>					
Designated fund (1) Fixed Asset	307,604	12,121	(73,255)	-	246,470
Designated fund (2) Special Project	2,000,000	-	(640,591)	840,591	2,200,000
Designated fund (3) Innovation	500,000	-	(168,686)	168,686	500,000
Designated fund (4) Covid Appeal	490,184	-	-	-	490,184
Designated fund (5) Premises Transition	-	-	-	500,000	500,000
	3,297,788	12,121	(882,532)	1,509,277	3,936,654
<i>Restricted Funds</i>					
London, Touring and Education	60,000	1,260,019	(1,340,019)	80,000	60,000
Endowment Fund interest	146,164	83,552	-	(80,000)	149,716
Capital Campaign	-	76,888	(18,895)	-	57,993
	206,164	1,420,459	(1,358,914)	-	267,709
<i>Endowment Fund</i>					
Catalyst	2,823,182	394,641	(20,520)	-	3,197,303
Total Funds	8,015,908	13,027,375	(11,885,064)	-	9,158,219

Notes to the accounts *cont.*

18 Reserves – Group *cont.*

The above funds carried forward as at 31 August 2024 represent:

	Tangible assets	Investment assets	Fixed assets	Net current assets	Total
	£		£	£	£
<i>Unrestricted Funds</i>					
Called up share capital	-	-	-	80	80
General (risk) reserve	-	478,505	-	906,968	1,385,473
Revaluation reserve	371,000	-	-	-	371,000
	371,000	478,505		907,048	1,756,553
<i>Designated Funds</i>					
Designated fund (1) Fixed Asset	246,470	-	-	-	246,470
Designated fund (2) Special Project	-	990,151	-	1,209,849	2,200,000
Designated fund (3) Innovation	-	-	-	500,000	500,000
Designated fund (4) Covid Appeal	-	-	-	490,184	490,184
Designated fund (5) Premises Transition	-	-	-	500,000	500,000
	246,470	990,151		2,700,033	3,936,654
<i>Restricted Funds</i>					
London, Touring and Education	-	-	-	60,000	60,000
Endowment Fund Interest	-	149,716	-	-	149,716
Capital Campaign	-	11,263	-	46,730	57,993
	-	160,979		106,730	267,709
<i>Endowment Fund</i>					
Catalyst	-	3,197,303	-	-	3,197,303
Total Funds	617,470	4,826,938		3,713,811	9,158,219

Notes to the accounts *cont.*

18a Prior Year Comparison

	Balance at 1 September 2022	Income	Expenditure	Transfer of amount	Balance at 31st August 2023
	£	£	£	£	£
<i>Unrestricted Funds</i>					
Called up share capital	80	-	-	-	80
General (risk) reserve	1,114,503	10,386,197	(9,064,429)	(1,093,577)	1,342,694
Revaluation reserve	346,000	-	-	-	346,000
	1,460,583	10,386,197	(9,064,429)	(1,093,577)	1,688,774
<i>Designated Funds</i>					
Designated fund (1) Fixed Asset	348,946	39,399	(80,741)	-	307,604
Designated fund (2) Special Project	2,000,000	-	(503,577)	503,577	2,000,000
Designated fund (3) Innovation	500,000	-	(90,000)	90,000	500,000
Designated fund (4) Covid Appeal	765,169	15	(275,000)	-	490,184
Designated fund (5) Premises Transition	100,000	-	(500,000)	400,000	-
Designated fund (6) Capital	-	-	(100,000)	100,000	-
	3,714,115	39,414	(1,549,318)	1,093,577	3,297,788
<i>Restricted Funds</i>					
London, Touring and Education	50,000	1,060,782	(1,050,782)	-	60,000
Endowment Fund interest	78,952	67,212	-	-	146,164
Capital Campaign	982,484	1,196,505	(2,178,989)	-	-
London Philharmonic Trust	111,548	-	(111,548)	-	-
	1,222,984	2,324,499	(3,341,319)	-	206,164
<i>Endowment Fund</i>					
Catalyst	2,871,818	8,055	(56,691)	-	2,823,182
Total Funds	9,269,500	12,758,165	(14,520,334)	-	8,015,908

Notes to the accounts *cont.*

18a Prior Year Comparison *cont.*

The above funds carried forward as at 31 August 2023 represent:

	Tangible Fixed assets	Investment Fixed assets	Net current assets	Total
	£	£	£	£
<i>Unrestricted Funds</i>				
Called up share capital	-	-	80	80
General (risk) reserve	-	-	1,342,694	1,342,694
Revaluation reserve	346,000	-	-	346,000
	346,000	-	1,342,774	1,688,774
<i>Designated Funds</i>				
Designated fund (1) Fixed Asset	307,604	-	-	307,604
Designated fund (2) Special Project	-	1,454,320	545,680	2,000,000
Designated fund (3) Innovation	-	-	500,000	500,000
Designated fund (4) Covid Appeal	-	-	490,184	490,184
Designated fund (5) Premises Transition	-	-	-	-
Designated fund (6) Capital	-	-	-	-
	307,604	1,454,320	1,535,864	3,297,788
<i>Restricted Funds</i>				
London, Touring and Education	-	-	60,000	60,000
Endowment Fund interest	-	146,164	-	146,164
Capital Campaign	-	-	-	-
London Philharmonic Trust	-	-	-	-
	-	146,164	60,000	206,164
<i>Endowment Fund</i>				
Catalyst	-	2,823,182	-	2,823,182
Total Funds	653,604	4,423,666	2,938,638	8,015,908

Revaluation reserve: revaluations on assets held by the charity, principally the Sanctus Seraphin violin and the music library.

Designated fund: Designated funds are funds that have been set aside out of unrestricted funds by the Board for a specific purpose. £246,470 of this, along with the revaluation reserve of £371,000, represents the value of the fixed assets.

The designated COVID-19 Fund established in 2019/20 has been an important factor in enabling the organisation to budget to carry out a range of activity, in particular as the organisation adapted to changes in audience behaviour post-Covid. The fund balance stood at £490,184 at year end. The organisation plans to expend this over the coming 2–3 years, and will review plans in this regard in 2024/25 to best support the work of the Orchestra.



18a Prior Year Comparison *cont.*

The Orchestra utilised the Innovation Fund established in 2020/21, transfers of £168k were agreed, and the fund stands at £500k at year end. Projects supported by the fund are detailed in the financial review, page 10. This fund enables the organisation to trial new models across all of the Arts Council England Investment Principles. The fund will continue to offer a defined budget specifically ring-fenced for some of the special new initiatives outlined in the 2022/23 Business Plan. The fund will in future be promoted to appropriate donors and provide opportunities for people with special interest in these areas to support the Orchestra to reach new audiences and trial new approaches.

In 2023/24, £640,591 was expended from the Special Projects Fund for the performance of several large-scale programmes including the world premiere of Daniel Kidane's Violin Concerto, vocal works of Mozart's *Mass in C minor* and Haydn's *Creation*, Anne-Sophie Mutter as soloist in a programme of John Williams, and the conclusion of Wagner's *Ring Cycle*. £840,591 was transferred to the fund from the general (risk) reserve to bring the fund to the £2,200,000 level as at year end. The fund will continue to be used to enable large-scale projects and strategically important tours and advanced commissions to be upheld in these uncertain times. It is currently anticipated that this fund will be spent out over the next 4–5 years.

Restricted income of £1,420,459 was generated during the year and £1,358,914 was spent during the year. Included in the restricted funds were £443,728 towards Education and Community, and £741,539 towards the London concert season and projects, alongside interest from the Catalyst Endowment and Capital restricted funds (£94,815).

The Catalyst Endowment is an expendable endowment that has been established to enable co-programmed projects with key venues such as the Southbank Centre.

The remaining balance constitutes the charity's General (Risk) Reserve.

19 Operating lease commitments

Aggregate minimum lease payment commitments under non-cancellable operating leases are as follows:

	Land and buildings	Land and buildings
Expiry date:	2024	2023
Within one year	115,385	155,905
Between two and five years	100,099	215,484
	<u>215,484</u>	<u>371,389</u>



20 Prior Year comparative Statement of Financial Activity

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Endowment 2023 £	Total Funds 2023 £	Total Funds 2022 £
Income from						
Donations and legacies	2	2,983,647	2,216,028	8,055	5,207,730	4,301,743
Charitable Activities	3	7,362,197	-	-	7,362,197	6,200,689
Other trading activities		22,000	-	-	22,000	8,000
Investments	4	57,767	108,471	-	166,238	65,200
Total Income		10,425,611	2,324,499	8,055	12,758,165	10,575,632
Expenditure on						
Raising funds	5	465,985	70,368	-	536,353	534,760
Charitable activities	5	10,147,762	3,270,951	16,206	13,434,919	9,611,137
Total Expenditure		10,613,747	3,341,319	16,206	13,971,272	10,145,897
Net income for the year before investment gains		(188,136)	(1,016,820)	(8,151)	(1,213,107)	429,735
Gains on revaluation of Fixed Assets		-	-	-	-	-
Net (losses) on investments		-	-	(40,485)	(40,485)	(249,281)
Net movement in funds		(188,136)	(1,016,820)	(48,636)	(1,253,592)	180,454
Reconciliation of Funds						
Total funds brought forward as at 1 September 2022		5,174,698	1,222,984	2,871,818	9,269,500	9,089,046
Total funds carried forward as at 31 August 2023		4,986,562	206,164	2,823,182	8,015,908	9,269,500

The above results are from continuing activities and there are no other gains and losses except as stated above.



21 Trading Subsidiary

The London Philharmonic Orchestra is the sole shareholder of London Philharmonic Orchestra Trading Ltd, registered address 89 Albert Embankment, London SE1 7TP. Its taxable profits are donated to the London Philharmonic Orchestra Ltd except in specific circumstances. The trading result of the subsidiary and its assets, liability and funds at year end are summarised below.

	Year ended 31 August 2024	Year ended 31 August 2023
Turnover	23,002	22,000
Less: Cost of sales	20,969	16,543
Gross Profit	2,033	5,457
Operating profit	1,287	3,647
Less: Donation to parent charity	(1,287)	(3,647)
Retained profit for the year	-	-
Assets	23,932	16,124
Liabilities	23,931	16,123
Net funds	1	1

LONDON PHILHARMONIC ORCHESTRA LIMITED

England & Wales - Charity number 238045

Accounts



Consolidated Report and Financial Statements

31 August 2023

Charity number: 238045

Company number: 00357059





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Executive Summary



The London Philharmonic Orchestra celebrated its 90th anniversary in October 2022 and presented one of its strongest and innovative seasons.

The 2022/23 season, 'A Place to Call Home', was a deeply thoughtful and curated season, the first fully programmed by Artistic Director Elena Dubinets. With the turbulence taking place around the world, the season reflected what home can mean, and how composers have reflected on this in their music from a place of security or exile. New voices, such as Syrian Kinan Azmeh's or those throughout Heiner Goebbels's *A House of Call*, were heard alongside Elgar, Janáček and Shostakovich, and orchestral music was placed in contemporary context.

We were joined not only by our triumvirate of titled conductors: Edward Gardner, Karina Canellakis and Vladimir Jurowski, but others including Robin Ticciati, Klaus Mäkelä, Tan Dun, Thomas Adès, Kevin John Edusei and Karen Kamensek, and world-leading soloists Leif Ove Andsnes, Emanuel Ax, Jennifer France, Sol Gabetta, Randall Goosby, Augustin Hadelich, Anne-Sophie Mutter and Víkingur Ólafsson.

The Orchestra was delighted to be shortlisted for three Gramophone Awards during the year, including Orchestra of the Year, Opera Recording of the Year for Edward Gardner's *The Midsummer Marriage*, and Contemporary Recording of the Year for James MacMillan's *Christmas Oratorio*.

In addition to our residencies in London, Brighton, Eastbourne, Saffron Walden and Glyndebourne, the Orchestra was delighted to perform at Bridgewater Hall, Manchester; the Glasshouse, Gateshead; Royal Concert Hall, Nottingham; and Snape Maltings; and in London at the Royal Albert Hall for the BBC Proms and St Martin-in-the-Fields, the latter with an innovative staging sharing the music and life story of the Chevalier de Saint-Georges.

We were also delighted to reach out to many new audiences digitally. The Orchestra achieved 140 million streams during the year, increased social media presence by over 30% to 1.1 million – including becoming the world leading Orchestra on TikTok – and reached new audiences through innovative partnerships such as that with comedians Rob Beckett and Romesh Ranganathan which not only sold out the Royal Festival Hall, but reached 2 million on Sky TV.

Away from the concert platform, the Orchestra has deepened its relationships with communities on the South Coast of England through a new role of Regional Partnerships Manager, building grass-roots partnerships with local charities, Music Hubs and civic leaders. The enthusiasm shown to partner with the Orchestra is very exciting and reciprocated, and we look forward to watching this build further in the coming years.

We have also reached out further into our local community, partnering with St John's Waterloo to deliver rehearsals, workshops and community performances alongside our longstanding relationships with the Music Hubs of Lambeth, Southwark, Lewisham and Greenwich.

Our work with those living with disability through two specifically devised schemes for adults and young people continue to bring joy and creative freedom, with purpose-built instruments and over 50 group sessions over the year, culminating in the OrchLab Festival Day at the Royal Festival Hall. Our talent development strands continue to feed the sector, with an additional scheme providing development and performance opportunities for conductors from backgrounds currently under-represented in the sector.

Financially, the season offered more stability than the last two years, with audiences continuing to return post- COVID. The Orchestra made an operating surplus of £385k. The Statement of Financial Activities shows a loss during the year of £1,253k as this also includes an exceptional transfer of funds to the London Philharmonic Trust representing funds set aside for a capital scheme, leaving the Orchestra on a solid footing as it develops its plans for the next decade and its 100th anniversary!

Sincere thanks to everyone who has supported us during the year including Arts Council England, trusts and foundations, corporate partners and the many individuals who have donated what they can to support the work of this great Orchestra, and thank you to the musicians, guest artists, partners and staff who give so much to make the Orchestra and its work so special.

David Burke
Chief Executive

Elena Dubinets
Artistic Director

The LPO's 90th birthday celebrations on stage at Brighton Dome, 22 October 2022



Strategic Report – 31 August 2023



The Trustees are pleased to present their annual Trustees' Report together with the consolidated financial statements of the charity for the year ended 31 August 2023, which are also prepared to meet the requirements for a Directors' Report and accounts for Companies House purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Our Purpose and Activity

The primary purpose of the Orchestra is **to bring wonder to the modern world through the power of orchestral music.**

In doing so we aim to:

- provide a high-quality and diverse series of orchestral performances, engaging world-class conductors and soloists to perform with the Orchestra and sharing their work with the widest possible audience in London, nationally and internationally
- embed the Orchestra in the communities we serve through active dialogue, creative activity and formal and informal musical performance, providing a two-way dialogue ensuring and promoting the relevance of orchestral music, whilst providing opportunities for creative engagement with currently under-served groups in society
- develop a repertoire, workforce and audience that truly reflect the modern world, challenging structural, social, historic and embedded inequalities that restrict access to the artform, ensuring all individuals are able to explore and develop their creative potential
- explore digital, presentational and operational opportunities to continue to innovate and evolve following our commitment to undertake our work effectively, responsibly and sustainably.

This is in accordance with our charitable objects as set out in our governing document, being:

- To promote, maintain, improve and advance education, particularly musical education, and to encourage the arts, including the arts of music, drama, mime, dance and singing, and to formulate, prepare and establish schemes therefore provided that the objects of the company shall be of a charitable nature only, and, as ancillary to the foregoing objects to hold and participate in concerts, and to perform orchestral and instrumental works, operas, ballets and entertainments of this kind and to form and maintain a symphonic orchestra of the highest possible standing to serve the needs of this and other musical institutions in Great Britain and abroad.

The Trustees have considered the Charity Commission's guidance on public benefit in shaping our objectives for the year and planning our activities, including the guidance 'Public benefit: running a charity (PB2)'. The Orchestra runs a major Education and Community programme, including initiatives for those who may not be able to experience the concert hall environment, and have increased this activity regionally during the year.

Accessibility and affordability are key considerations to our programmes, with a broad range of programmes and tickets available from £14 (£7 for concessions) for all self-promoted concerts. The Orchestra offers a significant digital and broadcast presence. All of the concerts filmed during 2022/23 were available for free for a limited time as part of the arrangement with Marquee TV, and several were broadcast for free on BBC Radio 3.

The Orchestra relies on grants and income from fees and charges to cover its operating costs.

The strategies employed to achieve the charity's aims and objectives are:

- to present a varied and inventive programme that reflects the energy, ambition, excitement, enthusiasm, breadth and traditions of contemporary London and the South East
- to reach a broad audience through a wide range of concert and opera performances, Education and Community projects, broadcasts and recordings
- to attract, retain, develop and celebrate a diverse ensemble of world-class musicians
- to deliver a top-level experience to every audience with whom the LPO interacts
- to maintain the long-term sustainability of the Orchestra.

The Chevalier at Snape Maltings, 19 March 2023





Achievement & performance

1 Performances

The Orchestra is driven in its mission to provide world-class performance to the widest possible audience, sharing wonder through the power of orchestral music.

The 2022/23 London season was the first season programmed in full by the Orchestra's new Artistic Director, Elena Dubinets. The season was based around the theme 'A Place to Call Home' which examined the concept of home, and its meaning to those who have experienced exile, displacement and homelessness. The season included works by Dvořák, Smetana and Janáček celebrating their native homelands; Bartók, Prokofiev and Hindemith exploring tensions between new homes and old; and living composers including Syrian Kinan Azmeh, Indian-American Vijay Iyer and German Heiner Goebbels bringing voices from around the globe into the music performed for audiences from the Royal Festival Hall stage.

The Orchestra introduced a three-concert late-night chamber series as part of 'A Place to Call Home', with composers Vijay Iyer, Agata Zubel and Kinan Azmeh performing alongside LPO musicians at the Southbank Centre. Gavin Bryars's *Jesus' Blood Never Failed Me Yet* received three performances at St John's Waterloo; the first one (for service users of the church) included those who have themselves experienced homelessness.

We constantly expand the artform by commissioning new music, often with international partners: in 2022/23 alone we gave 12 world or UK premieres. This season was the last with Brett Dean as Composer-in-Residence, and the Orchestra announced that Cuban-American Tania León will hold the title for the following two years.

Gavin Bryars's *Jesus' Blood Never Failed Me Yet* at St John's Church Waterloo, 11 January 2023



'[Goebbels's A House of Call] was written for very large forces; and who better than London's most adventurous and dynamic mainstream orchestra, the LPO, to step up, dive into its UK premiere and come out smiling?'

Geoff Brown, The Times

'... in a performance as fervent as Edward Gardner conducted here with the London Philharmonic, the work still moves, outrages and consoles in equal measure.'

Richard Morrison, The Times

In Brighton, Eastbourne and Saffron Walden the Orchestra gave a combined 14 performances, with further UK dates including Manchester, Gateshead, Nottingham and Snape Maltings.

Internationally, the Orchestra gave 31 overseas performances, including tours to Germany, Spain, Belgium, Holland and Poland, with planning during the year covering future tours to South Korea, Taiwan, Japan, China, France and the USA.

The season was opened with a landmark performance by Edward Gardner of Schoenberg's *Gurrelieder*, with other major projects by the Orchestra's Principal Conductor including Tippett's *A Child of Our Time*, Berlioz's *The Damnation of Faust* and Janáček's *Glagolitic Mass*. Principal Guest Conductor Karina Canellakis and Conductor Emeritus Vladimir Jurowski gave three performances each, including an acclaimed Mahler Symphony No. 9 by Jurowski.

The Orchestra was also joined by conductors including Klaus Mäkelä, Thomas Adès (performing his own work), Tan Dun, Kevin John Edusei, Karen Kamensek, Vimbayi Kaziboni, Andrew Manze and Robin Ticciati. World-class soloists the Orchestra brought to its audiences included Leif Ove Andsnes, Kirill Gerstein, Víkingur Ólafsson, Randall Goosby, Augustin Hadelich, Emanuel Ax, Jennifer France, Anne-Sophie Mutter, Sol Gabetta, Toby Spence, Nadine Benjamin, Kang Wang, Sarah Connolly, Simon Keenlyside and Roderick Williams.



2 Communities

The Orchestra's work with the communities it serves, and the dialogues they produce, are an essential way of ensuring its long-term evolution and relevance, proactively engaging with communities new and old through performance, workshops, and a diverse range of creative-based opportunities.

An exciting development during the year was the appointment of a Regional Partnerships Manager focussing initially on Brighton, Eastbourne and Saffron Walden and their surrounding areas. Based locally on the South Coast, their initial brief was to spend time talking to people locally – local authorities, community leaders, audiences, local charities and local music makers including Music Hub leaders. The outcomes of the conversations are very exciting and leading to a series of hyper-local initiatives that, together, are forging a genuine and meaningful nexus of partnerships with the community beyond our performance bases in these areas.

In London a new partnership with St John's Waterloo saw public concerts, performances for the organisations the church works alongside, workshops and come-and-play sessions co-curated together.

The Orchestra has continued its longstanding partnerships with the South London Music Education Hubs of Lambeth, Southwark, Lewisham and Royal Greenwich, including delivering a programme of holiday music courses, and the Open Sound Ensemble for young disabled people and their parents and carers at the new Woolwich Works venue in south-east London. Its series of BrightSparks schools'

and FUNharmonics family concerts reached a combined audience of over 15,000, many for the first time.

A touring chamber concert based on the LPO's own commission, Raul Rissmann's *Before the Firebird*, enabled the Orchestra to expand its family concert strand, taking performance out into the community, both in schools and community spaces.

The Orchestra runs OrchLab, one of the UK's largest orchestral music programmes with disabled adults, devised and developed with Drake Music (experts in music, technology and disability), to make music through workshops in care centres in London and beyond. At the heart of OrchLab are our LPO values of collaboration and inclusivity. This year the programme included developing accessible technology, bespoke web activities, a national online training session, and events including intensive series of workshops at four centres: Luton Road Look Ahead Centre in Newham, Athol House Leonard Cheshire Centre in Crystal Palace, Bradbury Court in Harrow, and Oak View Look Ahead Centre in Stevenage.

The Orchestra ran a series of workshops, Crisis Creates, which increased wellbeing through creativity and performance amongst people experiencing homelessness and culminated with a performance on the Royal Festival Hall stage.

The Orchestra encourages its senior staff to sit on boards of other charities and schools, utilising our leadership position to offer expertise to others in the sector and beyond.

Open Sound Ensemble spring 2023 course at Woolwich Works





3 Equality, Diversity, Inclusion and Belonging

Our modern world must hear and sense itself in the music we perform; it must see itself in the artists that we are and the artists with whom we engage; if we are to embrace, understand and serve it, the modern world must be represented through the entirety of the Orchestra, its management and its leadership.

The Orchestra has a deep and longstanding commitment to increasing its diversity on and off the concert platform. During the year, the Orchestra developed a five-year Inclusivity and Relevance strategy, which is led and monitored by its Diversity and Inclusion Steering Committee.

The Orchestra performed 10 different works by female composers and 14 different works by composers from the Global Majority, which is the most yet in a single season. It also explored opportunities to invite new voices by commissioning works for future seasons from composers from a range of under-represented backgrounds. The Orchestra collaborated with 21 soloists from the Global Majority and with seven different conductors of colour.

The Orchestra is also committed to building a diverse workforce in a long-term sustainable way. LPO Junior Artists has been specifically developed to support musicians from under-represented backgrounds aged 15–19. Along with its feeder programme, Junior Artists Overture, 170 young people took part in these schemes during the year, whilst some activities also included LPO Junior Artists alumni.

LPO Fellow Conductors was launched during the season. The programme selects two emerging conductors annually from backgrounds currently under-represented in the sector, giving them performance and assistant conductor opportunities and mentoring them throughout the year. We received applications from 188 candidates, of whom seven were invited to conduct the Orchestra in a specially-designed session before the two winners were chosen. A third finalist has also been invited to work with the Orchestra as part of their professional development.

Members of the Orchestra continue to work with Black Lives in Music (BLiM) to explore the barriers to the sector, including as a consortium member of Recruiting Classical (a series of auditions and professional development opportunities for musicians from the Global Majority) and actively helping BLiM develop their 10-point plan for inclusive recruitment. The Orchestra has already restructured its audition process, with the initial round being held by anonymous audio file, ensuring all applicants have an equal chance at this stage. Recruitment processes for administrative and Board roles were similarly evaluated and updated to limit opportunity for bias.

Outside of the workforce, the Orchestra's education and community programme partners with a diverse range of participants through tailored programmes such as OrchLab and Open Sound, which engage with disabled adults and young people with special education needs and disabilities respectively. 50% of attendees at our BrightSparks school concerts (11,300 in total) were from the Global Majority, reflecting the diversity of the London community where these schools are based.

LPO Junior Artists





4 Rising Talent

The Orchestra believes that talent is indiscriminate, and is proactively using the expertise of its musicians to develop the next generation of artists through a series of industry-leading schemes.

The flagship Foyle Future Firsts scheme took on 17 new participants for the year. The scheme was launched in 2004 and research shows that 88% of participants have remained in the music profession, either as performers or teachers.

Five emerging composers worked with Composer-in-Residence Brett Dean over the course of the season in the Orchestra's Young Composers scheme. The pieces they created were performed at the annual Debut Sounds showcase concert at the Queen Elizabeth Hall, giving these young musicians a platform on which to present themselves to audiences and the industry. Alumni of this scheme have gone on to win the prestigious Siemens Prize (twice), RPS Composition Award and BAFTA nominations,

whilst others have been commissioned to write works for the Orchestra's international concert series at the Southbank Centre.

As discussed earlier, the LPO Junior Artists and Junior Artist Overture programmes develop the pre-conservatoire area of the talent pipeline. We were delighted that several members and alumni were successful in applications to continue music at higher education and conservatoire level, and that two former Junior Artists applied post-conservatoire to the Foyle Future Firsts scheme, with the first former Junior Artists accepted onto the scheme linking these pipeline initiatives together for the first time.

The Orchestra offered debuts at Eastbourne and Brighton to emerging artists and conductors including Kerem Hasan, Leia Zhu, Zlatomir Fung, Patrick Hahn, Ana de la Vega and Tom Borrow.

Foyle Future Firsts



5 Sustainability

Minimising our impact on the environment is a commitment that the LPO is passionate about pursuing. We seek ways to operate our orchestra, our programme and our company that limit our impact and can benefit the planet.

The Orchestra has a Sustainability Working Group, made up of members of each of the operational departments and led by Board member Deborah Dolce. As such we have identified four key areas for our Sustainability Plan where we believe we have a role to play:

- As individuals
- Through our organisational operations
- Within our partnerships
- In collaboration with our audiences.

Research was undertaken during the year to get a much better understanding of the environmental footprint of the Orchestra's operations, and the company is working with sustainability specialists Carnstone to develop individual priority areas, and key tactics and plans to action in the coming months.



6 Digital

Technology enables the Orchestra to reach significant audiences, including many for whom it would not be possible to hear the Orchestra live, or who may have their first experience through this format. The LPO is committed to exploring new technologies and the opportunities they present to develop the artform, presentation and reach.

During the 2022/23 season we provided c.140 million streams/downloads across the major platforms, as well as developing long-form streaming to audiences that do not have opportunity to see the Orchestra live on a regular basis. Central to this strategy was the partnership with Marquee TV – presenting full-length concerts to a global audience. The Orchestra signed a two-year agreement with the platform, effectively the world's first 'online digital residency agreement', and the partnership was nominated for a Digital Culture Award.

More traditional formats continue to play a key part in reaching audiences. The LPO's CD label had strong success. Edward Gardner's live performance of Tippett's *The Midsummer Marriage* won the Gramophone Award for Opera Recording of the Year, and the Orchestra was nominated for Orchestra of the Year at the same awards, for its overall label activity.

Several concerts continue to be selected for broadcast on BBC Radio 3, and other stations offer opportunities for reach via interviews and recording excerpts. The Orchestra started a new relationship with Sky TV, recording an episode of 'Rob & Romesh Vs', in which comedians Rob Beckett and Romesh Ranganathan spent time with the Orchestra before performing in front of a sold-out Royal Festival Hall.

LPO social media saw dramatic growth over the year, building to over 1.1m followers across all social media channels (a 36% increase). The Orchestra was the top-performing orchestra in the world on Instagram, TikTok and YouTube over this 12-month period, and by the end of the season was the most-followed UK orchestra on TikTok, Facebook and Instagram. The work undertaken on TikTok was longlisted by the Digital Culture Network for a Digital Culture Award.

Series 5 and 6 of the LPO Offstage podcast with Yolanda Brown continued to give behind-the-scenes insights into the modern orchestra. The series was shortlisted for a British Podcast Award in the Arts & Culture Category and has been syndicated across several airlines.

Digital technology also helped in the Orchestra's community programmes, for example Zoom has increased the reach of some of the teaching and mentoring programmes and allowed us to run a nationally available online training day for care centres wishing to use resources developed for OrchLab. The continued development of tech-led accessible instruments has benefitted both the OrchLab and Open Sound projects, with the OrchLab website sharing a range of accessible music resources for disabled people at no cost.

The year finished with the Orchestra working on a project with video game developer miHoYo developing an extended reality concert, based on the international platform game Genshin Impact. The project will utilise cutting edge technology to reach a completely new audience for the Orchestra.

Rob Beckett and Romesh Ranganathan at the Royal Festival Hall to film 'Rob & Romesh Vs Classical Music' for Sky TV, May 2023



Rob & Romesh © Adam Lawrence

The LPO performing in the extended reality concert based on the video game Genshin Impact.



Genshin Impact © HoYoverse



Financial

Income for the group for the year was £12.76m, compared to £10.6m in the prior year. Of the increase (£2.18m), £190k came from ticket sales, £540k from Orchestra tax relief and c. £500k from engagements including Glyndebourne and international touring, with the significant increase in touring activity partially offset by a smaller scale Glyndebourne season. Development income increased by £1m compared to prior year due to donations to the capital scheme. Expenditure increased proportionally to cover the costs of the increased activity.

The Orchestra made an operating surplus of £385k. The Statement of Financial Activities shows a loss (before investment movement) during the year of £1,213k as this also includes an exceptional transfer of funds to the London Philharmonic Trust representing funds set aside for a capital scheme. During the year the organisation retired as sole corporate Trustee of The London Philharmonic Trust, and experienced individual Trustees were appointed to manage it. The independent management of the Trust going forward will help to appropriately manage the risks of any future capital projects. Paper losses on investments in the year were £40k, bringing the overall loss on SOFA to £1,238k. £67k income was generated by the endowment portfolio during 2022/23.

The London Philharmonic Orchestra Trading Ltd – for non-charitable trading generated a profit of £3,647, a c.50% increase on 2021/22. The trading company will continue to seek out corporate opportunities in 2023/24.

In the year, £275,000 was expended from the COVID Appeal funds. £35,000 was to cover increased retainers for the Glyndebourne season as smaller scale operas were scheduled in a season confirmed in the immediate aftermath of COVID.

The Orchestra has established an Innovation Fund, which stands at £500,000, in order to trial new models across all of the Arts Council England Investment Principles. This offers a defined budget specifically ring-fenced for some of the special new initiatives outlined in the 2022/23 Business Plan. This year the fund supported projects including Rob & Romesh Vs the LPO, Gavin Bryars's *Jesus' Blood* at St John's Waterloo, the Purcell Session, South Coast work and website improvements. Several of these projects subsequently went on to cover all costs from income generated, however the fund allowed the Orchestra to commit to the projects before full details were finalised. Transfer to the Innovation Fund of £90,000 was therefore agreed to reflect this. The fund will in future be promoted to appropriate donors and provide opportunities for people with special interest in these areas to support the Orchestra to reach new audiences and trial new approaches.

This resulted in a surplus of £228,191 in the general (risk) reserve, which brings this fund to £1.343m, which while above the level of £1.1m set in the reserves policy, given the uncertain economic environment and persistent

levels of inflation will enable the Orchestra to respond appropriately in the current environment.

The Orchestra received 18% of its operating income in public funding via Arts Council England. As part of Arts Council England's policy of redistributing funding outside of London, the Orchestra received a 12% reduction to its ACE funding for the period April 2023–March 2026 when compared to the level of the previous funding agreement.

Every effort is being made to diversify income from a balance of sources to protect the Orchestra's future. The establishment of the Sound Futures endowment through the Catalyst programme is one of several strategies to support the Orchestra's longer-term ambition. The endowment has been invested in a broad range of conservative investment options, with Rathbones appointed to help manage the funds alongside a highly experienced Investment Committee. The Special Projects and Innovation funds exist to enable mid-term planning to continue appropriately (see below) in this delicate environment, alongside giving confidence and financial means to trial new models.

Going Concern

The Orchestra has demonstrated its ability to adapt its activities through what has continued to be a turbulent period for the economy and the sector. The reduction in funding from Arts Council England, combined with high inflation present significant challenges, however the extension of higher rates of orchestral tax relief until April 2026 will help to mitigate this in the short term. The Orchestra considers there to be a reasonable expectation that a proportionate element of fundraising will continue, based on existing pledges, ongoing conversations and cautious expectations. In the event that projected fundraising income is not received, the Orchestra is still confident it could cover its costs, but this would be likely to impact planned activities. On this basis of ongoing receipt of Arts Council Grant, current reserve levels that can be appropriately utilised if required and ongoing activities (including an element of fundraising), the Trustees are confident that the company is a going concern.

Investment Policy

The establishment of the Sound Futures endowment is one of several strategies to support the Orchestra's longer-term ambition. The £2.97m endowment has been invested in a broad range of conservative investment options, with Rathbones appointed to manage the funds on a discretionary basis alongside a highly experienced Investment Committee consisting of Trustees David Burke and Martin Höhmann, as well as Jamie Korner (charity investment specialist) and Bruno De Kegel (private wealth specialist). The investment objective of the portfolio was so designed as to produce annual income in the range of £60–£80k on a long-term basis, and preserving the real



Financial *cont.*

value of the capital over the longer term is also of great importance. This year it produced income of £67,000 in what was a challenging year, with markets impacted by ongoing economic uncertainty. The valuation of the portfolio decreased by £40,000, with an additional £8,000 invested.

Development Income

As a registered charity, the London Philharmonic Orchestra is grateful to all those individuals and organisations that offer financial support to enable and enhance its activities. We are grateful to all of the many corporate, trust and individual supporters that contribute to our work.

In particular for this financial year we would like to thank the following for their generous support: The American Friends of the London Philharmonic Orchestra, Arts Council England, Steven M. Berzin, The Candide Trust, Dunard Fund, Mrs Aline Foriel-Destezet, The Foyle Foundation, Patricia Haitink, Aud Jebsen, the International Board of Governors, JTI, Mr & Mrs Philip Kan, The London Community Foundation and Cockayne – Grants for the Arts, The Lord and Lady Lurgan Trust, Sir Simon and Lady Robey, Rothschild Foundation, Scops Arts Trust, TIOC Foundation, Neil Westreich, and William & Alex de Winton.

The LPO would also like to thank all those who made donations to support the Orchestra during its 2022/23 season.

This year's Annual Gala, 'Feel the Rhythm', was held at Battersea Arts Centre, and featured performances by the LPO under the baton of Edward Gardner. 180 guests came together to celebrate the Orchestra, and the event raised £165k to support the core work of the LPO. In May 2023 the American Friends of the London Philharmonic Orchestra held their first large-scale live fundraising event since COVID, raising over \$200k.

Development income for the year was £3.2m, alongside £8k from legacies that have been put into the endowment and £2m from Arts Council England. £1.2m of development income was restricted towards capital. A further £946k of unrestricted income was received and £1.1m restricted. Included in the restricted funds were £420k towards Education and Community work and £644k towards the London concert season and projects including the Conducting Fellowship.

The comparative figure for the prior year was £2.1m in development income, alongside £120k legacies and £2.1m from Arts Council England (£49k restricted). Other restricted income included £344k towards education and £680k towards the London concert season.

2023 LPO Annual Gala: 'Feel the Rhythm', at Battersea Arts Centre



© Photographer London



Financial *cont.*

Fundraising

The London Philharmonic Orchestra's fundraising department solicits sponsorship, donations and membership from individuals, business, Government bodies and charitable foundations. The team is committed to best practice in ethical fundraising process and abides by the Funding Regulator's Code of Fundraising Practice, which includes specific guidance to ensure the charity does not put undue pressure on any individual to make a contribution or pledge. The Orchestra has a formal Gift Acceptance policy and does not use third-party fundraisers to make asks of members of the public. No complaints were received during the year.

We are registered with the Fundraising Regulator and are compliant with the Code of Fundraising Practice. We continue to comply with the European Union's General Data Protection Regulation (GDPR).

Reserves Policy

The London Philharmonic Orchestra requires reserves in order to provide for contingencies as they may arise. The nature of the London Philharmonic Orchestra's operations requires reliance on significant levels of income from sponsorship and donations that can show substantial variation due to changes in the economic climate or exceptional events after the Company's artistic plans are formulated. Planning for projects and tours takes place several years ahead of income being confirmed and reserves are essential to enable the Orchestra to commit to leading artists and creative projects, particularly in current times.

The Company aims to retain general (risk) reserves at a level the Trustees anticipate will be sufficient to provide security from such unexpected variations and other risks highlighted below. This has been set at £1.1m, following detailed analysis of the risks faced. The current value is £1.343m (2022: £1.114m), which while above the level set, will help address wider ongoing economic uncertainty and high levels of inflation.

The designated COVID-19 Fund established in 2019/20 has been an important factor in enabling the organisation to budget to carry out a range of activity in 2022/23, and in particular as the organisation adapts to changes in audience behaviour post-COVID. The fund balance stood at £490,184 at year end (2022: £765,169) and the organisation plans to expend this over the coming 2–3 years.

The Company has designated and revaluation reserves of £3,644m (2022: £4.060m) that have been set aside out of unrestricted funds by the Board – £307,605 of this, along with the revaluation reserve of £346,000, represents

the value of the fixed assets. The revaluation reserve of £346,000 consists predominantly of the increased value (since acquisition) of the Sanctus Seraphin violin, but also a historic revaluation of the music library. This value can also only be realised by disposing of tangible fixed assets.

£2m has been set aside to a Special Projects Fund to enable special programmes at the Royal Festival Hall. In 2022/23 £503,577 was expended from the fund for the performance of the large-scale works: Schoenberg's *Gurrelieder*, Tan Dun's *Buddha Passion* and Mahler's Symphony No. 5; an equivalent amount was transferred to the fund from the general (risk) reserve to maintain a £2,000,000 level as at year end. Future projects planned include the 2023 performance of Mahler's Symphony No. 2, the 2024 performance of *Götterdämmerung*, and several collaborative and innovative projects planned with our partners at the Southbank Centre for the end of the 2024/25 season. The fund will also be used to enable strategically important tours and advanced commissions to be upheld in these uncertain times. It is currently anticipated that this fund will be spent out over the next 4–5 years.

The Orchestra utilised the Innovation Fund established in 2020/21, transfers of £90k were agreed in year and the fund stands at £500k at year end. Projects supported by the fund are detailed in the financial review, page 10. This fund enables the organisation to trial new models across all of the Arts Council England Investment Principles. The fund will continue to offer a defined budget specifically ring-fenced for some of the special new initiatives outlined in the 2022/23 Business Plan. The fund will in future be promoted to appropriate donors and provide opportunities for people with special interest in these areas to support the Orchestra to reach new audiences and trial new approaches.

The Orchestra has established an endowment to allow deeper collaboration with the Southbank Centre and other venues on a long-term basis. When originally established, the endowment benefited from £1m match funding from Arts Council England (Catalyst Endowment Programme). The value of the endowment at 31 August 2023 was £2,823k (2022: £2,872k), which is considered sufficient to meet the investment targets set. For clarity, the Orchestra has taken the decision to keep this endowment within the main charity rather than in a separate trust. Interest from the endowment is considered restricted for use towards strategic collaborations with key venues. The long-term aim is to maintain the capital value, whilst being able to draw down £60–£80k on an annual basis.

The Orchestra continues with preliminary steps towards an exciting capital project, with funds held for this now held and managed by The London Philharmonic Trust, which protects the Orchestra's ongoing work and gives greater clarity to the day to day operations of the Orchestra through its charitable activity.



Financial *cont.*

The Orchestra's trading subsidiary, London Philharmonic Orchestra Trading Ltd, generated a modest profit of £3,647, a 50% increase on the prior year.

The Orchestra's total reserves are therefore £8.016m, which is made up of designated reserves (£3.298m), revaluation reserves (£346k), restricted reserves (£206k), the Orchestra's endowment (£2.823m), and general (risk) reserves of £1.343m. Prior Year respective figures were total reserves £9.269m, made up of designated reserves (£3.714m), revaluation reserves (£346k), restricted reserves (£1.222m with £982k relating to capital), the Orchestra's endowment (£2.871m), and general (risk) reserves of £1.114m.

Risk Management

The Trustees have overall responsibility for ensuring that the organisation operates an appropriate system of controls, financial and otherwise, to provide reasonable assurance that:

- the charity is operating efficiently and effectively
- proper records are maintained and financial information, used within the charity or for publication, is reliable
- the charity complies with relevant laws and regulations.

A detailed risk register is maintained, grading all identified risks and any actions taken to manage them. This is monitored on an ongoing basis by management and reported to the Audit Committee on an annual basis. The key risks that have been identified to the successful delivery of LPO's strategy and artistic programme are:

- The impact of the current economic environment on voluntary income, ticket and recording sales and other earned income, most notably international touring. The Orchestra prepares detailed budgets including sensitivity analysis where appropriate and continues to seek to diversify income streams where possible.
- The impact of the economic environment on partner organisations and funders with which the organisation has close working relationships – the Orchestra continues to work collaboratively with partner organisations to address these challenges.

Plans for future periods

The 2023/24 London season launches with a performance of Mahler's Symphony No. 2 conducted by Edward Gardner. The performance and whole rehearsal period will be captured by Sky Arts for a four-part documentary about the Orchestra which will broadcast in spring 2024. The London season features *The Music in You*, a festival celebrating the creativity that is in us all and embraces all kinds of artistic expression and artforms including dance, music, theatre and audience participation, as well as pieces for mobile phones and metronomes. Edward Gardner conducts, with collaborative partners including choreographer Wayne McGregor, soprano Danielle de Niese and violinist Julia Fischer.

The Orchestra will return to long-haul touring in 2023/24, touring to South Korea, Taiwan and China, as well as performances across Europe, including its first trip to Paris since 2019.

The Orchestra will build on the foundation work built up by the Regional Partnership Manager in its residencies in Brighton, Eastbourne, Glyndebourne and Saffron Walden. The Orchestra will welcome young musicians from the local music hubs to perform in Brighton and Eastbourne as part of its opening concerts, and plan lots of projects to strengthen its work with the local communities on a grass-roots level. It will also continue its commitment to its longstanding programmes OrchLab and Open Sounds, and its Rising Talent strands.

The Orchestra maintains its long-held ambition for a permanent home alongside its residency at the Royal Festival Hall. Conversations are ongoing and feasibility work is progressing, and it is hoped further news about these plans will be forthcoming during the coming year.

Trustees' Report



Reference and administrative details

Charity number	238045
Company number	00357059
Registered Office	89 Albert Embankment, London SE1 7TP

Our Advisors

Auditors	Crowe UK LLP, 55 Ludgate Hill, London EC4M 7JW
Bankers	Virgin Money, 154–158 Kensington High Street, London W8 7RL
Solicitors	Charles Russell Speechlys LLP, 5 Fleet Place, London EC4M 7RD

Directors and Trustees

Emily Benn	<i>Appointed 13 July 2023</i>
Kate Birchall*	
David Buckley#	<i>Retired 25 April 2023</i>
David Burke#•#ø	
Deborah Dolcet	
Elena Dubinets•#ø	
Lord Hall of Birkenhead	<i>Vice-Chair, retired 9 November 2023</i>
Catherine Høgel•°#	<i>Chair</i>
Martin Höhmann*##•‡ø	<i>President</i>
Tanya Josephø	
Bruno De Kegel‡	<i>Retired 25 April 2023</i>
Hugh Kluger*	
Kate Leek*	
Minn Majoe*ø	
Alan MacCuish	<i>Retired 25 April 2023</i>
Tania Mazzetti*	
Jamie Njoku-Goodwin	
Andrew Tusa#•	
Mark Vines*	<i>Vice-President</i>
Neil Westreich	

- * Player Director
- # Member of the Audit Committee
- ° Member of the Events Committee
- Member of the Nominations Committee
- ‡ Member of the Investment Committee
- # Member of the Premises Committee
- ‡ Member of the Sustainability Committee
- ø Member of the Diversity and Inclusion Steering Committee

Secretary
David Burke



Key Management personnel

Chief Executive	David Burke
Artistic Director	Elena Dubinets
Finance Director	Frances Slack
Campaigns & Projects Director	Nicholas Jackman
Concerts Director	Roanna Gibson
Development Director	Laura Willis
Education & Community Director	Talia Lash
Marketing & Communications Director	Kath Trout

Governing Document

The London Philharmonic Orchestra Limited ('The Company') was formed as a private limited Company on 6 October 1939, registration number 357059 and is registered with the Charity Commission under Charity Number 238045. The Directors therefore carry out the role of Trustees under Charities legislation. The Company is governed by its Memorandum and Articles of Association last amended on 22 May 2012.

Board of Directors/Trustees

The London Philharmonic Orchestra is owned by its shareholding members, who are the Orchestra's musicians whose name appears on the 'Orchestral list' ('Members'). There are a maximum 80 members, and shares for any vacant position are held by the President.

Under the updated Memorandum and Articles of Association approved at the Company's AGM on 22 May 2012, the membership can elect up to eleven Non-Executive Directors and seven Player Directors. This change ensures compliance with the latest updates to the Charities Act, whilst strengthening the Board's capacity in key areas such as governance and fundraising. The Chair of the Orchestra is elected from the Non-Executive Directors, whilst the Chair of the Players' Committee, a member of the Orchestra, also takes the title President.

Organisation

The Board is responsible for monitoring the Company's core business and provides the Company with access to advice and guidance in the new areas of the Company's operations. The level of membership is continually reviewed to ensure effective governance of the Company. Eight subcommittees of the Board have been established with delegated responsibilities for audit, development, investment, the annual Gala, nominations, marketing, premises, and player issues. Authority for the day-to-day management of the Company has been delegated to the Chief Executive and the Artistic Director.

An Advisory Council was also established on 22 May 2012, whose members advise and assist the Board on matters of strategic and/or orchestral importance without formal governance responsibility.

Governance code

Strong governance and management are critical to our success and reputation. We have a Board of Trustees that takes overall responsibility for the charity and our work. They are responsible for ensuring we are effectively and properly run and meet our goals as a charity. Our Board is responsible for:

- Furthering our overall purpose, as set out in our governing document and setting our direction and strategy
- Ensuring our work is effective, responsible and legal
- Safeguarding our finances, resources and property and ensuring they are used to further our purpose
- Being accountable to those with an interest or stake in what we do or who regulates us
- Establishing clear boundaries with the staff, musicians and contractors who carry out our work between the governance role of the Board and operational or day-to-day matters ensuring the Board operates effectively.

The Board reviews its own governance practice annually against the Charity Governance Code, with no major concerns identified.



Advisory Council

The members of the Advisory Council at the time of signature are below.

Roger Barron (Chairman)
Christopher Aldren
Richard Brass
Helen Brocklebank
YolanDa Brown OBE
David Buckley#
David Burke
Simon Burke
Simon Callow CBE
Desmond Cecil CMG
Sir Alan Collins KCVO CMG
Andrew Davenport
Guillaume Descottes
Cameron Doley
Elena Dubinets
Christopher Fraser OBE
Jenny Goldie-Scot
Jonathan Harris CBE FRICS
Marianna Hay MBE
Nicholas Hely-Hutchinson DL
Amanda Hill
Dr Catherine C. Høgel•°#
Martin Höhmann *#•‡ Ø
Rehmet Kassim-Lakha
Jamie Korner‡
Geoff Mann#
Andrew Neill
Nadya Powell Ø
Sir Bernard Rix
Victoria Robey CBE#
Baroness Shackleton
Thomas Sharpe KC
Julian Simmonds#
Barry Smith
Martin Southgate
Chris Viney
Laurence Watt
Elizabeth Winter

- * Player Director
- # Member of the Audit Committee
- ° Member of the Events Committee
- Member of the Nominations Committee
- ‡ Member of the Investment Committee
- # Member of the Premises Committee
- Ø Member of the Diversity and Inclusion Steering Committee

Recruitment and training of Trustees

Player Directors are appointed by the members at the Annual General Meeting of the Company after nomination by at least two Company members as required by the Company's Articles of Association. Non-Executive Directors are recommended to the Board by the Nominations Committee and can be appointed to the Board either to fill a vacancy or as an additional Trustee. Any Trustee so appointed shall hold office only until the next Annual General Meeting. The Articles also provide that only those persons who are named on the Orchestral List may be a member of the Company.

New Trustees and Council members undergo an orientation to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Board and decision making processes, the business plan and recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Related Parties and co-operation with other organisations

Board member Jamie Njoku-Goodwin is a Trustee of Britten Pears Arts, as well as sitting on the National Council of Arts Council England, and is a member of Council of Royal College of Music. Chief Executive, David Burke and President, Martin Höhmann, hold ex-officio positions on the board of Henry Wood Hall, a charitable rehearsal space where the Orchestra regularly rehearses.

Catherine Høgel, David Burke and Martin Höhmann are Trustees of The London Philharmonic Trust. During the year funds paid to The London Philharmonic Trust by London Philharmonic Orchestra totalled £2,797,459; there were no amounts owing as at year end. During the year, playing members of the Board received no remuneration for the additional duties resulting from being members of the Board, with the exception of the President and Vice-President, as disclosed in note 6.

The Orchestra has a trading subsidiary, of which David Buckley, Martin Höhmann and David Burke are directors. All group transactions between the charity and its subsidiary are eliminated on consolidation. A management charge of £1,810 (2022: £587) was charged during the year representing LPO Trading Limited's share of group overheads and other passed on costs. The trading company generated a modest profit of £3,647 (2022: £2,652). At the year end the outstanding balance of £8,323 (2022: £840) was due to the charity.

Kate Birchall was a trustee of London Philharmonic Orchestra Benevolent Fund until November 2022, to whom the London Philharmonic Orchestra made contributions of £18,761 (2022: £18,831) during the year.



Trustees

The Trustees who served throughout the year and subsequent to the year end and the beneficial interests of the Trustees in the Company's shares at 31 August 2023 and 1 September 2022 were:

	Ordinary shares of £1 each	
	31 Aug 23	31 Aug 22
Kate Birchall	1	1
Martin Höhmann (President)	24	15
Hugh Kluger	1	1
Kate Leek	1	1
Minn Majoe	1	1
Tania Mazzetti	1	1
Mark Vines (Vice-President)	1	1

Employment Policy

The Orchestra is an equal opportunities employer. Full and fair consideration is given to all job applications. Regular consultation is given between all staff and their managers, with due consideration given to their training and employment needs. Meetings take place on a regular basis with all staff and departmentally to ensure all employees are aware of the Orchestra's activities and performance.

Pay policy for senior staff

Staff salaries are set by the Chief Executive, in consultation with the Finance Director. The Chief Executive and the Artistic Director salaries are set by the Chairman and President. (The position of Chairman is an unpaid position). Payment for equivalent roles are tracked where possible and used for benchmarking purposes.

Statement of Trustees' Responsibilities



The Trustees (who are also directors of the London Philharmonic Orchestra for the purposes of company law) are responsible for preparing the Strategic Report and the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. 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;
- make judgments 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to re-appoint Crowe UK LLP as the Company's auditors will be proposed at the forthcoming Annual General Meeting.

Disclosure of Information to Auditors

Insofar as each of the trustees/directors of the charity at the date of approval of this report is aware there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each trustee/director has taken all of the steps that he/she should have taken as a trustee/director in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

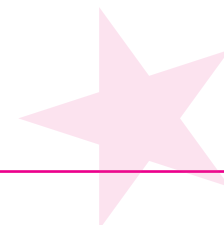
The Trustees' Report and Strategic Report were approved by the Board of Trustees and signed on behalf of the Board on 23 January 2024.

A handwritten signature in black ink, appearing to read 'Catherine Høgel', is written above the name and title.

Catherine Høgel
Trustee (Chair)

A handwritten signature in black ink, appearing to read 'Martin Höhmann', is written above the name and title.

Martin Höhmann
Trustee (President)



Independent Auditor's Report

To the Members of the London Philharmonic Orchestra Limited

Opinion

We have audited the financial statements of the London Philharmonic Orchestra Limited ('the charitable company') and its subsidiaries ('the group') for the year ended 31 August 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2023 and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 Statement of Trustees' responsibilities set out on page 19, 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 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 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

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.

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.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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 might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were health and safety legislation, taxation legislation, employment legislation, and General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, tested the application of cut-off and revenue recognition, particularly around voluntary income and grants; reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.

Independent Auditor's Report *cont.*



For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jayne Rowe

Senior Statutory Auditor

For and on behalf of
Crowe UK LLP

Statutory Auditor

London

Date: 27 March 2024

Consolidated Statement of Financial Activities

(incorporating an income and expenditure account)
Year ended 31 August 2023

	Note	Unrestricted Funds 2023	Restricted Funds 2023	Endowment 2023	Total Funds 2023	Total Funds 2022
		£	£	£	£	£
Income from						
Donations and legacies	2	2,983,647	2,216,028	8,055	5,207,730	4,301,743
Charitable Activities	3	7,362,197	-	-	7,362,197	6,200,689
Other trading activities		22,000	-	-	22,000	8,000
Investments	4	57,767	108,471	-	166,238	65,200
Total Income		10,425,611	2,324,499	8,055	12,758,165	10,575,632
Expenditure on						
Raising funds	5	465,985	70,368	-	536,353	534,760
Charitable activities	5	10,147,762	3,270,951	16,206	13,434,919	9,611,137
Total Expenditure		10,613,747	3,341,319	16,206	13,971,272	10,145,897
Net (Expenditure) for the year before investment gains		(188,136)	(1,016,820)	(8,151)	(1,213,107)	429,735
Gains on revaluation of Fixed Assets		-	-	-	-	-
Net (losses) on investments		-	-	(40,485)	(40,485)	(249,281)
Net movement in funds		(188,136)	(1,016,820)	(48,636)	(1,253,592)	180,454
Reconciliation of Funds						
Total funds brought forward as at 1 September 2022		5,174,698	1,222,984	2,871,818	9,269,500	9,089,046
Total funds carried forward as at 31 August 2023		4,986,562	206,164	2,823,182	8,015,908	9,269,500

The above results are from continuing activities and there are no other gains and losses except as stated above. The accompanying notes on pages 25–43 form part of these financial statements.

Consolidated and Charity Balance Sheet

Year ended 31 August 2023

	Note	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Fixed assets					
Tangible assets	11	653,604	694,946	653,604	694,946
Investments	12	4,423,665	5,517,936	4,423,665	5,517,936
Current assets		5,077,269	6,212,882	5,077,269	6,212,882
Stock and Work in progress	13	91,627	117,648	91,627	117,648
Debtors	14	3,749,373	2,246,078	3,751,697	2,246,918
Cash at bank and in hand		836,791	2,102,111	826,667	2,098,601
		4,677,791	4,465,837	4,669,991	4,463,167
Creditors: amounts falling due within one year	15	(1,719,152)	(1,267,819)	(1,711,352)	(1,265,149)
Net current assets		2,958,639	3,198,018	2,958,639	3,198,018
Creditors: amounts falling due in more than one year	16	(20,000)	(141,400)	(20,000)	(141,400)
Net assets		8,015,908	9,269,500	8,015,908	9,269,500
Capital and reserves					
Unrestricted funds					
Called up share capital	17	80	80	80	80
General (Risk) reserve	18	1,342,694	1,114,503	1,342,694	1,114,503
Revaluation reserve	18	346,000	346,000	346,000	346,000
Designated Fund1 : Fixed Assets	18	307,604	348,946	307,604	348,946
Designated Fund 2: Special Projects	18	2,000,000	2,000,000	2,000,000	2,000,000
Designated Fund 3: Innovation	18	500,000	500,000	500,000	500,000
Designated Fund 4: COVID appeal	18	490,184	765,169	490,184	765,169
Designated Fund 5: Premises Transition	18	-	100,000	-	100,000
Restricted Funds					
Endowment Fund Interest	18	146,164	78,952	146,164	78,952
Capital Campaign		-	982,484	-	982,484
Education, touring and concert work		60,000	50,000	60,000	50,000
London Philharmonic Trust		-	111,548	-	111,548
Endowment Funds					
Endowment Funds - Catalyst	18	2,823,182	2,871,818	2,823,182	2,871,818
Equity shareholders' funds/(deficit)		8,015,908	9,269,500	8,015,908	9,269,500

The Trustees have prepared group accounts in accordance with section 298 of the Companies Act and section 138 of the Charities Act 2011. The charity has taken exemption from presenting its unconsolidated profit and loss account under section 408 of the Companies Act 2006. The net loss of the charity in 2023, after gains on investments and transfer of profits from the trading company (£3,647) was £1,253,592 (2022: £180,454 surplus).

These financial statements for the company (Company Registration Number 0035705) were approved by the Board of Trustees on 23 January 2024.

Signed on behalf of the Board of Trustees



Catherine Högel
Trustee (Chair)



Martin Höhmann
Trustee (President)

Consolidated Cash Flow Statement

Year ended 31 August 2023

	Group and charity 2023 £	Group and charity 2022 £
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	(2,445,945)	(902)
Cashflows from investing activities	-	-
Dividends, interest and rents from investments	166,238	65,200
Proceeds from the sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	(39,399)	(72,305)
Proceeds from the sale of investments	318,219	1,342,184
Purchase of investments	(625,277)	(1,407,140)
Net cash provided by (used in) investing activities	(180,219)	(72,061)
Cash Flows from financing activities	-	-
Net cash provided by (used in) financing activities	-	-
Change in cash and cash equivalents in the reporting period	(2,626,164)	(72,963)
Cash and cash equivalents at the beginning of the reporting period	5,172,443	5,245,406
Change in cash and cash equivalents due to exchange rate movements	-	-
Cash and cash equivalents at the end of the reporting period	2,546,279	5,172,443
Cash held as cash	836,791	2,102,111
Cash held as investments	1,709,488	3,070,332
	2023 £	2022 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(1,253,592)	180,454
Adjustments for:	-	-
Depreciation charges	73,559	70,463
(Gains) / losses on investments	40,485	249,281
Dividends, interest and rents from investments	(166,238)	(65,200)
Loss / (profit) on the disposal of fixed assets	7,182	1,884
(Increase) / decrease in stocks	26,021	6,666
(Increase) / decrease in debtors	(1,503,295)	(218,527)
Increase / (decrease) in creditors	329,933	(225,923)
Net cash provided by (used in) operating activities	(2,445,945)	(902)



Notes to the accounts

1 Company Information

London Philharmonic Orchestra Limited is a registered charity and as such is a non-profit making organisation, limited by shares. The number of members at 31 August 2023 is 56 and their liability on a liquidation is limited to £1 each.

The Trustees have prepared group accounts in accordance with section 298 of the Companies Act and section 138 of the Charities Act 2011. The charity has taken exemption from presenting its unconsolidated profit and loss account under section 408 of the Companies Act 2006.

London Philharmonic Orchestra Limited is registered as a limited liability company in England and Wales under number 357059 and its registered office is 89 Albert Embankment, London SE1 7TP. It is also a Public Benefit Entity registered with the Charity Commission under number 238045.

Accounting policies

Critical accounting judgements and key areas of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods. The most significant estimate within the financial statements relates to the accrued income for the Orchestral Tax Credit for the 2022/23 period. As is consistent with prior years, this claim is yet to be submitted to HMRC. The Orchestra works with professional advisors to review, prepare and submit the claim, and have prepared this year's figures on a basis consistent with prior years. Previous years' claims have been received in a timely manner.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

a) Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – Charities SORP (FRS 102) 2nd edition, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The consolidated financial statements incorporate the financial statements of the Charity and its 100% owned subsidiary London Philharmonic Trading Ltd (Company Number 9979254).

The Trustees have departed from the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in note 6, 'Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel' to show the musicians' payments for playing in the Orchestra in aggregate. The Trustees feel that this is necessary to avoid reducing the pool of available Trustees required to successfully govern the Orchestra. These Player-Directors are not remunerated for their services as Trustees.

The London Philharmonic Orchestra meets the definition of a Public Benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Preparation of the accounts on a going concern basis

The Orchestra has demonstrated its ability to adapt its activities through what has continued to be a turbulent period for the economy and the sector. The reduction in funding from Arts Council England, combined with high inflation, presents significant challenges, however the extension of higher rates of orchestral tax relief until April 2026 will help to mitigate this. The Orchestra considers there to be a reasonable expectation that a proportionate element of fundraising will continue, based on existing pledges, ongoing conversations and cautious expectations. In the event that projected fundraising income is not received, the Orchestra is still confident it could cover its costs, but this would be likely to impact planned activities. On this basis of ongoing receipt of Arts Council Grant, current reserve levels that can be appropriately utilised if required and ongoing activities (including an element of fundraising), the Trustees are confident that the company is a going concern.

c) Accounting convention

The financial statements are prepared under the historical cost convention with the exception of the revaluation of the Sanctus Seraphin violin, valuation of investments and the music library at its valuation pre-2000 as permitted in FRS 102.



d) Foreign currency

The functional currency of the Orchestra is considered to be in pounds sterling because that is the currency of the primary economic environment in which the charity/group operates. The financial statements are presented in pounds sterling.

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year-end, in accordance with FRS102. Any gains or losses arising on translations are reported as part of the transaction within the SOFA and are not material; they are therefore not disclosed separately.

e) Fund accounting

Unrestricted funds:

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the objectives of the Charity and which have not been designated for other purposes.

Designated funds are unrestricted funds, which have been applied or reserved by the Trustees for a specific purpose. The aim and use of each designated fund is set out in the notes to the accounts.

Revaluation Funds relates to revaluations of the Sanctus Seraphin violin and the music library.

Restricted funds are those which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The purpose for which restricted funds are held is analysed in the notes to the accounts (see note 18).

The expendable Endowment comprises monies that must be held as capital and spent over a minimum 25 years. Interest from the endowment is credited to restricted funds and applied to joint projects between the Orchestra and its regular venues under the terms of the endowment.

f) Income

Voluntary income including donations, gifts and legacies and grants that are of general nature are recognised where there is entitlement, receipt is more probable than not and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Legacies are included in the financial statements as income in the year in which the charity is notified and when the value and entitlement of the legacy is known with reasonable certainty.

Income from the charitable trading operation is recognised as earned (as the related goods and services are provided).

Investment income is recognised on a receivable basis.

g) Donated services and facilities

Donated services and facilities are included at the value to the charity where this can be quantified. No amounts are included in the financial statements for services donated by volunteers. Gifts in Kind are included at current market value where their value is ascertainable and material. The estimated valuation of gifts in kind is based on the value of the contribution to the charity, or the valuation the charity would have had to pay to acquire the assets.

h) Government Grants

Government grants are recognised on the performance model, when the organisation has complied with any conditions attaching to the grant and the grant will be received.

i) Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance-related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that result in the payment being unavoidable.

- Costs of raising funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with the performance of concerts and educational programmes and include both the direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. per capita, staff costs by the time spent and other costs by their usage.



j) Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation, which is provided in equal annual instalments over the estimated useful lives of the assets.

The rates of depreciation are applied as allocated support costs (see note 5) and are charged at a rate of:

- Leasehold improvements: 10% straight line (over term of lease)
- Music library: 4% straight line
- Computer equipment (PCs/laptops): 33% straight line
- Computer equipment (servers/IT infrastructure): 20% straight line
- Furniture, fixtures, fittings and office equipment: 15% reducing balance
- Musical instruments: 10% reducing balance
- Motor vehicles: 15% straight line
- Sanctus Seraphin violin: not depreciated

The Sanctus Seraphin violin has not been depreciated on the basis of it being an appreciating asset. The violin was last valued in 2021 and the increase in value reflected in the accounts. Assets over £1,000 are capitalised.

k) Stocks and work in progress

Own-label CDs in the course of development at the Balance Sheet date are valued at cost. Stock is stated at the lower of cost or net realisable value.

l) Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

m) Pensions

Pension costs are recognised in the accounts when they are paid. The Company does not operate its own pension scheme, but offers to make contributions into employees' private schemes or alternatively contributes to an external auto-enrolment scheme. Pensions are allocated from unrestricted funds, as no restricted funding directly covers employee costs. Total payments are as per note 6 in the accounts.

n) Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transactions value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and debtors excluding prepayments. Financial liabilities held at amortised cost comprise creditors excluding other taxes and social security and deferred income and income in advance.

o) Debtors

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

p) Creditors

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

q) Investments

Listed investments are stated at the market closing price on 31 August 2023. Gains and losses in the year are taken to the Statement of Financial Activities.

r) Cash

Cash at bank and in hand includes cash deposits in banks only.

Notes to the accounts *cont.*

2 Income from Donations and Legacies

	Total Funds 2023 £	Total Funds 2022 £
Gifts and memberships	3,119,184	2,085,239
Donated goods and services	51,206	28,457
Grants from government and other public bodies (see note 8)	2,037,340	2,188,047
	5,207,730	4,301,743

Development income for the year was £3.2m, alongside £8k from legacies that have been put into the endowment and £2m from Arts Council England. £1.2m of development income was restricted towards capital. A further £946k of unrestricted income was received and £1.1m restricted. Included in the restricted funds were £421k towards Education and Community work and £639k towards the London concert season and projects including the Conducting Fellowship.

The comparative figure for the prior year was £2.1m in development income, alongside £0.12m legacies and

£2.1m from Arts Council England (£49k restricted). Other restricted income included £344k towards education and £680k towards the London concert season.

The charity is grateful for in-kind support from, among others, Jeroboams, Lindt, and Neal's Yard. The total value of all in-kind support is estimated at £51,206 (2022: £28,457). The estimated value of these goods and services is recognised within unrestricted incoming resources as a donation, and an equivalent charge being included in unrestricted expenditure under charitable activities.

3 Income from charitable activities

	Total Funds 2023 £	Total Funds 2022 £
Ticket and programme sales	1,443,900	1,277,627
Performance fees	3,816,020	3,319,001
Recording Label & Streaming	226,054	263,347
Other Income	1,876,223	1,340,714
	7,362,197	6,200,689

4 Investment income

	2023 £	2022 £
Dividend	67,212	59,256
Investment Interest	51,845	3,094
Bank Interest	47,181	2,850
	166,238	65,200

Notes to the accounts *cont.*

5 Analysis of Expenditure

Net income stated after charging:	2023	2022
	£	£
Operating Lease rentals	192,455	124,968
Depreciation	73,558	70,463
Fees payable to the company's auditors for taxation purposes	21,080	10,597
Fees payable to the company's auditors for the audit of the Company's annual accounts	31,000	26,500

Charitable Activities

	Concert Promotions of Orchestra	Engagements and Tours	Education Activities	Capital Project	Total 2023	Total 2022
	£	£	£	£	£	£
						Restated*
Orchestra fees	2,198,066	1,859,377	191,541	-	4,248,984	4,300,158
Conductor, Soloist, & Choir fees	1,120,204	700,022	76,702	-	1,896,928	1,381,691
Travel, Hire, subsistence and accomodation	352,760	731,936	61,556	-	1,146,252	890,911
Presentation, Marketing & Programme costs	724,919	445	16,411	-	741,775	694,070
House rentals and Promoter Commissions	588,513	309	52,613	-	641,435	541,141
LPO Recording Label	172,818	-	-	-	172,818	138,007
Subscriptions and professional assistance	200	-	43,869	-	44,069	56,290
Other Direct Costs	571,247	177,632	239,455	-	988,334	929,811
Support	330,122	330,122	96,621	-	756,865	679,058
Capital Project Transfer - London Philharmonic Trust	-	-	-	2,797,459	2,797,459	-
Total	6,058,849	3,799,843	778,768	2,797,459	13,434,919	9,611,137

Expenditure on charitable activities was £13,417,162 (2022: £9,611,146) of which £10,130,003 was unrestricted (2022: £8,452,037) and £3,270,951 was restricted (2022: £1,225,283). The Orchestra continues with preliminary steps towards an exciting capital project, with funds of £2,797,459 for this transferred in year to The London Philharmonic Trust, which protects the Orchestra's ongoing work and gives greater clarity to the day to day operations of the Orchestra through its charitable activity.

Cost of raising funds	Total 2023	Total 2022
	£	£
		Restated*
Direct Costs	459,361	468,062
Support Costs	76,992	66,698
Total	536,353	534,760

*2022 figures have been restated due to a change in the allocation of vehicle depreciation charges.

Notes to the accounts *cont.*

Allocation of Support costs

	Operations of Orchestra	Costs of Raising Funds	Total 2023	Total 2022 Restated*
	£	£	£	£
Apportioned staff costs	395,052	-	395,052	370,581
Rent and Rates	102,708	25,193	127,901	125,092
Office overhead costs	88,795	21,780	110,575	109,635
Legal and other professional fees	14,485	3,553	18,038	8,834
Audit and tax advice	47,928	-	47,928	38,270
Finance Charges	23,597	5,788	29,385	17,597
Deprecitation	30,919	7,584	38,503	29,798
Travel, expenses etc	53,381	13,094	66,475	45,529
Total	756,865	76,992	833,857	745,336



6 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

The number of persons employed by the Company, including directors with contracts of service, were as follows:

	2023	2022
	No.	No.
Average No	42	41

The number of persons employed by the Company, including Trustees with contracts of service, were as follows:

	2023	2022
	No.	No.
Administration	5	5
Concert management	13	13
Education	4	4
Marketing	9	9
Development	8	8
Other	1	1
	40	40

Staff costs incurred during the year in respect of these employees were:

	2023	2022
	£	£
Wages and salaries	1,584,919	1,496,186
Social security costs	161,891	158,262
Other pension costs	98,324	92,712
	1,845,134	1,747,160

The number of senior staff (including Trustees with contracts of service) paid over £60,000 during the year (salary plus taxable benefits excluding pension contributions) was:

	2023	2022
	No.	No.
£60,001 to £70,000	1	2
£70,001 to £80,000	1	-
£90,001 to £100,000	1	1
£100,000 to £110,000	-	1
£110,000 to £120,000	1	-

The pension contributions for the provision of money purchase schemes in respect of the higher-paid employees above totalled £93,811 (2022: £70,453).

Notes to the accounts *cont.*



The Key Management personnel of the Charity comprises the President and Vice-President, Chief Executive, Artistic Director (also trustees), Finance Director, Campaigns and Projects Director, Concerts Director, Development Director, Education and Community Director, and Marketing and Communications Director. Total remuneration paid to key management personnel was £759,770 (2022: £727,077).

The seven Trustees who are playing members of the Orchestra received performance fees and expenses on the same scale as those paid to other playing members in respect of their performances with the Orchestra as per the MU collective agreement.

Other than fees payable to the President and Vice-President, the Chief Executive and the Artistic Director, no Trustees received fees or expenses in relation to their office as Trustee.

Trustees' emoluments

	2023	2023	2022	2022
	£	£	£	£
	Salary	Pension	Salary	Pension
Martin Hohmann	20,800	1,248	20,000	1,200
David Burke	110,458	43,669	107,454	24,153
Elena Dubinets	96,526	67,996	96,293	30,907
Mark Vines	5,500	300	-	-
Performance fees expenses to seven player directors	313,075		316,639	

This note is not compliant with the SORP, which requires remuneration to all musicians on the board (Player Directors) to be presented alongside the format used above for the President and Chief Executive. The Trustees feel that to do so will have an adverse effect on the effective operation of the charity as musicians are reluctant to act as Trustees if that role requires disclosure of fees received as this can result in comparison of remuneration with their peers. This would result in reducing the pool of available Trustees required to successfully govern the Orchestra. These Player Directors are not remunerated for their services as Trustees. The total amount of donations received from the Trustees directly associated with the Charity and their related parties is £784,127 (2022: £484,784).

7 Related Parties

Board member Jamie Njoku-Goodwin is a Trustee of Britten Pears Arts, as well as sitting on the National Council of Arts Council England and is a member of Council of Royal College of Music. Chief Executive, David Burke and President, Martin Höhmann, hold ex-officio positions on the board of Henry Wood Hall, a charitable rehearsal space where the Orchestra regularly rehearses. Catherine Høgel, David Burke and Martin Höhmann are Trustees of The London Philharmonic Trust. During the year funds paid to The London Philharmonic Trust by London Philharmonic Orchestra totalled £2,797,459; there were no amounts owing as at year end. During the year, playing members of the Board received no remuneration for the additional duties resulting from being members of the Board, with the exception of the President and Vice-President, as disclosed in note 6.

The Orchestra has a trading subsidiary, of which, David Buckley, Martin Höhmann and David Burke are directors. All group transactions between the charity and its subsidiary are eliminated on consolidation. A management charge of £1,810 (2022: £587) was charged during the year representing LPO Trading Limited's share of group overheads and other passed on costs. The trading company generated a modest profit of £3,647, (2022 £2,652). At the year end the outstanding balance of £8,323 (2022: £840) was due to the charity.

Kate Birchall was a trustee of London Philharmonic Orchestra Benevolent Fund until November 2022, to whom the London Philharmonic Orchestra made contributions of £18,761 (2022 £18,831) during the year.



8 Grants receivable from government and other public bodies

Grant income

	2023	2022
	£	£
Arts Council of England	1,975,814	2,079,797
South Bank Centre Residency subsidy	61,526	59,375
Arts Council England Culture Recovery Fund (Restricted)	-	48,875
	2,037,340	2,188,047

9 Changes in grants deferred

	Balance 31 August 2022	Grants received	Utilised in year	Balance 31 August 2023
Arts Council of England	-	1,975,814	(1,975,814)	-
Southbank Centre Residency subsidy	-	61,526	(61,526)	-
	-	2,037,340	(2,037,340)	-

10 Taxation

London Philharmonic Orchestra is a registered charity and is therefore not liable to direct taxes on income derived from its charitable activities, as they fall within the various exemptions available to registered charities.

Notes to the accounts *cont.*

11 Tangible fixed assets – Group and Charity

	Leasehold improvements	Vehicle	Music Library	Computer equipment	Furniture, Fixtures fitting and office equipment	Musical instruments	Sanctus Seraphin Violin	Total
	£	£	£	£	£	£	£	£
Cost or valuation								
At 31 August 2022	59,985	233,678	267,211	209,063	315,048	230,756	400,000	1,715,741
Additions	-	-	-	29,686	170	9,543	-	39,399
Disposals	-	-	-	(74,140)	-	-	-	(74,140)
At 31 August 2023	59,985	233,678	267,211	164,609	315,218	240,299	400,000	1,681,000
Accumulated depreciation								
At 31 August 2022	46,528	105,165	262,583	142,302	299,228	164,989	-	1,020,795
Charges for the year	2,323	35,055	350	25,961	3,174	6,696	-	73,559
Disposals	-	-	-	(66,958)	-	-	-	(66,958)
At 31 August 2023	48,851	140,220	262,933	101,305	302,402	171,685	-	1,027,396
Net book value								
At 31 August 2023	11,134	93,458	4,278	63,304	12,816	68,614	400,000	653,604
At 31 August 2022	13,457	128,514	4,628	66,761	15,819	65,767	400,000	694,946

Musical instruments are generally contemporary, low-value instruments whose value is fairly represented by the written down cost of such instruments. The Sanctus Seraphin violin is used during performances and has aesthetic and musical qualities, but also intrinsic value. Consequently, this violin was valued at a current market value of £400,000 at 31 August 2021 by J&A Beare, London, Members of the British Antique Dealers Association; Dealers, restorers and makers of fine violins, violas, cellos and bows. The original historic cost of the violin was £35,000. The Trustees are not aware of any material changes since the last valuation.

The music library was revalued at £250,000 in 1993. No historical information is available with respect to the music library's net book value under historic cost convention, as the cost of acquiring the bulk of the library was expensed through the income and expenditure account over a number of years. Additions to the library since 1993 have been included at cost.

Notes to the accounts *cont.*

12 Investments – Group and Charity

	Cash	Traded Investments	Total
	£	£	£
Valuation at 1 September 2022	3,070,332	2,447,604	5,517,936
Additions at cost	-	625,277	625,277
Disposals at carrying value	-	(318,219)	(318,219)
Net increase/(decrease) in cash	(1,360,844)	-	(1,360,844)
Net gains/(losses)	-	(40,485)	(40,485)
Valuation at 31 August 2023	1,709,488	2,714,177	4,423,665

Valuation at 1 September 2023 are both actual and historic costs. Historic costs of traded investments as at 1 September 2023 are £2,620,324.

Investments by investment type

	2023	2022
	£	£
UK Bonds	288,194	129,716
UK Equity	852,867	937,477
International Equity	865,652	826,961
International Bonds	248,048	122,051
Infrastructure	126,070	143,428
Property	205,500	184,930
Other	127,846	103,041
Cash	1,709,488	3,070,332
	4,423,665	5,517,936

The Charity also has a 100% holding of 1 ordinary shares of £1 each in London Philharmonic Orchestra Trading Limited, a limited company incorporated and registered in England and Wales, company registration number 09979254. The subsidiary had income of £22,000 and expenditure of £18,353. Capital and reserves as at 31 August 2023 totalled £0.

13 Stocks and work in progress – Group and Charity

	2023	2022
	£	£
Stocks of own-label recorded CDs	25,981	43,582
Work in progress of own-label CDs not released	65,646	74,066
	91,627	117,648



14 Debtors

	Group 2023	Group 2022	Charity 2023	Charity 2022
	£	£	£	£
Trade debtors	60,369	93,960	54,369	93,960
Intercompany debtors	-	-	8,324	840
Other debtors	138,041	66,324	138,041	66,324
Prepayments	273,425	260,149	273,425	260,149
Accrued Income	3,277,538	1,825,645	3,277,538	1,825,645
	3,749,373	2,246,078	3,751,697	2,246,918

15 Creditors: amounts falling due within one year

	Group 2023	Group 2022	Charity 2023	Charity 2022
	£	£	£	£
Trade creditors	206,974	179,523	206,974	177,723
Value Added Tax	52,604	38,878	51,604	39,178
Other taxes and social security	71,913	55,744	71,913	55,744
Other creditors	117,084	168,300	117,084	168,300
Accruals	490,126	438,206	488,326	437,036
Deferred income and income in advance < 1yr	780,451	387,168	775,451	387,168
	1,719,152	1,267,819	1,711,352	1,265,149

£384,904 of the income brought forward (total of £528,568) was recognised during the year.

16 Creditors: amounts falling due in more than one year – Group and Charity

	2023	2022
	£	£
Deferred income and income in advance > 1yr	20,000	141,400
	20,000	141,400



17 Called up share capital

	2023	2022
	£	£
Authorised		
200 ordinary shares of £1 each	200	200
Allotted, called up and fully paid		
80 ordinary shares of £1 each	80	80

18 Reserves – Group

	Balance at 1 September 2022	Income	Expenditure	Transfer of amount	Balance at 31st August 2023
	£	£	£	£	£
<i>Unrestricted Funds</i>					
Called up share capital	80	-	-	-	80
General (risk) reserve	1,114,503	10,386,197	(9,064,429)	(1,093,577)	1,342,694
Revaluation reserve	346,000	-	-	-	346,000
	1,460,583	10,386,197	(9,064,429)	(1,093,577)	1,688,774
<i>Designated Funds</i>					
Designated fund (1) Fixed Asset	348,946	39,399	(80,741)	-	307,604
Designated fund (2) Special Project	2,000,000	-	(503,577)	503,577	2,000,000
Designated fund (3) Innovation	500,000	-	(90,000)	90,000	500,000
Designated fund (4) Covid Appeal	765,169	15	(275,000)	-	490,184
Designated fund (5) Premises Transition	100,000	-	(500,000)	400,000	-
Designated fund (6) Capital	-	-	(100,000)	100,000	-
	3,714,115	39,414	(1,549,318)	1,093,577	3,297,788
<i>Restricted Funds</i>					
Education, touring and concert work	50,000	1,060,782	(1,050,782)	-	60,000
Endowment Fund Interest	78,952	67,212	-	-	146,164
Capital Campaign	982,484	1,196,505	(2,178,989)	-	-
London Philharmonic Trust	111,548	-	(111,548)	-	-
	1,222,984	2,324,499	(3,341,319)	-	206,164
<i>Endowment Fund</i>					
Catalyst	2,871,818	8,055	(56,691)	-	2,823,182
Total Funds	9,269,500	12,758,165	(14,011,757)	-	8,015,908

Notes to the accounts *cont.*

18 Reserves – Group *cont.*

The above funds carried forward as at 31 August 2023 represent:

	Tangible Fixed assets	Investment Fixed assets	Net current assets	Total
	£	£	£	£
<i>Unrestricted Funds</i>				
Called up share capital	-	-	80	80
General (risk) reserve	-	-	1,342,694	1,342,694
Revaluation reserve	346,000	-	-	346,000
	346,000	-	1,342,774	1,688,774
<i>Designated Funds</i>				
Designated fund (1) Fixed Asset	307,604	-	-	307,604
Designated fund (2) Special Project	-	1,454,320	545,680	2,000,000
Designated fund (3) Innovation	-	-	500,000	500,000
Designated fund (4) Covid Appeal	-	-	490,184	490,184
Designated fund (5) Premises Transition	-	-	-	-
Designated fund (6) Capital	-	-	-	-
	307,604	1,454,320	1,535,864	3,297,788
<i>Restricted Funds</i>				
Education, touring and concert work	-	-	60,000	60,000
Endowment Fund Interest	-	146,164	-	146,164
Capital Campaign	-	-	-	-
London Philharmonic Trust	-	-	-	-
	-	146,164	60,000	206,164
<i>Endowment Fund</i>				
Catalyst	-	2,823,182	-	2,823,182
Total Funds	653,604	4,423,666	2,938,638	8,015,908

Notes to the accounts *cont.*

18a Prior Year Comparison

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfer of amount £	Balance at 31st August 2022 £
<i>Unrestricted Funds</i>					
Called up share capital	80	-	-	-	80
General (risk) reserve	1,041,922	8,951,272	(8,678,691)	(200,000)	1,114,503
Revaluation reserve	346,000	-	-	-	346,000
	1,388,002	8,951,272	(8,678,691)	(200,000)	1,460,583
<i>Designated Funds</i>					
Designated fund (1) Fixed Asset	348,988	72,305	(72,347)	-	348,946
Designated fund (2) Special Project	2,000,000	-	-	-	2,000,000
Designated fund (3) Innovation	375,000	129,652	(4,652)	-	500,000
Designated fund (4) Covid Appeal	823,701	245	(158,777)	100,000	765,169
Designated fund (5) Premises Transition	-	-	-	100,000	100,000
	3,547,689	202,202	(235,776)	200,000	3,714,115
<i>Restricted Funds</i>					
Education, touring and concert work	50,000	1,092,953	(1,152,953)	60,000	50,000
Endowment Fund Interest	82,236	56,716	-	(60,000)	78,952
Capital Campaign	902,405	151,989	(71,910)	-	982,484
London Philharmonic Trust	111,968	-	(420)	-	111,548
	1,146,609	1,301,658	(1,225,283)	-	1,222,984
<i>Endowment Fund</i>					
Catalyst	3,006,746	(128,781)	(6,147)	-	2,871,818
Total Funds	9,089,046	10,326,351	(10,145,897)	-	9,269,500

Notes to the accounts *cont.*

18a Prior Year Comparison *cont.*

The above funds carried forward as at 31 August 2022 represent:

	Tangible Fixed assets	Investment Fixed assets	Net current assets	Total
	£	£	£	£
<i>Unrestricted Funds</i>				
Called up share capital	-	-	80	80
General (risk) reserve	-	-	1,114,503	1,114,503
Revaluation reserve	346,000	-	-	346,000
	346,000	-	1,114,583	1,460,583
<i>Designated Funds</i>				
Designated fund (1) Fixed Asset	348,946	-	-	348,946
Designated fund (2) Special Project	-	1,473,134	526,866	2,000,000
Designated fund (3) Innovation	-	-	500,000	500,000
Designated fund (4) Covid Appeal	-	-	765,169	765,169
Designated fund (5) Premises Transition	-	-	100,000	100,000
	348,946	1,473,134	1,892,035	3,714,115
<i>Restricted Funds</i>				
Education, touring and concert work	-	-	50,000	50,000
Endowment Fund Interest	-	78,952	-	78,952
Capital Campaign	-	982,484	-	982,484
London Philharmonic Trust	-	111,548	-	111,548
	-	1,172,984	50,000	1,222,984
<i>Endowment Fund</i>				
Catalyst	-	2,871,818	-	2,871,818
Total Funds	694,946	5,517,936	3,056,618	9,269,500

Revaluation reserve: revaluations on assets held by the charity, principally the Sanctus Seraphin violin and the music library.

Designated fund: Designated funds are funds that have been set aside out of unrestricted funds by the Board for a specific purpose. £348,946 of this, along with the revaluation reserve of £346,000, represents the value of the fixed assets.

The designated COVID-19 Fund established in 2019/20 has been an important factor in enabling the organisation to budget to carry out a range of activity in 2022/23, and in particular as the organisation adapts to changes in audience behaviour post-COVID-19. £275,000 was expended during the year and the fund balance stood at £490,184 at year end and the organisation plans to expend this over the coming 2–3 years.

Notes to the accounts *cont.*



18a Prior Year Comparison *cont.*

The Orchestra has established an Innovation Fund, which stands at £500,000, in order to trial new models across all of the Arts Council England Investment Principles. This offers a defined budget specifically ring-fenced for some of the special new initiatives outlined in the 2022/23 Business Plan. This year the fund supported projects including Rob & Romesh Vs the LPO, Gavin Bryar's *Jesus' Blood* at St John's Waterloo, the Purcell Sessions, South Coast work and website improvements. Several of these projects subsequently went on to cover all costs from income generated, however the fund allowed the Orchestra to commit to the projects before full details were finalised. Transfer to the Innovation Fund of £90,000 was therefore agreed to reflect this.

In 2022/23 £503,577 was expended from the Special Projects Fund for the performance of large-scale works: Schoenberg's *Gurrelieder*, Tan Dun's *Buddha Passion* and Mahler's Symphony No. 5; an equivalent amount was transferred to the fund from the general (risk) reserve to maintain a £2,000,000 level as at year end. The fund will continue to be used to enable large-scale projects and strategically important tours and advanced commissions to be upheld in these uncertain times. It is currently anticipated that this fund will be spent out over the next 4-5 years.

Restricted income of £2,324,499 was raised during the year and £3,341,319 was spent during the year. Included in the restricted funds were £421,560 towards Education and Community and £639,222 towards the London concert season and projects, alongside interest from the Catalyst Endowment (£67,212) and £1,196,505 for capital projects, with these funds now being managed by The London Philharmonic Trust.

During the year the organisation retired as sole corporate Trustee of The London Philharmonic Trust, and experienced individual Trustees were appointed to manage it. The independent management of the Trust going forward will help to appropriately manage the risks of any future capital projects.

The Catalyst Endowment is an expendable endowment that has been established to enable co-programmed projects with key venues such as the Southbank Centre.

The remaining balance constitutes the charity's General (Risk) Reserve.

19 Operating lease commitments

Aggregate minimum lease payment commitments under non-cancellable operating leases are as follows:

	Land and buildings	Land and buildings
Expiry date:	2023	2022
Within one year	155,905	99,260
Between two and five years	215,484	158,000
	<u>371,389</u>	<u>257,260</u>



20 Prior Year comparative Statement of Financial Activity

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Endowment 2022 £	Total Funds 2022 £	Total Funds 2021 £
Income from						
Donations and legacies	2	2,941,299	1,239,944	120,500	4,301,743	5,264,436
Charitable Activities	3	6,200,689	-	-	6,200,689	1,991,109
Other trading activities		8,000	-	-	8,000	-
Investments	4	3,486	61,714	-	65,200	49,829
Total Income		9,153,474	1,301,658	120,500	10,575,632	7,305,374
Expenditure on						
Raising funds	5	469,335	72,330	-	541,665	444,279
Charitable activities	5	8,445,132	1,152,953	6,147	9,604,232	6,224,564
Total Expenditure		8,914,467	1,225,283	6,147	10,145,897	6,668,843
Net income for the year before investment gains		239,007	76,375	114,353	429,735	636,531
Gains on revaluation of Fixed Assets		-	-	-	-	80,000
Net (losses) on investments		-	-	(249,281)	(249,281)	441,171
Net movement in funds		239,007	76,375	(134,928)	180,454	1,157,702
Reconciliation of Funds						
Total funds brought forward as at 1 September 2021		4,935,691	1,146,609	3,006,746	9,089,046	7,931,344
Total funds carried forward as at 31 September 2022		5,174,698	1,222,984	2,871,818	9,269,500	9,089,046

The above results are from continuing activities and there are no other gains and losses except as stated above.



21 Trading Subsidiary

The London Philharmonic Orchestra is the sole shareholder of London Philharmonic Orchestra Trading Ltd, registered address 89 Albert Embankment, London SE1 7TP. Its taxable profits are donated to the London Philharmonic Orchestra Ltd except in specific circumstances. The trading result of the subsidiary and its assets, liability and funds at year end are summarised below.

	Year ended 31 August 2023	Year ended 31 August 2022
Turnover	22,000	8,000
Less: Cost of sales	16,543	4,761
Gross Profit	5,457	3,239
Operating profit	3,647	2,652
Less: Donation to parent charity	(3,647)	(258)
Retained profit for the year	-	2,394
Assets	16,124	3,810
Liabilities	16,124	3,810
Net funds	-	-

LONDON PHILHARMONIC ORCHESTRA LIMITED

England & Wales - Charity number 238045

Accounts

London Philharmonic Orchestra

Consolidated Report and Financial Statements

31 August 2022



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Executive Summary

The Orchestra was delighted to welcome back live audiences to its residencies in London, Brighton and Eastbourne following a season spent entirely behind closed doors due to COVID-19 measures. The collective experience of live performance is fundamental to the Orchestra's mission to bring wonder to the modern world through the power of orchestral music, and the reaction from both audiences and performers reminded us clearly why this is so important.

It was equally vital and rewarding to return to live workshops and events through the many community engagements and performances the Orchestra gives each year. The digital engagement we undertook through the 2020/21 season provided a genuine lifeline to many, and this season we could bring these young artists, disabled care home residents and those who have or are currently experiencing homelessness back into ensemble music-making, sharing their experiences and using music as a tool to support them as we evolved into the post-pandemic world. The Orchestra was pleased to expand some of its Rising Talent schemes, recognising the developmental gap for emerging artists that was created through the lockdown period.

2021/22 was an important year, as we welcomed Edward Gardner as the Orchestra's 11th Principal Conductor. Gardner chose Tippett's *The Midsummer Marriage* for his inaugural concert, with the performance – and subsequent CD release – receiving significant critical praise. The season also offered a chance to introduce audiences to Karina Canellakis, the Orchestra's new Principal Guest Conductor, and of course to welcome back Vladimir Jurowski as Conductor Emeritus.

The Orchestra was also delighted to return to touring, re-connecting with its audiences in Germany, Spain and

Romania, and being invited for prestigious dates opening the new Atatürk Cultural Center and CSO Ada Ankara in Turkey. It also continued to engage with international audiences and those in the UK with a significant digital offering, building on the lessons learnt and success achieved during the COVID period.

Financially, the Orchestra benefitted from a temporary increase in the Government's creative tax relief, and careful financial management, to end the year with a small surplus. However recent news regarding reduction in grants from Arts Council England, along with many of our peer London organisations, the end of the time-limited tax break, and high inflationary costs result in a much more challenging future.

These financial challenges will also impact critical partners – the Southbank Centre, Glyndebourne, our regional residencies and our international touring partners. These combined challenges over the next few years will require every ounce of organisational resilience and creativity demonstrated during the COVID period and more. We will draw on this, the high artistic standard the Orchestra achieves and the exceptional music we perform, to continue to inspire ourselves and those around us, both on the concert platform and in the communities we serve. We thank those that have supported the Orchestra and continue to do so, and together we will continue to thrive in these challenging times.



David Burke
Chief Executive



Elena Dubinets
Artistic Director

Edward Gardner conducts the LPO & LPC in Tippett's *The Midsummer Marriage* at the Royal Festival Hall, September 2021



Strategic Report – 31 August 2022

The Trustees are pleased to present their annual Trustees' Report together with the consolidated financial statements of the charity for the year ended 31 August 2022, which are also prepared to meet the requirements for a Directors' Report and accounts for Companies House purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Our Purpose and Activity

The primary purpose of the Orchestra is **to bring wonder to the modern world through the power of orchestral music.**

In doing so we aim to:

- provide a high-quality and diverse series of orchestral performances, engaging world-class conductors and soloists to perform with the Orchestra and sharing their work with the widest possible audience in London, nationally and internationally
- develop a repertoire, workforce and audience that truly reflect the modern world, challenging structural, social, historic and embedded inequalities that restrict access to the artform
- embed the Orchestra in the communities we serve through active dialogue, creative activity and formal and informal musical performance, providing a two-way dialogue ensuring and promoting the relevance of orchestral music, whilst providing opportunities for creative engagement with currently under-served groups in society
- explore digital, presentational and operational opportunities to continue to innovate and evolve following our commitment to undertake our work, effectively, responsibly and sustainably.

This is in accordance with our charitable objects as set out in our governing document, being:

- To promote, maintain, improve and advance education, particularly musical education, and to encourage the arts, including the arts of music, drama, mime, dance and singing, and to formulate, prepare and establish schemes therefore provided that the objects of the company shall be of a charitable nature only, and, as ancillary to the foregoing objects to hold and participate in concerts, and to perform orchestral and instrumental works, operas, ballets and entertainments of this kind and to form and maintain a symphonic orchestra of the highest possible standing to serve the needs of this and other musical institutions in Great Britain and abroad.

The Trustees have considered the Charity Commission's guidance on public benefit in shaping our objectives for the year and planning our activities, including the guidance 'Public benefit: running a charity (PB2)'. Affordability and access to our programme are key considerations, with tickets available from £14 for all self-promoted concerts and a significant digital and broadcast presence. The Orchestra runs a major Education and Community programme, including initiatives for those who may not be able to experience the concert hall environment, and we endeavour to encourage all within our community to take part in activities or attend performances, or engage with the Orchestra digitally or through other media. All of the concerts filmed during 2021/22 were available for free for a limited time as part of the arrangement with Marquee TV, and several were broadcast for free on BBC Radio 3.

The Orchestra relies on grants and income from the fees and charges to cover its operating costs.

The strategies employed to achieve the charity's aims and objectives are:

- to present a varied and inventive programme that reflects the energy, ambition, excitement, enthusiasm, breadth and traditions of contemporary London and the South East
- to reach a broad audience through a wide range of concert and opera performances, Education and Community projects, broadcasts and recordings
- to attract, retain, develop and celebrate a diverse ensemble of world-class musicians
- to deliver a world-class experience to every audience with whom the LPO interacts
- to maintain the long-term sustainability of the Orchestra.

Congress Theatre, Eastbourne



Strategic Report – 31 August 2022 *cont.*

Achievement & performance

1 Performances

The Orchestra is driven in its mission to provide world-class performance to the widest possible audience, sharing wonder through the power of orchestral music.

The Orchestra was delighted to return to live performance following the restrictions put in place in response to COVID-19. Edward Gardner's debut as Principal Conductor, which coincided with the Orchestra's first full public concert back at the Royal Festival Hall, was Tippett's *The Midsummer Marriage*. The performance received a strong critical and public response, with its subsequent release on the LPO record label achieving similar plaudits. The new triumvirate of titled conductors – Edward Gardner, Karina Canellakis and Vladimir Jurowski – rival any other orchestra on the international stage.

The Orchestra was equally delighted to be able to return to performing for families and schools through its BrightSparks and FUNharmonics series and to its longstanding residencies in Brighton, Eastbourne and Saffron Walden, and we all welcome the return of international touring and live performances overseas. The Orchestra gave a total of 140 live performances in total, including its London season; residencies at Brighton, Eastbourne, Saffron Walden and Glyndebourne; orchestral performances devised especially for families and schools; and internationally, despite the ongoing challenges that

COVID-19 presented, both to international touring and through late cancellations.

Highlights of the 2021/22 season included Tippett's *The Midsummer Marriage*; the UK premiere of James MacMillan's *Christmas Oratorio*; an artist residency with Julia Fischer involving performances of all the Mozart concerti and a chamber concert alongside LPO musicians; the opening of the Vaughan Williams 150th anniversary celebrations; and concerts celebrating the work of the late Oliver Knussen. The Orchestra appeared at the BBC Proms with performances of *The Dream of Gerontius* and Ethel Smyth's *The Wreckers*.

The Orchestra worked with a range of major international artists including Marin Alsop, Julia Fischer, Renée Fleming, Stephen Hough, Jan Lisiecki, Sheku Kanneh-Mason, Klaus Mäkelä, Enrique Mazzola, Bryn Terfel and Mitsuko Uchida.

The Orchestra gave eight world or UK premieres: James MacMillan's *Christmas Oratorio*, Jimmy López's Piano Concerto, Danny Elfman's Percussion Concerto, Missy Mazzoli's *River Rouge Transformation*, Rebecca Saunders's *to an utterance*, Mason Bates's *Liquid Interface*, George Walker's *Sinfonia No. 5 (Visions)* and Brett Dean's Cello Concerto. New composition was also featured in the annual Debut Sounds concert (see later).

Karina Canellakis conducting the LPO in concert at the Royal Festival Hall



© Mark Allen

Strategic Report – 31 August 2022 *cont.*

2 Communities

The Orchestra's work with the communities it serves, and the dialogues they produce, are an essential way of ensuring its long-term evolution and relevance, proactively engaging with communities new and old through performance, workshops, and a diverse range of creative-based opportunities.

The Orchestra's work off the concert platform is predominantly based around its residencies in London, Brighton, Eastbourne and Saffron Walden. Live performance and workshops have resumed in all of these areas.

In London, specific projects included activities for teachers and young people in Vauxhall, working with the Lambeth communities in the vicinity of the LPO offices, and collaborating with the South London Music Education Hubs of Lewisham and Royal Greenwich to deliver a programme of holiday music courses and the Open Sound Ensemble for young disabled people and their parents and carers at the new Woolwich Works venue in south-east London.

The Orchestra runs OrchLab, one of the UK's largest orchestral music programmes with disabled adults, devised and developed with Drake Music (experts in music, technology and disability), to make music through workshops in care centres in London and beyond. At the heart of OrchLab are our LPO values of collaboration and inclusivity. This year the programme included developing accessible technology, bespoke web activities, a national online training session, and events including intensive series of workshops at four centres: Luton Road Look Ahead Centre in Newham, Athol House Leonard Cheshire Centre in Crystal Palace, Flying Angel, Look Ahead in Victoria Dock, and Chipstead Lake Leonard Cheshire Centre near Sevenoaks.

The Orchestra ran a series of workshops, Crisis Creates, which increased wellbeing through creativity and performance amongst people experiencing homelessness, and culminated with a performance on the Royal Festival Hall stage.

The Orchestra encourages its senior staff to sit on boards of other charities and schools, utilising our leadership position to offer expertise to others in the sector and beyond.

LPO OrchLab



Strategic Report – 31 August 2022 *cont.*

3 Equality, Diversity, Inclusion and Belonging

Our modern world must hear and sense itself in the music we perform; it must see itself in the artists that we are and the artists with whom we engage; if we are to embrace, understand and serve it, the modern world must be represented through the entirety of the Orchestra, its management and its leadership.

The Orchestra has a deep and longstanding commitment to increasing its diversity on and off the concert platform. During the year, the Orchestra developed a five-year Inclusivity and Relevance strategy, which is led and monitored by its Diversity and Inclusion Steering Committee.

The Orchestra performed 15 works by female composers and composers of colour, which we believe is the most yet in a single season. It also explored opportunities to invite new voices by commissioning works for future seasons from composers from a range of under-represented backgrounds.

The Orchestra is also committed to building a diverse workforce in a long-term sustainable way. LPO Junior Artists has been specifically developed to support musicians from under-represented backgrounds aged 15–19. Along with its feeder programme, Junior Artists Overture, 61 young people took part in these schemes during the year, whilst some activities also included LPO Junior Artists alumni. Work was undertaken during the year to develop a scheme for emerging conductors from backgrounds currently under-represented in the sector, with auditions to take place in January 2023.

Members of the Orchestra took part in conversations led by Black Lives in Music to explore the broader perspectives of the sector, and one outcome is a restructuring of the audition process, with the initial round being held by anonymous audio file, ensuring all applicants have an equal chance at this stage. Recruitment processes for administrative and Board roles were similarly evaluated and updated to limit opportunity for bias.

LPO Junior Artists



4 Rising Talent

The Orchestra believes that talent is indiscriminate, and is proactively using the expertise of its musicians to develop the next generation of artists through a series of industry-leading schemes.

The flagship Foyle Future Firsts scheme turned 18 during the season. Research shows that 88% of participants since it was launched have remained in the music profession, either as performers or teachers. An Associate programme was also created for the year, to maximise opportunities for these talented post-conservatoire musicians in the aftermath of COVID. This initiative, combined with the Orchestra's Young Composers scheme, in which five emerging composers worked with Composer-in-Residence Brett Dean to develop pieces that were performed at the annual Debut Sounds showcase concert at the Queen Elizabeth Hall, gave these young musicians a platform on which to present themselves to audiences and the industry.

Foyle Future Firsts



As discussed earlier, the LPO Junior Artists and Junior Artist Overture programmes restarted post-COVID, developing the pre-conservatoire area of the talent pipeline. We were delighted that several members and alumni were successful in applications to continue music at higher education and conservatoire level, and that two former Junior Artists applied post-conservatoire to the Foyle Future Firsts scheme, linking the pipeline schemes together for the first time.

The Orchestra offered debuts at Eastbourne and Brighton to new artists and conductors including Randall Goosby, Holly Mathieson, Martin James Bartlett, Catherine Larsen-Maguire, Jess Gillam and Finnegan Downie Dear.

5 Sustainability

Minimising our impact on the environment is a commitment that the LPO is passionate about pursuing. We seek ways to operate our orchestra, our programme and our company that limit our impact and can benefit the planet.

During the year the Orchestra established a Sustainability working group, led by Board member Deborah Dolce and including a range of stakeholders across the organisation including senior management, staff and musicians. As such we have identified four key areas for our Sustainability Plan where we believe we have a role to play:

- As individuals
- Through our organisational operations
- Within our partnerships
- In collaboration with our audiences.

The Orchestra then drilled down into each of these areas to develop individual priority areas, and key tactics and plans to action in the coming months.

Strategic Report – 31 August 2022 *cont.*

6 Digital

Technology enables the Orchestra to reach significant audiences, including many for whom it would not be possible to hear the Orchestra live, or who may have their first experience through this format. The LPO is committed to exploring new technologies and the opportunities they present to develop the artform, presentation and reach.

The LPO is the world's most streamed orchestra online, and during the 2021/22 season received c.140,000,000 streams/downloads across the major platforms, as well as developing long-form streaming to audiences that do not have opportunity to see the Orchestra live on a regular basis. Central to this strategy was the partnership with Marquee TV – presenting full-length concerts to a global audience. The Orchestra signed a two-year agreement with the platform, effectively the world's first 'online digital residency agreement', and the partnership was nominated for a Digital Culture Award. Following the return of live audiences, the Orchestra continued to work with Intersection to create a lighting and filming style that could be captured in a full hall.

LPO social media saw dramatic growth over the year, building to over 850,000 followers across all social media channels (22% increase). Of particular success was the Orchestra's new TikTok channel, established to reach out to the younger demographic that is a hallmark of the platform, and by the year end the Orchestra became the most followed orchestra worldwide, with over 70,000 followers from a standing start.

Series 3 and 4 of the LPO Offstage podcast with Yolanda Brown continued to give behind-the-scenes insights into the modern orchestra. The series was nominated for a British Podcast Award in the Arts & Culture Category, and has been syndicated across several airlines.

Digital technology also helped in the Orchestra's community programmes, for example Zoom has increased the reach of some of the teaching and mentoring programmes and allowed us to run a nationally-available online training day for care centres wishing to use resources developed for OrchLab. The continued development of tech-led accessible instruments has benefitted both the OrchLab and Open Sound projects, with the OrchLab website sharing a range of accessible music resources for disabled people at no cost.

More traditional formats continue to play a key part in reaching audiences. The LPO's CD label had strong success with a release of Vladimir Jurowski conducting Stravinsky and an archive recording of Strauss with Jessye Norman. Towards the end of the year it released Edward Gardner's live performance of Tippett's *The Midsummer Marriage* in Spatial Audio with Dolby Atmos to great acclaim. Several concerts continue to be selected for broadcast on BBC Radio 3, and other stations offer opportunities for reach via interviews and recording excerpts.

LPO Offstage podcast recording with LPO double bassist Tom Walley, host Yolanda Brown and jazz saxophonist Joe Lovano



Strategic Report – 31 August 2022 *cont.*

7 International Touring

The LPO was in the vanguard of British orchestras returning to international touring and to flying the flag for British talent and musicianship abroad.

The LPO had to overcome both COVID and Brexit headwinds to return to the international touring market, but performed strongly in its first season back on the road. Dates included the Enescu Festival in Budapest with Edward Gardner, and opening two new concert halls in Turkey with Robin Ticciati. The Orchestra returned to Western European markets, where an eight-date tour of Germany established Edward Gardner as the Orchestra's new Principal Conductor in these important territories, with a series of acclaimed concerts and a tour to Madrid and Barcelona.

The planning timeframe for long-haul tours prevented their return this season, but we were delighted to work with Hong Kong City Hall to perform concerts marking the 60th anniversary of the opening of the Hall (by the LPO). While live performance was not possible due to ongoing COVID restrictions, the Orchestra filmed two concerts in London that were streamed into City Hall to a live audience in high-definition – a new first for the Orchestra.

Screening at Hong Kong City Hall



Sala Palatului, Bucharest



Strategic Report – 31 August 2022 *cont.*

Financial

A return to more regular activity, with the exception of long-haul touring, helped boost income, with turnover for the year of £10.6m, compared to £7.3m in the prior year. Of the increase, £1.2m came from ticket sales and c.£2m from engagements including Glyndebourne and international touring, although both were down slightly on pre-pandemic levels. The temporary increase of Orchestra Tax Relief generated an additional £608k and helped offset some of these shortfalls as consumer confidence was re-established. Expenditure increased proportionally to cover the costs of the additional activity.

The Orchestra made a surplus this year before investment losses of £430,000, of which £80,000 is restricted to the capital campaign. Investments had a challenging year across the board, resulting in paper losses on the endowment investment portfolio of £249,000 (-8.9%), bringing the total surplus for the year to £180,000.

The Orchestra received donations of £152k towards continuing feasibility costs around a new capital project. Feasibility costs incurred during the year were £72k, with the balance in restricted funds in respect of capital standing at £982k at year end. It was a particularly challenging environment for London Philharmonic Orchestra Trading Ltd – for non-charitable trading – which incurred a nominal profit of £2,651, offsetting the prior year's loss. The trading company will continue to seek out corporate opportunities as commercial conditions hopefully improve in 2022/23.

In the year, £158,000 was expended from the COVID Appeal funds, including £38,000 relating to cancelled concerts, allowing us to continue to support our membership, extras and artists; £12k for COVID testing; and £98k to mitigate against lower levels of ticket sales compared to pre-COVID levels. A further £100,000 was designated to the fund in year.

The Orchestra has established an Innovation Fund, which stands at £500,000, in order to trial new models across all of the Arts Council England Investment Principles. This offers a defined budget specifically ring-fenced for some of the special new initiatives outlined in the 2022/23 Business Plan. The fund will in future be promoted to appropriate donors and provide opportunities for people with special interest in these areas to support the Orchestra to reach new audiences and trial new approaches.

This resulted in a surplus of £72,000 in the general (risk) reserve, which brings this fund to £1.114m, just slightly above the level of £1.1m set in the reserves policy, given uncertainties around funding levels from Arts Council England and inflationary costs.

The Orchestra received 20% of its operating income in public funding via Arts Council England (including £2.08m from its National Portfolio Agreement and £49,000 from the Culture Recovery Fund), one of the lowest levels of public funding of any of the UK's full-time symphony

orchestras. It has been informed that, along with several other London orchestras, it will receive a reduction of 12% from April 2023 as part of Arts Council England's policy of redistributing funding outside of London.

Every effort is being made to diversify income from a balance of sources to protect the Orchestra's future. The establishment of the Sound Futures endowment through the Catalyst programme is one of several strategies to support the Orchestra's longer-term ambition. The endowment has been invested in a broad range of conservative investment options, with Rathbones appointed to help manage the funds alongside a highly experienced Investment Committee. The Special Projects and Innovation funds exist to enable mid-term planning to continue appropriately (see below) in this delicate environment, alongside giving confidence and financial means to trial new models and build on experiences of reaching audiences learned as a result of adaptations the Orchestra has had to make as a result of COVID-19.

Going Concern

The Orchestra has demonstrated its ability to adapt its activities to enable continued operations through a very turbulent few years for the economy and the sector. The reduction in funding from Arts Council England, combined with high inflation and the removal of the temporary increase in tax relief, presents significant challenges. The Orchestra considers there to be a reasonable expectation that a proportionate element of fundraising will continue, based on existing pledges, ongoing conversations and cautious expectations. In the event that projected fundraising income is not received, the Orchestra is still confident it could cover its costs, but this would be likely to impact planned activities. On this basis of ongoing receipt of Arts Council Grant, current reserve levels that can be appropriately utilised if required and ongoing activities (including an element of fundraising), the Trustees are confident that the company is a going concern.

Investment Policy

The establishment of the Sound Futures endowment is one of several strategies to support the Orchestra's longer-term ambition. The £2.9m endowment has been invested in a broad range of conservative investment options, with Rathbones appointed to help manage the funds alongside a highly experienced Investment Committee consisting of Trustees David Burke and Martin Höhmann, as well as Jamie Korner (charity investment specialist), and Bruno De Kegel (private wealth specialist). The investment objective of the portfolio was so designed as to produce annual income in the range of £60–£80k on a long-term basis, and preserving the real value of the capital over the longer term is also of great importance. This year it produced income of £60,000 in what was a challenging year, with markets impacted globally by the COVID-19 pandemic. The valuation of the portfolio decreased by £249,000, with an additional £120,000 invested.

Strategic Report – 31 August 2022 *cont.*

Development Income

As a registered charity, the London Philharmonic Orchestra is grateful to all those individuals and organisations that offer financial support to enable and enhance its activities. We are grateful to all of the many corporate, trust and individual supporters that contribute to our work.

In particular for this financial year we would like to thank the following for their generous support: The American Friends of the London Philharmonic Orchestra, Arts Council England, Steven M. Berzin, The Candide Trust, Dunard Fund, Mrs Aline Foriel-Destezet, The Foyle Foundation, Aud Jebsen, the International Board of Governors, JTI, Mr & Mrs Philip Kan, The London Community Foundation and Cockayne – Grants for the Arts, The Adam Mickiewicz Institute, Sir Simon and Lady Robey, Rothschild Foundation, Neil Westreich, William and Alex de Winton, and The Victoria Wood Foundation. The LPO would also like to thank all those who made donations to support the Orchestra during its 2021/22 season.

This year's Annual Gala, 'Connect, Reflect, Renew', was held in person at the Royal Horticultural Society's Lindley Hall, and returned to its larger-scale format with

200 guests coming together to celebrate and support the LPO. Sir Bryn Terfel joined Edward Gardner for the performances during the evening. The event raised £257k to support the core work of the LPO. The American Friends of the London Philharmonic Orchestra held a hybrid digital and live fundraising event in 2022, raising over \$150k.

Development income for the year was £2.1m, alongside £0.12m from legacies that have been put into the endowment and £2.1m from Arts Council England (£49k restricted). £152k of development income was restricted towards feasibility work on a new capital campaign. A further £862k of unrestricted income was received and £1.1m restricted. Included in the restricted funds were £344k towards Education and Community work and £680k towards the London concert season.

The comparative figure for the prior year was £2.1m in development income, alongside £0.02m legacies and £3.105m from Arts Council England (£1.026m restricted). Other restricted income included £334k, £594k, £97k for Education, London concerts and capital respectively).

2022 LPO Annual Gala



© Lia Vittone

Strategic Report – 31 August 2022 *cont.*

Fundraising

The London Philharmonic Orchestra's fundraising department solicits sponsorship, donations and membership from individuals, business, Government bodies and charitable foundations. The team is committed to best practice in ethical fundraising process and abides by the Funding Regulator's Code of Fundraising Practice, which includes specific guidance to ensure the charity does not put undue pressure on any individual to make a contribution or pledge. The Orchestra has a formal Gift Acceptance policy and does not use third-party fundraisers to make asks of members of the public. No complaints were received during the year.

We are registered with the Fundraising Regulator and are compliant with the Code of Fundraising Practice. We continue to comply with the European Union's General Data Protection Regulation (GDPR) which has strengthened our supporters' control of their relationships with us, and will keep abreast of any required changes in legislation as a result of the UK leaving the European Union.

Reserves Policy

The London Philharmonic Orchestra requires reserves in order to provide for contingencies as they may arise. The nature of the London Philharmonic Orchestra's operations requires reliance on significant levels of income from sponsorship and donations that can show substantial variation due to changes in the economic climate or exceptional events after the Company's artistic plans are formulated. The Company aims to retain general (risk) reserves at a level the Trustees anticipate will be sufficient to provide security from such unexpected variations and other risks highlighted below. This has been set at £1.1m, following detailed analysis of the risks faced. The current value is £1.114m (2021: £1.041m), just marginally above the level set. The designated COVID-19 Fund established in 2019/20 has been an important factor in enabling the organisation to budget to carry out a range of activity in 2021/22, and will continue to be so in 2022/23.

The Company has designated and revaluation reserves of £4.060m (2021: £3.89m) that have been set aside out of unrestricted funds by the Board. £348,946 of this, along with the revaluation reserve of £346,000, represents the value of the fixed assets. The revaluation reserve of £346,000 consists predominantly of the increased value (since acquisition) of the Sanctus Seraphin violin, but also a historic revaluation of the music library. This value can also only be realised by disposing of tangible fixed assets.

A further £100k received in the year has been designated to the COVID Appeal fund, with £158k expended including £38k related to cancelled concerts, allowing us to continue to support our membership, extras and artists; £12k for COVID testing; and £98k to mitigate against lower levels of tickets sales compared to pre-COVID

levels. At year end the fund stood at £765k, which gives confidence to underpin future plans, especially regarding ongoing challenges related to foreign touring and greater uncertainty than usual over levels of ticket sales.

£2m has been set aside to a Special Projects Fund to enable special programmes at the Royal Festival Hall, such as the conclusion of the Wagner *Ring* Cycle with Vladimir Jurowski. The fund will also be used to enable strategically important tours and advanced commissions to be upheld in these uncertain times. It is anticipated that this fund will be spent out over the next 3–4 years.

The Orchestra built on the Innovation Fund established in 2020/21, which stands at £500k at year end. This fund enables the organisation to trial new models across all of the Arts Council England Investment Principles. This will be to offer a defined budget specifically ring-fenced for some of the special new initiatives outlined in the 2022/23 Business Plan. The fund will in future be promoted to appropriate donors and provide opportunities for people with special interest in these areas to support the Orchestra to reach new audiences and trial new approaches.

The Orchestra has established an endowment to allow deeper collaboration with the Southbank Centre and other venues on a long-term basis. When originally established, the endowment benefited from £1m match funding from Arts Council England. The value of the endowment at 31 August 2022 was £2,872k (2021: £3,007k), which is considered sufficient to meet the investment targets set. For clarity, the Orchestra has taken the decision to keep this endowment within the main charity rather than in a separate trust. Interest from the endowment is considered restricted for use towards strategic collaborations with key venues. The long-term aim is to maintain the capital value, whilst being able to draw down £60–£80k on an annual basis.

The Company is the sole Trustee of the London Philharmonic Trust. As is common with the arts community, the Trust was established many years ago as an independent charity to support the work of the Orchestra. However, by linking the two, the Orchestra offers greater clarity on the assets available to support its work. The Trust's assets of £112k remain separate, but are shown as part of these accounts as a linked charity.

The Orchestra continues with preliminary steps towards an exciting capital project, receiving a further £151,989 in the year towards feasibility costs, of which it spent £71,909.

The Orchestra's trading subsidiary, London Philharmonic Orchestra Trading Ltd, generated a nominal profit of £2,652, offsetting the prior year loss. The Orchestra's total reserves are therefore £9.269m, which is made up of designated reserves (£3.714m), revaluation reserves (£346k), restricted reserves (£1.222m, of which £982k relates to the capital campaign), the Orchestra's

Strategic Report – 31 August 2022 *cont.*

endowment (£2.871m), and general (risk) reserves of £1.114m. Prior Year respective figures were total reserves £9.089m, made up of designated reserves (£3.547m), revaluation reserves (£346k), restricted reserves (£1.150m with £902k relating to capital), the Orchestra's endowment (£3.007m), and general (risk) reserves of £1.042m.

Risk Management

The Trustees have overall responsibility for ensuring that the organisation operates an appropriate system of controls, financial and otherwise, to provide reasonable assurance that:

- the charity is operating efficiently and effectively
- proper records are maintained and financial information, used within the charity or for publication, is reliable
- the charity complies with relevant laws and regulations.

A detailed risk register is maintained, grading all identified risks and any actions taken to manage them. This is monitored on an ongoing basis by management and reported to the Audit Committee on an annual basis. The key risks that have been identified to the successful delivery of LPO's strategy and artistic programme are:

- The impact of the current economic environment on voluntary income, ticket and recording sales and other earned income, most notably international touring. The Orchestra prepares detailed budgets including sensitivity analysis and continues to seek to diversify income streams where possible.
- The impact of the economic environment on partner organisations with which the organisation has close working relationships – the Orchestra continues to work collaboratively with partner organisations to address these challenges.
- The impact of Brexit, particularly in relation to international touring in respect of increased transport and work visa/permit costs. The organisation is working closely with promoters, the ABO and relevant Government departments to address this.
- The continuing impact of COVID-19, in particular on long-haul touring which continues to bring a greater than usual uncertainty to future plans regarding performances, touring, and availability of guest artists, musicians and venues.
- In addition, the Trustees are aware of issues regarding National Insurance payments for freelance musicians that have potential implications for the Orchestra. See note 18 for further details.

Plans for future periods

2022/23 marks the Orchestra's 90th birthday, and the first full season with Artistic Director Elena Dubinets, for which it has presented an ambitious programme entitled 'A place to call home.' Reflecting the narratives of our time, particularly the war in Ukraine, the recurring theme of the season is our connection to the issues of belonging and displacement. It explores the meaning of home to people who have experienced exile, displacement, homelessness or despair. The season also celebrates the 150th birthday of Vaughan Williams, and will include 14 premieres – the most the Orchestra has given in a single season.

Beyond the season, the Orchestra will build on its long and historic residencies in Brighton, Eastbourne, Glyndebourne and Saffron Walden, appointing a new Regional Partnerships Manager to connect with the local communities on a grass-roots level, creating an active and ongoing dialogue that will feed into future planning.

The Orchestra maintains its long-held ambition for a permanent home alongside its residency at the Royal Festival Hall. Conversations are ongoing and feasibility work is progressing, and it is hoped further news about these plans will be forthcoming during the coming year.

Trustees' Report

Reference and administrative details

Charity number	238045
Company number	357059
Registered Office	89 Albert Embankment, London SE1 7TP

Our Advisors

Auditors	Crowe UK LLP, 55 Ludgate Hill, London EC4M 7JW
Bankers	Virgin Money, 154–158 Kensington High Street, London W8 7RL
Solicitors	Charles Russell Speechlys LLP, 5 Fleet Place, London EC4M 7RD

Directors and Trustees

Henry Baldwin*ø	<i>Vice President, retired 4 December 2021</i>
Kate Birchall*	
David Buckley#	<i>Chair, Audit Committee</i>
David Burke#•≠ø	
Deborah Dolcet‡	
Elena Dubinets•†ø	<i>Appointed 1 September 2021</i>
Lord Hall of Birkenhead	<i>Appointed 20 June 2022</i>
Catherine Høgel•°≠	<i>Chair from 6 May 2022</i>
Martin Höhmann*≠#•†ø	<i>President</i>
Tanya Josephø	
Bruno De Kegel‡	
Hugh Kluger*	
Kate Leek*	<i>Appointed 6 May 2022</i>
Minn Majoe*ø	<i>Appointed 6 May 2022</i>
Stewart McIlwham*ø	<i>Retired 6 May 2022</i>
Alan MacCuish	
Tania Mazzetti*	
Jamie Njoku-Goodwin	
Victoria Robey OBE°•‡≠	<i>Chairman, retired 6 May 2022</i>
Andrew Tusa#•	
Mark Vines*	<i>Vice-President from 12 January 2022</i>
Neil Westreich	<i>Appointed 6 May 2022</i>

- * Player Director
- # Member of the Audit Committee
- ° Member of the Events Committee
- Member of the Nominations Committee
- ‡ Member of the Investment Committee
- ≠ Member of the Premises Committee
- † Member of the Sustainability Committee
- ø Member of the Diversity and Inclusion Steering Committee

Secretary
David Burke

Trustees' Report *cont.*

Key Management personnel

Chief Executive	David Burke
Artistic Director	Elena Dubinets
Finance Director	Frances Slack
Campaigns & Projects Director	Nicholas Jackman
Concerts Director	Roanna Gibson
Development Director	Laura Willis
Education & Community Director	Talia Lash
Marketing & Communications Director	Kath Trout

Governing Document

The London Philharmonic Orchestra Limited ('The Company') was formed as a private limited Company on 6 October 1939, registration number 357059 and is registered with the Charity Commission under Charity Number 238045. The Directors therefore carry out the role of Trustees under Charities legislation. The Company is governed by its Memorandum and Articles of Association last amended on 22 May 2012.

Board of Directors/Trustees

The London Philharmonic Orchestra is owned by its shareholding members, who are the Orchestra's musicians whose name appears on the 'Orchestral list' ('Members'). There are a maximum 80 members, and shares for any vacant position are held by the President.

Under the updated Memorandum and Articles of Association approved at the Company's AGM on 22 May 2012, the membership can elect up to eleven Non-Executive Directors and seven Player Directors. This change ensures compliance with the latest updates to the Charities Act, whilst strengthening the Board's capacity in key areas such as governance and fundraising. The Chair of the Orchestra is elected from the Non-Executive Directors, whilst the Chair of the Players' Committee, a member of the Orchestra, also takes the title President.

Organisation

The Board is responsible for monitoring the Company's core business and provides the Company with access to advice and guidance in the new areas of the Company's operations. The level of membership is continually reviewed to ensure effective governance of the Company. Eight subcommittees of the Board have been established with delegated responsibilities for audit, development, investment, the annual Gala, nominations, marketing, premises, and player issues. Authority for the day-to-day management of the Company has been delegated to the Chief Executive and the Artistic Director.

An Advisory Council was also established on 22 May 2012, whose members advise and assist the Board on matters of strategic and/or orchestral importance without formal governance responsibility.

Governance code

Strong governance and management are critical to our success and reputation. We have a Board of Trustees that takes overall responsibility for the charity and our work. They are responsible for ensuring we are effectively and properly run and meet our goals as a charity. Our Board is responsible for:

- Furthering our overall purpose, as set out in our governing document and setting our direction and strategy
- Ensuring our work is effective, responsible and legal
- Safeguarding our finances, resources and property and ensuring they are used to further our purpose
- Being accountable to those with an interest or stake in what we do or who regulates us
- Establishing clear boundaries with the staff, musicians and contractors who carry out our work between the governance role of the Board and operational or day-to-day matters ensuring the Board operates effectively.

The Board reviews its own governance practice annually against the Charity Governance Code, with no major concerns identified.

Trustees' Report *cont.*

Advisory Council

The members of the Advisory Council at the time of signature are below.

Martin Höhmann (Chairman)*##•‡

Rob Adediranø

Christopher Aldren

Manon Antoniazzi

Roger Barron

Richard Brass

Helen Brocklebank

YolanDa Brown OBE

David Burke

Simon Burke

Simon Callow CBE

Desmond Cecil

Sir Alan Collins

Andrew Davenport

Guillaume Descottes

Cameron Doley

Elena Dubinets

Christopher Fraser OBE

Jonathan Harris CBE≠

Amanda Hill

Nick Hely Hutchinson

Rehmet Kassim-Lakha

Jamie Korner‡

Geoff Mann≠

Clive Marks OBE FCA

Stewart McIlwham*ø

Andrew Neill

Jamie Njoku-Goodwin

Nadya Powellø

Sir Bernard Rix

Victoria Robey OBE‡•‡

Baroness Shackleton of Belgravia

Thomas Sharpe KC

Julian Simmonds≠

Barry Smith

Martin Southgate

Chris Viney

Laurence Watt

Elizabeth Winter

* Player Director

Member of the Audit Committee

° Member of the Events Committee

• Member of the Nominations Committee

‡ Member of the Investment Committee

≠ Member of the Premises Committee

ø Member of the Diversity and Inclusion Steering Committee

Recruitment and training of Trustees

Player Directors are appointed by the members at the Annual General Meeting of the Company after nomination by at least two Company members as required by the Company's Articles of Association. Non-Executive Directors are recommended to the Board by the

Nominations Committee and can be appointed to the Board either to fill a vacancy or as an additional Trustee. Any Trustee so appointed shall hold office only until the next Annual General Meeting. The Articles also provide that only those persons who are named on the Orchestral List may be a member of the Company.

New Trustees and Council members undergo an orientation to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Board and decision making processes, the business plan and recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Related Parties and co-operation with other organisations

Our former Chair, Victoria Robey, is on the board of Music Masters, which engaged the Orchestra to provide musicians as part of its education activity. Victoria Robey's husband is Co-Chair of Britten Pears Arts (Snape Maltings), which engaged the Orchestra for performances during the year. Board member Jamie Njoku-Goodwin is also a Trustee of Britten Pears Arts, as well as sitting on the National Council of Arts Council England and is a member of Council of Royal College of Music. Chief Executive, David Burke and President, Martin Höhmann, hold ex-officio positions on the board of Henry Wood Hall, a charitable rehearsal space where the Orchestra regularly rehearses. Alan MacCuish is Creative Chairman of Sunshine, who provided in-kind services to the Orchestra during the year. During the year, playing members of the Board received no remuneration for the additional duties resulting from being members of the Board, with the exception of the President, as disclosed in note 6.

The Orchestra has a trading subsidiary, of which Victoria Robey, David Buckley, Martin Höhmann and David Burke are directors. All group transactions between the charity and its subsidiary are eliminated on consolidation. A management charge of £587 (2021: £0) was charged during the year representing LPO Trading Limited's share of group overheads and other passed on costs. The trading company incurred a nominal profit of £2,652, offsetting the prior year loss (£2,648). At the year end the outstanding balance of £840 (2021: £1,254) was due to the charity. Stewart McIlwham, a Trustee for part of the year, is director of McIlwham Music Ltd, who provide musical service to the Orchestra receiving performance fees and expenses on the same scale as those paid to other playing members in respect of their performances with the Orchestra as per the MU collective agreement. The fees paid are included within note 6 (Trustee emoluments) on page 29. Stewart McIlwham and Kate Birchall were trustees of London Philharmonic Orchestra Benevolent Fund during the year, to whom the London Philharmonic Orchestra made contributions of £18,831 (2021 £19,511) during the year.

Trustees' Report *cont.*

The wife of a Trustee who served during the year is an artist agent whose artists occasionally work with the Orchestra, but has no involvement in matters relating to that musician and any engagement during the year was on terms equivalent to those in similar arm's-length transactions. There were no other related party transactions.

Trustees

The Trustees who served throughout the year and subsequent to the year end and the beneficial interests of the Trustees in the Company's shares at 31 August 2022 and 1 September 2021 were:

	Ordinary shares of £1 each	
	31 Aug 22	31 Aug 21
Henry Baldwin	-	1
Kate Birchall	1	1
Martin Höhmann (President)	15	9
Hugh Kluger	1	1
Kate Leek	1	1
Minn Majoe	1	1
Stewart McIlwham	1	1
Tania Mazzetti	1	1
Mark Vines (Vice-President)	1	1

Employment Policy

The Orchestra is an equal opportunities employer. Full and fair consideration is given to all job applications. Regular consultation is given between all staff and their managers, with due consideration given to their training and employment needs. Meetings take place on a regular basis with all staff and departmentally to ensure all employees are aware of the Orchestra's activities and performance.

Pay policy for senior staff

Staff salaries are set by the Chief Executive, in consultation with the Finance Director. The Chief Executive and the Artistic Director salaries are set by the Chairman and President. (The position of Chairman is an unpaid position). Payment for equivalent roles are tracked where possible and used for benchmarking purposes.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of the London Philharmonic Orchestra for the purposes of company law) are responsible for preparing the Strategic Report and the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. 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;
- make judgments 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to re-appoint Crowe UK LLP as the Company's auditors will be proposed at the forthcoming Annual General Meeting.

Disclosure of Information to Auditors

Insofar as each of the trustees/directors of the charity at the date of approval of this report is aware there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each trustee/director has taken all of the steps that he/she should have taken as a trustee/director in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The Trustees' Report and Strategic Report were approved by the Board of Trustees and signed on behalf of the Board on 20 February 2023.



Catherine Högel
Trustee (Chair)



Martin Höhmann
Trustee (President)

Independent Auditor's Report

To the Members of the London Philharmonic Orchestra Limited

Opinion

We have audited the financial statements of the London Philharmonic Orchestra Limited ('the charitable company') and its subsidiaries ('the group') for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2022 and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent Auditor's Report *cont.*

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 19, 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 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 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

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.

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.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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 might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were health and safety legislation, taxation legislation, employment legislation, and General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, tested the application of cut-off and revenue recognition, particularly around voluntary income and grants; reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.

Independent Auditor's Report *cont.*

For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Poulter
Senior Statutory Auditor
For and on behalf of
Crowe UK LLP
Statutory Auditor
London

Date: 5 April 2023

Consolidated Statement of Financial Activities

(incorporating an income and expenditure account)
Year ended 31 August 2022

Statement of Financial Activities	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Endowment 2022 £	Total Funds 2022 £	Total Funds 2021 £
Income from						
Donations and legacies	2	2,941,299	1,239,944	120,500	4,301,743	5,264,436
Income from charitable activities	3	6,200,689	-	-	6,200,689	1,991,109
Other trading activities		8,000	-	-	8,000	-
Investments	4	3,486	61,714	-	65,200	49,829
LPO income		9,153,474	1,301,658	120,500	10,575,632	7,305,374
Expenditure on						
Raising funds	5	469,335	72,330	-	541,665	444,279
Charitable activities	5	8,445,132	1,152,953	6,147	9,604,232	6,224,564
Total expenditure		8,914,467	1,225,283	6,147	10,145,897	6,668,843
Net income for the year before investment gains		239,007	76,375	114,353	429,735	636,531
Gains on revaluation of Fixed Assets		-	-	-	-	80,000
Net (losses)/gains on investments		-	-	(249,281)	(249,281)	441,171
Net movement in funds		239,007	76,375	(134,928)	180,454	1,157,702
Reconciliation of funds						
Total funds brought forward at 1 September 2021		4,935,691	1,146,609	3,006,746	9,089,046	7,931,344
Total funds carried forward at 31 August 2022		5,174,698	1,222,984	2,871,818	9,269,500	9,089,046

The above results are from continuing activities and there are no other gains and losses except as stated above.

Consolidated and Charity Balance Sheet

Year ending 31 August 2022

	Note	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Fixed assets					
Tangible assets	11	694,946	694,988	694,946	694,988
Investments	12	5,517,936	5,571,373	5,517,936	5,571,373
		6,212,882	6,266,361	6,212,882	6,266,361
Current assets					
Stock and Work in progress	13	117,648	124,314	117,648	124,314
Debtors	14	2,246,078	2,027,551	2,246,918	2,028,804
Cash at bank and in hand		2,102,111	2,305,962	2,098,601	2,304,791
		4,465,837	4,457,827	4,463,167	4,457,909
Creditors: amounts falling due within one year	15	(1,267,819)	(1,456,742)	(1,265,149)	(1,454,431)
Net current assets		3,198,018	3,001,085	3,198,018	3,003,478
Creditors: amounts falling due in more than one year	16	(141,400)	(178,400)	(141,400)	(178,400)
Net assets		9,269,500	9,089,046	9,269,500	9,091,439
Capital and Funds					
<i>Unrestricted Funds</i>					
Called up share capital	17	80	80	80	80
General (Risk) reserve	19	1,114,503	1,041,922	1,114,503	1,044,315
Revaluation reserve	19	346,000	346,000	346,000	346,000
Designated fund (1): Fixed Asset	19	348,946	348,988	348,946	348,988
Designated fund (2): Special Projects	19	2,000,000	2,000,000	2,000,000	2,000,000
Designated fund (3): Innovation	19	500,000	375,000	500,000	375,000
Designated fund (4): COVID Appeal	19	765,169	823,701	765,169	823,701
Designated fund (4): Premises Transition	19	100,000	0	100,000	0
<i>Restricted Funds</i>					
Endowment Fund interest	19	78,952	82,236	78,952	82,236
Capital Campaign		982,484	902,405	982,484	902,405
Education, touring and concert work		50,000	50,000	50,000	50,000
London Philharmonic Trust		111,548	111,968	111,548	111,968
<i>Endowment Funds</i>					
Endowment Funds - Catalyst	19	2,871,818	3,006,746	2,871,818	3,006,746
Total capital and funds		9,269,500	9,089,046	9,269,500	9,091,439

The Trustees have prepared group accounts in accordance with section 298 of the Companies Act and section 138 of the Charities Act 2011. The charity has taken exemption from presenting its unconsolidated profit and loss account under section 408 of the Companies Act 2006. The net income of the charity in 2022, after gains on investments and transfer of profits from the trading company (£258) was £180,454 (2021: £1,157,702).

These financial statements were approved by the Board of Trustees on 20 February 2023.
Signed on behalf of the Board of Trustees



Catherine Högel
Trustee (Chair)



Martin Höhmann
Trustee (President)

Consolidated Cash Flow Statement

Year ending 31 August 2022

	2022 Group and charity £	2021 Group and charity £
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	(902)	848,155
Cash flows from investing activities		
Dividends, interest and rents from investments	65,200	49,829
Proceeds from the sale of property, plant and equipment	-	5,000
Purchase of property, plant and equipment	(72,305)	(23,613)
Proceeds from the sale of investments	1,342,184	122,611
Purchase of investments	(1,407,140)	(200,590)
Net cash provided by (used in) investing activities	(72,061)	(46,763)
Cash flows from financing activities:		
Net cash provided by (used in) financing activities	-	-
Change in cash and cash equivalents in the reporting period	(72,963)	801,392
Cash and cash equivalents at the beginning of the reporting period	5,245,406	4,444,014
Change in cash and cash equivalents due to exchange rate movements	-	-
Cash and cash equivalents at the end of the reporting period	5,172,443	5,245,406
Cash held as cash	2,102,111	2,305,962
Cash held as investments	3,070,332	2,939,444
	2022	2021
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	180,454	1,157,702
Adjustments for:		
Depreciation charges	70,463	67,752
Losses/(Gains) on investments	249,281	(441,171)
Dividends, interest and rents from investments	(65,200)	(49,829)
(Gain) on Revaluation of fixed assets	-	(80,000)
Loss/(profit) on the sale of fixed assets	1,884	(4,728)
Decrease in stocks	6,666	22,848
(Increase) in debtors	(218,527)	(216,476)
(decrease)/increase in creditors	(225,923)	392,057
Net cash provided by (used in) operating activities	(902)	848,155

Notes to the accounts

1 Company Information

London Philharmonic Orchestra Limited is a registered charity and as such is a non-profit making organisation, limited by shares. The number of members at 31 August 2022 is 66 and their liability on a liquidation is limited to £1 each.

London Philharmonic Orchestra Limited is registered as a limited liability company in England and Wales under number 357059 and its registered office is 89 Albert Embankment, London SE1 7TP. It is also a Public Benefit Entity registered with the Charity Commission under number 238045.

Accounting policies

Critical accounting judgements and key areas of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods. The most significant estimate within the financial statements relates to the accrued income for the Orchestral Tax Credit for the 2021/22 period. As is consistent with prior years, this claim is yet to be submitted to HMRC. The Orchestra works with professional advisors to review, prepare and submit the claim, and have prepared this year's figures on a basis consistent with prior years. Previous years' claims have been received in a timely manner.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

a) Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – Charities SORP (FRS 102) 2nd edition, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The consolidated financial

statements incorporate the financial statements of the Charity and its 100% owned subsidiary London Philharmonic Trading Ltd (Company Number 9979254).

The Trustees have departed from the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in note 6, 'Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel' to show the musicians' payments for playing in the Orchestra in aggregate. The Trustees feel that this is necessary to avoid reducing the pool of available Trustees required to successfully govern the Orchestra. These Player-Directors are not remunerated for their services as Trustees.

The London Philharmonic Orchestra meets the definition of a Public Benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Preparation of the accounts on a going concern basis

The Company's activities together with the factors likely to affect its future development, performance and position are set out in the Strategic and Trustees' Reports on pages 4 to 18. The Orchestra has demonstrated its ability to adapt its activities to enable continued operations through a very turbulent few years for the economy and sector. The reduction in funding from Arts Council England, combined with high inflation and the removal of the temporary increase in tax relief prevents significant challenges. The Orchestra considers there to be a reasonable expectation that a proportionate element of fundraising will continue, based on existing pledges, ongoing conversations, and cautious expectations. In the event that projected fundraising income is not received, the Orchestra is still confident it could cover its costs but this would be likely to impact planned activities. On this basis of ongoing receipt of Arts Council Grant, current reserves levels that can be appropriately utilised if required and ongoing activities (including an element of fundraising), the Trustees are confident that the company is a going concern.

c) Accounting convention

The financial statements are prepared under the historical cost convention with the exception of the revaluation of the Sanctus Seraphin violin, valuation of investments and the music library at its valuation pre-2000 as permitted in FRS 102.

Notes to the accounts *cont.*

d) Foreign currency

The functional currency of the Orchestra is considered to be in pounds sterling because that is the currency of the primary economic environment in which the charity/group operates. The financial statements are presented in pounds sterling.

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year-end, in accordance with FRS102. Any gains or losses arising on translations are reported as part of the transaction within the SOFA and are not material; they are therefore not disclosed separately.

e) Fund accounting

Unrestricted funds:

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the objectives of the Charity and which have not been designated for other purposes.

Designated funds are unrestricted funds, which have been applied or reserved by the Trustees for a specific purpose. The aim and use of each designated fund is set out in the notes to the accounts.

Revaluation Funds relates to revaluations of the Sanctus Seraphin violin and the music library.

Restricted funds are those which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The purpose for which restricted funds are held is analysed in the notes to the accounts (see note 19).

The expendable Endowment comprises monies that must be held as capital and spent over a minimum 25 years. Interest from the endowment is credited to restricted funds and applied to joint projects between the Orchestra and its regular venues under the terms of the endowment.

f) Income

Voluntary income including donations, gifts and legacies and grants that are of general nature are recognised where there is entitlement, receipt is more probable than not and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Legacies are included in the financial statements as an incoming resource in the year in which the charity is notified and when the value and entitlement of the legacy is known with reasonable certainty.

Income from the charitable trading operation is recognised as earned (as the related goods and services are provided).

Investment income is recognised on a receivable basis.

g) Donated services and facilities

Donated services and facilities are included at the value to the charity where this can be quantified. No amounts are included in the financial statements for services donated by volunteers. Gifts in Kind are included at current market value where their value is ascertainable and material. The estimated valuation of gifts in kind is based on the value of the contribution to the charity, or the valuation the charity would have had to pay to acquire the assets.

h) Government Grants

Government grants are recognised on the performance model, when the organisation has complied with any conditions attaching to the grant and the grant will be received.

i) Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance-related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that result in the payment being unavoidable.

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with the performance of concerts and educational programmes and include both the direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. per capita, staff costs by the time spent and other costs by their usage.

Notes to the accounts *cont.*

j) Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation, which is provided in equal annual instalments over the estimated useful lives of the assets.

The rates of depreciation are applied as allocated support costs (see note 5) and are charged at a rate of:

- Leasehold improvements: 10% straight line (over term of lease)
- Music library: 4% straight line
- Computer equipment (PCs/laptops): 33% straight line
Computer equipment (servers/IT infrastructure): 20% straight line
- Furniture, fixtures, fittings and office equipment: 15% reducing balance
- Musical instruments: 10% reducing balance
- Motor vehicles: 15% straight line
- Sanctus Seraphin violin: not depreciated

The Sanctus Seraphin violin has not been depreciated on the basis of it being an appreciating asset. The violin was last valued in 2021 and the increase in value reflected in the accounts. Assets over £1,000 are capitalised.

k) Stocks and work in progress

Own-label CDs in the course of development at the Balance Sheet date are valued at cost. Stock is stated at the lower of cost or net realisable value.

l) Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

m) Pensions

Pension costs are recognised in the accounts when they are paid. The Company does not operate its own pension scheme, but offers to make contributions into employees' private schemes or alternatively contributes to an external auto-enrolment scheme. Pensions are allocated from unrestricted funds, as no restricted funding directly covers employee costs. Total payments are as per note 6 in the accounts.

n) Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transactions value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and debtors excluding prepayments. Financial liabilities held at amortised cost comprise creditors excluding other taxes and social security and deferred income and income in advance.

o) Debtors

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

p) Creditors

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

q) Investments

Listed investments are stated at the market closing price on 31 August 2022. Gains and losses in the year are taken to the Statement of Financial Activities.

r) Cash

Cash at bank and in hand includes cash deposits in banks only.

Notes to the accounts *cont.*

2 Income from Donations and Legacies

	Total Funds 2022 £	Total Funds 2021 £
Gifts and memberships	2,085,239	2,083,602
Donated goods and services	28,457	14,949
Grants from government and other public bodies (see note 8)	2,188,047	3,165,885
	<u>4,301,743</u>	<u>5,264,436</u>

Development income for the year was £2.1m, alongside £0.12m from legacies that have been put into the endowment and £2.1m from Arts Council England (£49k restricted). £152k of development income was restricted towards feasibility work on a new capital campaign. A further £862k of unrestricted income was received and £1.1m restricted. Included in the restricted funds were £344k towards Education and Community work and £680k towards the London concert season.

The comparative figure for the prior year was £2.1m in development income, alongside £0.02m legacies and £3.105m from Arts Council England (£1.026m restricted). Other restricted income included £334k, £594k, £97k for Education, London concerts and capital respectively.

The charity is grateful for in-kind support from, among others, Lindt, Lidl and Gusbourne. The total value of all in-kind support is estimated at £28,547 (2021: £15,000). The estimated value of these goods and services is recognised within unrestricted incoming resources as a donation, and an equivalent charge being included in unrestricted expenditure under charitable activities.

3 Income from charitable activities

	Total Funds 2022 £	Total Funds 2021 £
Ticket and programme sales	1,277,627	72,842
Performance fees	3,319,001	1,369,562
Recording label & streaming	263,347	131,999
Other income	1,340,714	416,706
Total income from Charitable Activities	<u>6,200,689</u>	<u>1,991,109</u>

4 Investment income

	Total Funds 2022 £	Total Funds 2021 £
Dividend	59,256	49,081
Investment interest	3,094	-
Bank interest	2,850	748
	<u>65,200</u>	<u>49,829</u>

Notes to the accounts *cont.*

5 Analysis of Expenditure

Net income for the year is stated after charging.

	2022 £	2021 £
Operating lease rental	124,968	119,642
Depreciation	70,463	67,753
Fees payable to the Company's auditors for taxation purposes	10,597	10,415
Fees payable to the Company's auditors for the audit of the Company's annual accounts	26,500	24,190

Charitable Activities

	Concert Promotions £	Other UK and Tours £	Education Activities £	Total 2022 £	Total 2021 £
Orchestra fees	2,124,662	2,019,196	156,300	4,300,158	2,491,476
Conductor, soloist & choir fees	1,077,177	226,760	77,754	1,381,691	427,279
Travel, hire, subsistence and accommodation	285,001	561,375	44,535	890,911	577,307
Presentation, marketing and programme costs	690,928	438	2,704	694,070	485,170
House rentals and promoter commissions	504,319	-	36,822	541,141	690,955
LPO recording label	138,007	-	-	138,007	102,733
Subscriptions and professional assistance	-	4,652	51,638	56,290	44,583
Other direct costs	560,810	150,667	183,279	894,756	775,082
Support	308,463	308,463	90,282	707,208	629,979
Total	5,689,367	3,271,551	643,314	9,604,232	6,224,564

Expenditure on charitable activities was £9,604,232 (2021: £6,224,564) of which £8,445,132 was unrestricted (2021: £4,194,025) and £1,225,283 was restricted (2021: £2,023,972).

No ex-gratia payments of were made in the year. In 2021 ex-gratia payments totalling £8,570 were paid to 6 freelance musicians. These were agreed by the Board to support the musicians and sustain the quality of the Orchestra through the COVID-19 pandemic.

Cost of raising funds

	2022 £	2021 £
Direct costs	468,063	375,772
Support	73,602	68,507
Total	541,665	444,279

Notes to the accounts *cont.*

Allocation of Support costs

	Charitable Activities £	Cost of Raising Funds £	2022 £	2021 £
Apportioned staff costs	370,581	-	370,581	318,146
Rent and rates	100,453	24,639	125,092	122,522
Office overhead costs	88,040	21,595	109,635	83,524
Legal and other professional fees	7,094	1,740	8,834	8,643
Audit and tax advice	38,270	-	38,270	34,734
Finance charges	14,131	3,466	17,597	37,977
Depreciation	52,079	12,774	64,853	64,948
Travel, expenses etc.	36,561	8,968	45,529	27,991
Total	707,209	73,182	780,391	698,485

6 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

The number of persons employed by the Company, including Trustees with contracts of service, were as follows:

	2022 No.	2021 No.
Administration	5	5
Concert management	13	13
Education	4	4
Marketing	9	9
Development	8	8
Other	1	1
	40	40

Staff costs incurred during the year in respect of these employees were:

Wages and salaries	1,496,186	1,398,139
Social security costs	158,262	135,780
Other pension costs	92,712	87,286
	1,747,160	1,621,205

The number of senior staff (including Trustees with contracts of service) paid over £60,000 during the year (salary plus taxable benefits excluding pension contributions) was:

	2022 No.	2021 No.
£60,001 to £70,000	2	2
£70,001 to £80,000	0	1
£90,001 to £100,000	1	0
£100,000 to £110,000	1	1

The pension contributions for the provision of money purchase schemes in respect of the higher-paid employees above totalled £70,453 (2021: £41,279).

Notes to the accounts *cont.*

The Key Management personnel of the Charity comprises the President, Chief Executive, Artistic Director (also trustees), Finance Director, Campaigns and Projects Director, Concerts Director, Development Director, Education and Community Director, and Marketing and Communications Director. Total remuneration paid to key management personnel was £696,747 (2021: £611,847).

The seven Trustees who are playing members of the Orchestra received performance fees and expenses on the same scale as those paid to other playing members in respect of their performances with the Orchestra as per the MU collective agreement.

Other than fees payable to the President, the Chief Executive and the Artistic Director, no Trustees received fees or expenses in relation to their office as Trustee.

Trustees' emoluments

	2022 £ Salary	2022 £ Pension	2021 £ Salary	2021 £ Pension
Cristina Rocca (Artistic Director Nov 20–Jun 21)	-	-	74,462	5,645
Martin Höhmann (President)	20,000	1,200	18,000	1,080
David Burke (Chief Executive)	107,454	24,153	105,263	23,970
Elena Dubinets (Artist Director Sep 21 onwards)	96,293	30,907	-	-
Performance fees and expenses to (seven) Player Directors	316,639	-	241,825	-

This note is not compliant with the SORP, which requires remuneration to all musicians on the board (Player Directors) to be presented alongside the format used above for the President and Chief Executive. The Trustees feel that to do so will have an adverse effect on the effective operation of the charity as musicians are reluctant to act as Trustees if that role requires disclosure of fees received as this can result in comparison of remuneration with their peers. This would result in reducing the pool of available Trustees required to successfully govern the Orchestra. These Player Directors are not remunerated for their services as Trustees. The total amount of donations received from the Trustees directly associated with the Charity and their related parties is £484,784 (2021: £664,039)

7 Related Parties

Our former Chair, Victoria Robey, is on the board of Music Masters, which engaged the Orchestra to provide musicians as part of its education activity. Victoria Robey's husband is Co-Chair of Britten Pears Arts (Snape Maltings), which engaged the Orchestra for performances during the year. Board member Jamie Njoku-Goodwin is also a Trustee of Britten Pears Arts, as well as sitting on the National Council of Arts Council England and is a member of Council of Royal College of Music. Chief Executive, David Burke and President, Martin Höhmann, hold ex-officio positions on the board of Henry Wood Hall, a charitable rehearsal space where the Orchestra regularly rehearses. Alan MacCuish is Creative Chairman of Sunshine, who provided in-kind services to the Orchestra during the year.

During the year, playing members of the Board received no remuneration for the additional duties resulting from being members of the Board, with the exception of the President, as disclosed in note 6.

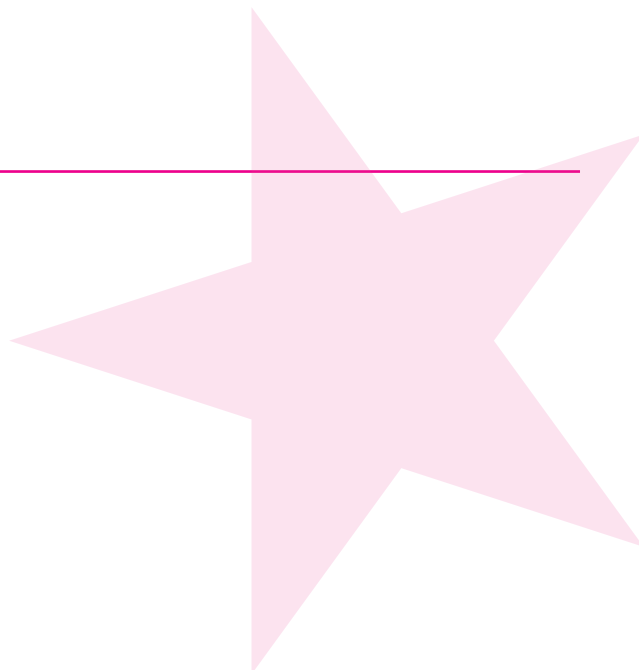
The Orchestra has a trading subsidiary, of which Victoria Robey, David Buckley, Martin Höhmann and David Burke are directors. All group transactions between the charity and its subsidiary are eliminated on consolidation. A management charge of £587 (2021: £0) was charged during the year representing LPO Trading Limited's share of group overheads and other passed on costs. The trading company incurred a nominal profit of £2,652 offsetting the prior year loss (£2,648). At the year end the outstanding balance of £840 (2021: £1,254) was due to the charity.

Stewart Mcllwham, a Trustee for part of the year, is director of Mcllwham Music Ltd, who provide musical service to the Orchestra receiving performance fees and expenses on the same scale as those paid to other playing members in respect of their performances with the Orchestra as per the MU collective agreement. The fees paid are included within note 6 (Trustee emoluments) on page 29. Stewart Mcllwham and Kate Birchall were

Notes to the accounts *cont.*

trustees of London Philharmonic Orchestra Benevolent Fund during the year, to whom the London Philharmonic Orchestra made contributions of £18,831 (2021 £19,511) during the year.

The wife of a Trustee who served during the year is an artist agent whose artists occasionally work with the Orchestra, but has no involvement in matters relating to that musician and any engagement during the year was on terms equivalent to those in similar arm's-length transactions. There were no other related party transactions.



8 Grants receivable from government and other public bodies

Grant Income	2022 £	2021 £
Arts Council of England	2,079,797	2,079,799
Southbank Centre Residency subsidy	59,375	59,961
Arts Council of England Culture Recovery Fund (Restricted)	48,875	1,026,125
	2,188,047	3,165,885

9 Changes in grants deferred

	Balance 31 August 2021 £	Grants received £	Utilised in year £	Balance 31 August 2022 £
Arts Council of England	-	2,079,797	(2,079,797)	-
Southbank Centre Residency subsidy	-	59,375	(59,375)	-
Total balance	-	2,139,172	(2,139,172)	-

10 Taxation

London Philharmonic Orchestra is a registered charity and is therefore not liable to direct taxes on income derived from its charitable activities, as they fall within the various exemptions available to registered charities.

Notes to the accounts *cont.*

11 Tangible fixed assets – Group and Charity

	Leasehold improvements £	Vehicle £	Music library £	Computer equipment* £	Furniture, fixtures, fittings and office equipment £	Musical instruments £	Sanctus Seraphin Violin £	Total £
Cost or valuation								
At 31 August 2021	55,380	233,678	267,211	173,214	313,754	220,486	400,000	1,663,723
Additions	4,605			48,598	8,832	10,270		72,305
Disposals	-			(12,749)	(7,538)			(20,287)
At 31 August 2022	59,985	233,678	267,211	209,063	315,048	230,756	400,000	1,715,741
Accumulated depreciation								
At 31 August 2021	44,154	70,110	262,233	131,996	301,740	158,502	-	968,735
Charges for the year	2,374	35,055	350	23,054	3,143	6,487	-	70,463
Disposals	-	-	-	(12,748)	(5,655)	-	-	(18,403)
At 31 August 2022	46,528	105,165	262,583	142,302	299,228	164,989	-	1,020,795
Net book value								
At 31 August 2022	13,457	128,514	4,628	66,761	15,819	65,767	400,000	694,946
At 31 August 2021	11,226	163,568	4,978	41,218	12,014	61,984	400,000	694,988

*Computer equipment includes Assets under construction (new website) of £30,437.

Musical instruments are generally contemporary, low-value instruments whose value is fairly represented by the written down cost of such instruments. The Sanctus Seraphin violin is used during performances and has aesthetic and musical qualities, but also intrinsic value. Consequently, this violin was valued at a current market value of £400,000 at 31 August 2021 by J&A Beare, London, Members of the British Antique Dealers Association; Dealers, restorers and makers of fine violins, violas, cellos and bows. The original historic cost of the violin was £35,000. The Trustees are not aware of any material changes since the last valuation.

The music library was revalued at £250,000 in 1993. No historical information is available with respect to the music library's net book value under historic cost convention, as the cost of acquiring the bulk of the library was expensed through the income and expenditure account over a number of years. Additions to the library since 1993 have been included at cost.

Notes to the accounts *cont.*

12 Investments – Group and Charity

	Cash £	Traded Investments £	Total £
Valuation at 1 September 2021	2,939,444	2,631,929	5,571,373
Additions at cost	-	1,407,140	1,407,140
Disposals at carrying value	-	(1,342,184)	(1,342,184)
Net increase in cash	130,888	-	130,888
Net gains/(losses)	-	(249,281)	(249,281)
Valuation at 31 August 2022	3,070,332	2,447,604	5,517,936

Valuation at 1 September 2022 are both actual and historic costs. Historic costs of traded investments as at 1 September 2022 are £2,335,894.

Investments by investment type

		2022	2021
UK Bonds	£	129,716	245,475
UK Equity	£	937,477	951,881
International Equity	£	826,961	987,132
International Bonds	£	122,051	0
Infrastructure	£	143,428	78,526
Property	£	184,930	227,502
Other	£	103,041	141,413
Cash	£	3,070,332	2,939,444
Total	£	5,517,936	5,571,373

The Charity also has a 100% holding of 1 ordinary shares of £1 each in London Philharmonic Orchestra Trading Limited, a limited company incorporated and registered in England and Wales, company registration number 09979254. The subsidiary had income of £8,000 and expenditure of £5,348. Capital and reserves as at 31 August 2022 totalled £0.

13 Stocks and work in progress – Group and Charity

	2022 £	2021 £
Stocks of own-label recorded CDs	43,582	35,365
Work in progress of own-label CDs not released	74,066	88,949
	117,648	124,314

14 Debtors

	2022 £ Group	2021 £ Group	2022 £ Charity	2021 £ Charity
Trade debtors	93,960	408,168	93,960	408,168
Intercompany debtors	-	-	840	1,254
Other debtors	66,324	4,473	66,324	4,473
Prepayments	260,149	205,399	260,149	205,399
Accrued income	1,825,645	1,409,511	1,825,645	1,409,510
	2,246,078	2,027,551	2,246,918	2,028,804

Notes to the accounts *cont.*

15 Creditors: amounts falling due within one year

	2022 £ Group	2021 £ Group	2022 £ Charity	2021 £ Charity
Trade creditors	179,523	408,561	177,723	406,761
Value Added Tax	38,878	86,730	39,178	87,290
Other taxes and social security	55,744	49,225	55,744	49,225
Other creditors	168,300	153,996	168,300	153,996
Accrued expenditure	438,206	403,015	437,036	401,944
Deferred income and income in advance due within one year	387,168	355,215	387,168	355,215
	1,267,819	1,456,742	1,265,149	1,454,431

£400,580 of the income brought forward (total of £533,615) was recognised during the year.

16 Creditors: amounts falling due in more than one year – Group and Charity

	2022 £	2021 £
Deferred income and income in advance due in more than one year	141,400	178,400

17 Called up share capital

	2022 £	2021 £
Authorised		
200 ordinary shares of £1 each	200	200
Allotted, called up and fully paid		
80 ordinary shares of £1 each	80	80

18 Contingent Liability

The Trustees are aware of a legal case (which does not involve the LPO) which has highlighted issues around the interpretation of legislation around payments of Class 1 National Insurance Contributions (NICs) to be paid in relation to musicians' earnings by the LPO and the players themselves. This issue was discussed at length with Her Majesty's Revenue and Customs (HMRC) in 2005 and 2006 and an agreement reached at that time which confirmed that NICs were not payable in relation to the freelance musicians engaged by the LPO.

Following consultation, the government has decided to repeal the current National Insurance regulations in respect of entertainers from 6 April 2014. However, at the time of approval of this report and the financial statements, the potential, quantity and likelihood of any backdated liability is less clear. The Trustees are of the view if such liabilities were to exist, the amount that would be payable cannot be estimated reliably at present. Taking all of the above factors into account, the Trustees have not made any provision in the accounts for any backdated NICs that might become payable.

Notes to the accounts *cont.*

19 Reserves – Group

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfer of amount £	Balance at 31 August 2022 £
<i>Unrestricted Funds</i>					
Called up share capital	80	-	-	-	80
General (risk) reserve	1,041,922	8,951,272	(8,678,691)	(200,000)	1,114,503
Revaluation reserve	346,000	-	-	-	346,000
	1,388,002	8,951,272	(8,678,691)	(200,000)	1,460,583
<i>Designated Funds</i>					
Designated fund (1) Fixed Asset	348,988	72,305	(72,347)		348,946
Designated fund (2) Special Project	2,000,000	-	-	-	2,000,000
Designated fund (3) Innovation	375,000	129,652	(4,652)	-	500,000
Designated fund (4) COVID Appeal	823,701	245	(158,777)	100,000	765,169
Designated fund (5) Premises Transition	-	-	-	100,000	100,000
	3,547,689	202,202	(235,776)	200,000	3,714,115
<i>Restricted Funds</i>					
London, Touring and Education	50,000	1,092,953	(1,152,953)	60,000	50,000
Catalyst interest	82,236	56,716		(60,000)	78,952
Capital Campaign	902,405	151,989	(71,910)	-	982,484
COVID Appeal	-	-	-	-	0
London Philharmonic Trust	111,968	-	(420)	-	111,548
	1,146,609	1,301,658	(1,225,283)	-	1,222,984
<i>Endowment Fund</i>					
Catalyst	3,006,746	(128,781)	(6,147)		2,871,818
Total Funds	9,089,046	10,326,351	(10,145,897)	-	9,269,500

Notes to the accounts *cont.*

19 Reserves – Group *cont.*

The above funds carried forward as at 31 August 2022 represent:

	Tangible Fixed assets £	Investment Fixed assets £	Net current assets £	Total £
<i>Unrestricted Funds</i>				
Called up share capital	-	-	80	80
General (risk) reserve	-	-	1,114,503	1,114,503
Revaluation reserve	346,000	-	-	346,000
	346,000	-	1,114,583	1,460,583
<i>Designated Funds</i>				
Designated fund (1) Fixed Asset	348,946	-	-	348,946
Designated fund (2) Special Project	-	1,473,134	526,866	2,000,000
Designated fund (3) Innovation	-	-	500,000	500,000
Designated fund (4) COVID Appeal	-	-	765,169	765,169
Designated fund (5) Premises Transition	-	-	100,000	100,000
	348,946	1,473,134	1,892,035	3,714,115
<i>Restricted Funds</i>				
London, Touring and Education	-	-	50,000	50,000
Catalyst interest	-	78,952		78,952
Capital Campaign	-	982,484		982,484
COVID Appeal	-	-	-	-
London Philharmonic Trust	-	111,548		111,548
	-	1,172,984	50,000	1,222,984
<i>Endowment Fund</i>				
Catalyst	-	2,871,818		2,871,818
Total Funds	694,946	5,517,936	3,056,618	9,269,500

Notes to the accounts *cont.*

19a Prior Year Comparison

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfer of amount £	Balance at 31 August 2021 £
Called up share capital	80	-	-	-	80
General (risk) reserve	906,486	4,373,836	(4,238,400)	-	1,041,922
Revaluation reserve	266,000	80,000	-	-	346,000
<i>Designated Funds</i>	1,172,566	4,453,836	(4,238,400)	-	1,388,002
Designated fund (1) Fixed Asset	393,399	23,613	(68,024)	-	348,988
Designated fund (2) Special Project	2,000,000	-	-	-	2,000,000
Designated fund (3) Innovation	-	375,000	-	-	375,000
Designated fund (4) COVID Appeal	772,099	361,602	(310,000)	-	823,701
	3,165,498	760,215	(378,024)	-	3,547,689
<i>Restricted Funds</i>					
London, Touring and Education	58,000	2,001,176	(2,009,176)	-	50,000
Catalyst interest	32,461	49,775	-	-	82,236
Capital Campaign	826,523	97,222	(21,340)	-	902,405
COVID Appeal	14,796	-	(14,796)	-	-
London Philharmonic Trust	112,508	-	(540)	-	111,968
	1,044,288	2,148,173	(2,045,852)	-	1,146,609
<i>Endowment Fund</i>					
Catalyst	2,548,992	464,321	(6,567)	-	3,006,746
Total Funds	7,931,344	7,826,545	(6,668,843)	-	9,089,046

Notes to the accounts *cont.*

19a Prior Year Comparison *cont.*

The above funds carried forward as at 31 August 2021 represent:

	Tangible Fixed assets £	Investment Fixed assets £	Net current assets £	Total £
<i>Unrestricted Funds</i>				
Called up share capital	-	-	80	80
General (risk) reserve	-	-	1,041,922	1,041,922
Revaluation reserve	346,000	-	-	346,000
	346,000	-	1,042,002	1,388,002
<i>Designated Funds</i>				
Designated fund (1) Fixed Asset	348,988	-	-	348,988
Designated fund (2) Special Project	-	1,468,018	531,982	2,000,000
Designated fund (3) Innovation	-	-	375,000	375,000
Designated fund (4) COVID Appeal	-	-	823,701	823,701
	348,988	1,468,018	1,730,683	3,547,689
<i>Restricted Funds</i>				
London, Touring and Education	-	-	50,000	50,000
Catalyst interest	-	82,236	-	82,236
Capital Campaign	-	902,405	-	902,405
COVID Appeal	-	-	-	-
London Philharmonic Trust	-	111,968	-	111,968
	-	1,096,609	50,000	1,146,609
<i>Endowment Fund Catalyst</i>	-	3,006,746	-	3,006,746
Total Funds	694,988	5,571,373	2,822,685	9,089,046

Revaluation reserve: revaluations on assets held by the charity, principally the Sanctus Seraphin violin and the music library.

Designated fund: Designated funds are funds that have been set aside out of unrestricted funds by the Board for a specific purpose. £348,946 of this, along with the revaluation reserve of £346,000, represents the value of the fixed assets.

During the year £158,000 was allocated from the COVID designated Appeal funds to continue to support our members, extras and artists and to cover specific COVID-related costs. Further funds of £100,000 were designated to the fund in the year, with the balance of £765,169 which gives confidence to underpin future plans, especially regards ongoing challenges related to foreign touring and greater uncertainty than usual over levels of ticket sales.

The Orchestra built on the Innovation Fund established in 2020/21, which stands at £500k at year end. The fund enables the organisation to trial new models across all of the Arts Council England Investment Principles. This will be to offer a defined budget specifically ring-fenced for some of the special new initiatives outlined in the 2022/23 Business Plan. The fund will in future be promoted to appropriate donors and provide opportunities for people with special interest in these areas to support the Orchestra to reach new audiences and trial new approaches. The remaining amount of £2,000,000 has been set aside to a Special Projects Fund to enable commitments made with regard to programming at the Royal Festival Hall, and strategically important tours and commissions, to be upheld.

Notes to the accounts *cont.*

Restricted income of £1,301,658 was raised during the year and £1,225,282 was spent during the year. Included in the restricted funds were £342,718 towards Education and Community and £679,769 towards the London concert season, alongside interest from the Catalyst Endowment and Capital restricted funds (£61,714).

The Catalyst Endowment is an expendable endowment that has been established to enable co-programmed projects with key venues such as the Southbank Centre.

The remaining balance constitutes the charity's General (Risk) Reserve.

The Charity is also linked to the London Philharmonic Trust, whose assets of £111,548 (2021: £111,968) are also shown in these accounts.

20 Operating lease commitments

Aggregate minimum lease payment commitments under non-cancellable operating leases are as follows:

	Land and Buildings £	Land and Buildings £
Expiry date:	2022	2021
Within one year	99,260	99,260
Between two and five years	158,000	257,260
	257,260	356,520

21 Prior Year comparative Statement of Financial Activity

Statement of Financial Activities	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Endowment 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income from						
Donations and legacies	2	3,142,888	2,098,398	23,150	5,264,436	5,535,985
Income from charitable activities	3	1,991,109	-	-	1,991,109	3,367,656
Other trading activities		-	-	-	-	2,902
Investments	4	54	49,775	-	49,829	70,734
LPO income		5,134,051	2,148,173	23,150	7,305,374	8,977,277
Expenditure on						
Raising funds	5	422,399	21,880	-	444,279	450,876
Charitable activities	5	4,194,025	2,023,972	6,567	6,224,564	7,285,216
Total expenditure		4,616,424	2,045,852	6,567	6,668,843	7,736,092
Net income for the year before investment gains		517,627	102,321	16,583	636,531	1,241,185
Gains on revaluation of Fixed Assets		80,000	-	-	80,000	-
Net gains/(losses) on investments		-	-	441,171	441,171	(56,287)
Net movement in funds		597,627	102,321	457,754	1,157,702	1,184,898
Reconciliation of funds						
Total funds brought forward at 1 September 2020		4,338,064	1,044,288	2,548,992	7,931,344	6,746,446
Total funds carried forward at 31 August 2021		4,935,691	1,146,609	3,006,746	9,089,046	7,931,344

The above results are from continuing activities and there are no other gains and losses except as stated above.

Notes to the accounts *cont.*

23 Trading Subsidiary

The London Philharmonic Orchestra is the sole shareholder of London Philharmonic Orchestra Trading Ltd, registered address 89 Albert Embankment, London SE1 7TP. Its taxable profits are donated to the London Philharmonic Orchestra Ltd except in specific circumstances. The trading result of the subsidiary and its assets, liability and funds at year end are summarised below.

	Year ended 31 August 2022	Year ended 31 August 2021
Turnover	8,000	-
Less: Cost of sales	4,761	2,646
Gross Profit	3,239	(2,646)
Operating profit	2,652	(2,646)
Less: Donation to parent charity	(258)	(-)
Retained Profit for the year	2,394	(2,646)
Assets	3,810	1,731
Liabilities	3,810	4,124
Net Funds	0	(2,393)

LONDON PHILHARMONIC ORCHESTRA LIMITED

England & Wales - Charity number 238045

Accounts

Company Registration No. 357059

Charity Registration No. 238045

**London Philharmonic Orchestra
Limited**

Consolidated Report and Financial Statements

31 August 2021

London Philharmonic Orchestra Limited

Consolidated Report and Financial Statements 31 August 2021

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London Philharmonic Orchestra Limited

Report and Financial Statements 31 August

2021 Executive Summary

The report covers the period from September 2020 to August 2021. This period was dominated by the COVID-19 coronavirus and the many changing rules, nationally and internationally, brought in to try and manage the impact of the pandemic. In this context we want to start by thanking the musicians, artists and staff who have shown immense creativity, flexibility, and resilience to create such exceptional work in uncertain surroundings. Significant thanks are also due to the UK Government, Arts Council England, Glyndebourne Festival, and the many supporters who have helped the Orchestra to provide a secure environment for our musicians.

When it became clear that the Orchestra would not be able to perform to live audiences in September 2020, we partnered with Intersection (formerly Silent Studios) and K&A Productions aiming to create visibly engaging, high quality performances created specifically for digital audiences. These made a virtue of the empty Royal Festival Hall to explore new styles of orchestral presentation and gave flexibility over programming. Social distancing limited the Orchestra to c.60 performers on stage, however through a thorough testing regime we were able to bring the full Orchestra back for the final concert of the season, Vladimir Jurowski's performance of *Swan Lake* in its original version.

Ultimately, the entire London season was 'behind closed doors', with 25 concerts created and shared online via Marquee TV. The result, with over 100,000 views, enabled the Orchestra to keep in touch with its regular UK-based audience, and also reach significant audiences overseas including a notable segment of younger audiences - a third of viewers were under the age of 35. Excerpts were also used to reach new audiences through social media and in the Orchestra's Education and Community work. 184 short-form films were shared online, with the LPO reaching 20 million views over the year and resulting in a 16% increase in social media followers.

Audiences were allowed back into the auditorium from May 2021, and in the final third of the season the Orchestra was able to give 57 performances. The core of these were our summer residency at Glyndebourne, where the Orchestra gave four orchestral concerts alongside its traditional four opera runs, but it was also possible to arrange performances at Saffron Hall (8), Snape Maltings (3), and two BBC Proms concerts at the Royal Albert Hall.

The Orchestra's Education and Community programme also adapted strongly to utilise digital opportunities during lockdown. Workshops were re-imagined on Zoom, retaining a vital creative lifeline to those in lockdown, particularly in care homes and parents home-schooling young people with special educational needs and disabilities. Similarly, lessons for emerging artists on the Orchestra's Foyle Future Firsts, LPO Young Composers and LPO Junior Artists schemes kept a vital contact point with the profession for emerging professionals at the most vulnerable point of their careers.

2020/21 was Vladimir Jurowski's final season as Principal Conductor & Artistic Advisor, and we were deeply sorry that it was not possible to perform Wagner's complete *Ring Cycle* as planned. The Orchestra has committed to re-scheduling *Götterdämmerung* with Jurowski at the earliest possibility. It was wonderful to conclude the London season with Jurowski's long-planned performance of the original *Swan Lake* and to have this captured on film for posterity. His final concert before taking the title Conductor Emeritus was in front of a live audience at the Royal Albert Hall as part of the BBC Proms, and it was notable that it concluded with Jurowski being presented with the prestigious RPS Gold Medal.

The future remains unpredictable and changeable. COVID-19 and its variants will continue to impact audiences and the Orchestra's ability to work for the foreseeable future. The Orchestra's reserves have enabled it to plan in a balanced and consistent way, offering security to its players throughout this period. The reserves are critical in enabling the Orchestra to maintain stability and plan ahead with ambition during such uncertain times. With the triumvirate of new Principal Conductor Edward Gardner, Principal Guest Conductor Karina Canellakis and Conductor Emeritus Vladimir Jurowski, alongside new Artistic Director Elena Dubinets, there is immense potential to be realised in future seasons.

David Burke
Chief Executive



Elena Dubinets
Artistic Director



London Philharmonic Orchestra Limited

Strategic Report 31 August 2021

The Trustees are pleased to present their annual Trustees' Report together with the consolidated financial statements of the charity for the year ended 31 August 2021, which are also prepared to meet the requirements for a Directors' Report and accounts for Companies House purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Our Purpose and Activity

The primary purpose of the Orchestra is **to bring wonder to the modern world through the power of orchestral music**. In doing so we aim to:

- maintain a world-class orchestra and high-quality series of performances for the widest possible audience in London, nationally, internationally and digitally, ensuring all of the Orchestra's own-promotion concerts are open to the public without restriction
- undertake a substantial and meaningful programme of Education and Community work
- develop the repertoire, workforce and audience that truly reflects the modern world, challenging structural, social, historic and embedded inequalities that restrict access to the artform.

This is in accordance with our charitable objects as set out in our governing document, being:

- To promote, maintain, improve and advance education, particularly musical education, and to encourage the arts, including the arts of music, drama, mime, dance, and singing and to formulate, prepare and establish schemes therefore provided that the objects of the company shall be of a charitable nature only, and, as ancillary to the foregoing objects to hold and participate in concerts, and to perform orchestral and instrumental works, operas, ballets and entertainments of this kind and to form and maintain a symphonic orchestra of the highest possible standing to serve the needs of this and other musical institutions in Great Britain and abroad.

The Trustees have considered the Charity Commission's guidance on public benefit in shaping our objectives for the year and planning our activities, including the guidance 'Public benefit: running a charity (PB2)'. Affordability and access to our programme are a key consideration, with tickets available from £15 for all self-promoted concerts and a significant digital and broadcast presence. The Orchestra runs a significant Education and Community programme, including initiatives for those who may not be able to experience the Orchestra in a concert hall environment, and we endeavour to encourage all within our community to take part in activities or attend performances, or engage with the Orchestra digitally or through other media. All of the concerts filmed during 2020/21 were available for free for a limited time as part of the arrangement with Marquee TV.

The Orchestra relies on grants and income from the fees and charges to cover its operating costs.

The strategies employed to achieve the charity's aims and objectives are:

- to present a varied and inventive programme that reflects the energy, ambition, excitement, enthusiasm, breadth and traditions of contemporary London
- to reach a broad audience through a wide range of concert and opera performances, Education and Community projects, broadcasts and recordings
- to attract, retain, develop and celebrate world-class musicians
- to deliver a world-class experience to every audience with whom the LPO interacts
- to maintain the long-term sustainability of the Orchestra.

Putting these strategies into action, we typically have seven major areas of activity: our London season, our Education and Community programme, our Brighton, Eastbourne and Saffron Hall residencies, Glyndebourne Festival Opera, our other UK performances, international touring, and our recording and digital activity.

London Philharmonic Orchestra Limited

Strategic Report

31 August 2021

Achievement and performance

In a highly challenging year the Orchestra's activities were curtailed by the COVID-19 coronavirus, however the Orchestra was able to create substantial work, reaching significant audiences and supporting its freelance pool of musicians. Live performances to audiences were only possible for the Orchestra from May-August 2021, with a significant body of work prior to that date created for online audiences, but this gave the Orchestra an opportunity to explore new formats and reach new audiences.

- ❖ The Orchestra was able to give 57 live performances, 25 full concerts created specifically for digital audiences, and 10 educational performances (one live, nine online). In addition, the Orchestra also ran 141 educational sessions, which continued online during the lockdown period.
- ❖ Over 100,000 people watched the full digital concerts, keeping a connection with existing audiences and developing new audiences in the US and in the 18-35 year-old age bracket. There were an additional 23,000 views of the educational films produced.
- ❖ The Orchestra posted 184 short-form videos on social media, helping increase its combined social reach to in excess of 700,000 followers, with over 20,000,000 views during the year. On commercial music platforms the Orchestra continued to be one of the most successful worldwide, with c.145 million streams during the year across Spotify and Apple Music alone.
- ❖ Several concerts were broadcast by BBC Radio 3, reaching thousands of people who did not have the opportunity to experience the Orchestra in live performance. Further details of the Orchestra's activities are below.
- ❖ In addition to the education concerts, the Education and Community department directly engaged with over 1,000 people through physical and online workshop sessions. The programme reaches diverse groups of people including both young people and adults with disabilities, and talented young artists entering the profession, including those from backgrounds currently under-represented in the sector.
- ❖ The Orchestra's touring plans were decimated, with no international dates during the year.

London season

A highly unusual London season, with no audiences permitted, still bore the hallmarks of excellence for which the London Philharmonic Orchestra is known. The season opened in September with two concerts conducted by Principal Conductor Designate, Edward Gardner. This was the first time the full Orchestra had come together to perform for six months! The first piece to be rehearsed together was Beethoven's Symphony No. 5, performed with an exceptional energy, and the first streamed recording ambitiously opened with Jörg Widmann's *Con Brio*, and Sibelius's *In the Stream of Life* with Gerald Finley, before closing with the Beethoven. Gardner's second concert separately featured wind and percussion in Messiaen's *Et exspecto resurrectionem mortuorum* and strings in Schoenberg's *Verklärte Nacht*.

★★★★ Richard Fairman for the [Financial Times](#)

'Even if the world's concert halls had not been shut down, it's unlikely there would have been many better in this Beethoven year.'

The Orchestra partnered with Intersection (formerly Silent Studios) and K&A Productions, aiming to create visibly engaging, high-quality performances specifically for the online medium, making a virtue of the empty hall to explore new styles of orchestral presentation. This was the first time the Orchestra had worked in this way and the result enabled the Orchestra to keep in touch with its regular UK-based audience, but also reach significant audiences overseas with over 100,000 views, of which there was a major young audience segment with a third of viewers under the age of 35, and received strong critical acclaim. The series, entitled 'In the Stream of Life', was subsequently shortlisted for a Digital Culture Network Award and the Orchestra was 'highly commended' for its digital output in the Classical Music Digital Awards 2020.

Where possible the Orchestra honoured contracts, and was delighted to work with an exceptional group of artists including Vladimir Jurowski, Edward Gardner, Sir Mark Elder, Robin Ticciati, Enrique Mazzola, Gil Shaham, Miah Persson, Steven Isserlis and Stephen Hough. Many of these made exceptional efforts to enable the concerts to go

London Philharmonic Orchestra Limited

Strategic Report

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ahead, including isolation, quarantine and testing, for which we were extremely grateful.

Travel restrictions and quarantine requirements prevented several artists from appearing as planned, most notably new Principal Guest Conductor, Karina Canellakis, Zubin Mehta, Christoph Eschenbach, Víkingur Ólafsson, Anoushka Shankar and Klaus Mäkelä. The other major loss of the season was the long-planned double *Ring* Cycle with Vladimir Jurowski due to take place over eight performances in January 2021. Regrettably, its successor, the imaginatively programmed four-part series *The Legacy of the Ring*, also had to be cancelled at short notice due to the January lockdown. However the Orchestra has committed to completing the *Ring* Cycle with Vladimir Jurowski with a performance of *Götterdämmerung* at the earliest opportunity.

The unique nature of the season allowed the Orchestra to give LPO debuts to several new composers, with music by Anna Clyne, Missy Mazzoli, Chevalier de St George, Lotta Wennäkoski, Elena Kats-Chernin and Samuel Coleridge-Taylor all being performed by the Orchestra for the first time, as well as premieres of new works by Composer-in-Residence Brett Dean and former Composer-in-Residence Magnus Lindberg. Commissions that were unable to be performed due to their larger orchestrations, including music by James MacMillan, David Bruce, Danny Elfman and Brett Dean, will be performed in future seasons.

The final concert of the series marked Vladimir Jurowski's final concert at the Royal Festival Hall as Principal Conductor after 14 years, the longest serving tenure of any London orchestra. The Orchestra is delighted that Jurowski remains in a titled position as Conductor Emeritus.

Selected press quotes

★★★★ Ivan Hewett for [The Telegraph](#)

'This concert made me feel as if a corner has been turned.'

★★★★★ Richard Morrison for [The Times](#)

'This streamed London Philharmonic concert was as thrilling to watch as it was to hear, which is saying something.'

★★★★★ Mark Pullinger for [Bachtrack](#)

'In terms of production values, the LPO is head and shoulders ahead of any other UK orchestra right now.'

Education and Community programme

This was a particularly challenging year for many of the community groups the Orchestra traditionally works with, and we worked hard to adapt the projects to continue to be able to create work together during this period. Specific groups include adults and young people with disabilities, emerging artists considering or starting their careers in the profession, and adults who have experienced or are experiencing homelessness. Additionally, whilst we were unable to welcome school and family groups into the Royal Festival Hall, the Orchestra developed several videos targeted at different age groups to help support curriculum music learning during this period of online learning.

Foyle Future Firsts and LPO Young Composers

The Foyle Future Firsts and LPO Young Composers programmes are long-standing flagship development schemes in the sector for post-conservatoire artists as they enter the profession. In a year with such uncertainty for young artists, these programmes offered a direct line of support and mentoring with LPO musicians and staff. Whilst certain elements of the scheme, such as orchestral sit-ins, were not possible because of social distancing, lessons and workshops continued online, and when possible the participants were brought together for ensemble playing, including a session with Principal Conductor Designate Edward Gardner. The Young Composers worked with Composer-in-Residence Brett Dean throughout the year and their pieces were performed in the Orchestra's first live concert at the Royal Festival Hall, under the theme *Bunker Music: Music Composed Under Lockdown*. The Orchestra is very grateful to Jack Sheen, who stood in at extremely short notice to conduct the programme, as Brett Dean was forced to isolate under Test & Trace on the day of the concert.

LPO Junior Artists

LPO Junior Artists is an equally highly-regarded programme for talented young musicians from communities and backgrounds currently under-represented in professional UK orchestras. As with the Foyle Future Firsts scheme, lessons, mentoring sessions and professional development training were offered online during the lockdown periods,

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and participants were able to come together later in the year for a digital performance opportunity under conductor Jonathan Bloxham. Sadly, it was not possible to run LPO Junior Artists: Overture days this season as they require in-person contact to deliver. This element of the programme, which reaches significantly greater numbers of under-represented participants, will be reinstated for 2021/22.

OrchLab and LPO Open Sound Ensemble

Given the adverse effects of isolation during the long periods of lockdown, the online development of OrchLab offered an even more significant creative outlet for its participants this year. OrchLab, a project for people who may have limited mobility or other physical or learning difficulties, continued through online workshops using assistive music technology. This year the Orchestra worked with Flying Angel House, run by new partner Look Ahead, as well as long-standing partners Leonard Cheshire Disability and assistive music specialists Drake Music. We were delighted to conclude the year with some in-person working which built towards a live showcase of the scheme in December 2021.

Open Sound Ensemble, an inclusive music-making opportunity for young people with special educational needs and disabilities and their parents/carers, also continued, and was particularly valued by parents who were home-schooling in lockdown.

Filmed Concerts

In the absence of being able to welcome schools and families to the Orchestra's Royal Festival Hall home, the Orchestra created a series of online performances. The first set was designed to support GCSE students, covering syllabus repertoire; the second, aimed at Key Stage 1 students, saw brass players create a film including storytelling, music and audience participation based on the book *Elephants in the Custard*, with accompanying teachers' material. The third set, for children aged 7-11 and presented by YolanDa Brown, explored expressing emotions through music. The films were viewed over 23,500 times, although the total audience is likely to be higher as we are aware that several schools watched as a whole-class group once in-school learning had resumed.

Other Projects

Other projects undertaken during by the department during the season included its annual project with Crisis, the homelessness charity; an initiative with the Vauxhall Festival offering online professional development sessions for local teachers alongside the online concerts; and a substantial development of content on The Studio, the online compositional resource for young people aged 14–19.

The Orchestra is committed to genuine 360-degree learning, continually developing our musicians' creative leadership skills and learning from all our participants – bringing the inspiration they give us back to the Orchestra.

Glyndebourne Festival Opera

The Orchestra was able to perform four operas at Glyndebourne: *Káťa Kabanová*, *Il turco in Italia*, *Luisa Miller* and *Tristan und Isolde*, in some of the first live public performances in the UK following the lockdown. Social distancing required reduced orchestrations for the first three operas, with only 32 musicians permitted in the orchestra pit. *Tristan und Isolde* was therefore performed on stage in a concert performance with the full Orchestra. COVID measures also impacted turnarounds, reducing the number of performances slightly from a traditional season, and creating some dark nights. The Orchestra was able to give three concert performances with Robin Ticciati on the non-opera nights, with major works such as Mahler's Symphony No. 4 and Dvořák's Symphony No. 8 being performed at Glyndebourne for the first time.

Other UK performances

The majority of UK venues were closed for most of the year, with no concerts possible in Brighton and Eastbourne. Saffron Hall creatively reset its auditorium in cabaret format, facilitating socially-distanced seating and enabling the Orchestra to make four visits and give eight performances there during the year. The Orchestra also made two visits to Snape Maltings and gave two performances at the BBC Proms. The July Prom was Vladimir Jurowski's final performance as LPO Principal Conductor, and at its conclusion he was presented with the Royal Philharmonic Society's prestigious Gold Medal.

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International Touring

The Orchestra's touring plans were similarly disrupted by COVID-19, with all international touring work cancelled.

Financial

Income for the year was £7.3m, compared to £8.98m in the prior year and £11.3m in the last non COVID-affected year – 2018/19. The Orchestra lost c.£3.8m worth of earned income during the year due to the pandemic through lost ticket sales, cancelled tours etc. Furthermore, it lost c.£480,000 in Orchestral Tax Relief. However, it was able to make savings of c.£3.9m, through both the smaller orchestrations required by social distancing, fewer performances during the London season, and through cancelled work including the *Ring* Cycle, touring, and Brighton and Eastbourne concerts.

The Orchestra recognised income of £1.026m from the Government's Culture Recovery Fund (with a further £49k to be recognised in 2021/22, bringing the total grant awarded to £1.075m), which enabled it to fund additional concerts during the summer period, creating income for its freelance musicians and reaching live audiences once permitted.

The Orchestra received donations of £97k towards continuing feasibility costs around a new capital project. Feasibility costs incurred during the year were £21k, with the balance in restricted funds in respect of capital standing at £902k at year end. It was a particularly challenging environment for London Philharmonic Orchestra Trading Ltd – for non-charitable trading – which incurred a deficit of £2,646. The trading company will continue to seek out corporate opportunities as the trading conditions hopefully improve in 2021/22 and 2022/23.

The Orchestra made a surplus this year before investment gains of £636,531, of which £76k is restricted to the capital campaign. Investment gains on fixed assets were £80k, and paper gains on the endowment investment portfolio were £441k, bring the total surplus for the year to £1,157k.

In the year, £325k was expended from the COVID Appeal funds, including £184k relating to cancelled concerts, allowing us to continue to support our membership, extras and artists; £77k on retainers required due to COVID restrictions limiting orchestra size; and £37k for COVID testing. Income received in the year was £362k, bringing the total in the fund to £824k which gives confidence to underpin future plans, especially regarding ongoing challenges related to foreign touring and greater uncertainty than usual over levels of ticket sales.

The Orchestra has established an Innovation Fund of £375k in order to trial new models across all of the Arts Council England Investment Principles. This will be to offer a defined budget specifically ring-fenced for some of the special new initiatives outlined in the 2022/23 Business Plan. The fund will in future be promoted to appropriate donors and provide opportunities for people with special interest in these areas to support the Orchestra to reach new audiences and trial new approaches.

This resulted in a surplus of £135k in the general (risk) reserve, which brings this fund to £1.042m, just slightly below the level of £1.1m set in the reserves policy.

The Orchestra received 43% of its operating income in public funding via Arts Council England (including £2.08m from its National Portfolio Agreement and £1.026m from the Culture Recovery Fund), which is 18% higher than the prior year, and 12% higher than budgeted due to successful application to the Arts Council England Culture Recovery Fund, and the continued curtailment of revenue-generating opportunities from charitable activities. Funding from the Culture Recovery Fund gave certainty that enabled the Orchestra to fund additional concerts during the summer period. The Orchestra's NPO funding primarily supports the Orchestra's work in London and the South East of England, and is critical to the Orchestra's business model. This is to be maintained at a standstill level in cash terms, which, whilst representing some success given pressures on Government spending, presents some inflationary problems going forward.

Every effort is being made to diversify income from a balance of sources to protect the Orchestra's future. The establishment of the Sound Futures endowment through the Catalyst programme is one of several strategies to support the Orchestra's longer-term ambition. The endowment has been invested in a broad range of conservative investment options, with Rathbones appointed to help manage the funds alongside a highly experienced Investment Committee. The Special Projects and Innovation funds exist to enable mid-term planning to continue appropriately (see below) in this delicate environment, alongside giving confidence and financial means to trial new models and build on experiences of reaching audiences learned as a result of adaptations the Orchestra has had to make as a result of COVID-19.

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Going Concern

The ongoing impact of COVID-19 has continued to impact the company's general activity significantly; however, the Orchestra has adapted its activities to enable continued operations within social distancing constraints, and will be able to do so in future should COVID restrictions return. The designated COVID Appeal funds and a successful application to the ACE Culture Recovery Fund have underpinned activity in 2020/21, with the COVID Appeal funds in particular, alongside the Special Projects Fund being utilised to cover a projected deficit in the 2021/22 budget. The Orchestra continues to model a number of possible future scenarios and to perform sensitivity analysis in key areas. The Orchestra considers there to be a reasonable expectation that a proportionate element of fundraising will continue, based on existing pledges, ongoing conversations and cautious expectations, and an assumption of funding from Arts Council England for an ongoing programme of activity that is as consistent with previously agreed activities as possible, and will be adapted to continue to reach orchestras should circumstances change and more significant restrictions on activity return. In the event that projected fundraising income is not received, the Orchestra is still confident it could cover its costs but this would be likely to impact planned activities. On this basis of ongoing receipt of Arts Council Grant, current reserves levels that can be appropriately utilised if required and ongoing activities (including an element of fundraising), the Trustees are confident that the company is a going concern.

Investment Policy

The establishment of the Sound Futures endowment is one of several strategies to support the Orchestra's longer-term ambition. The £3m endowment has been invested in a broad range of conservative investment options, with Rathbones appointed to help manage the funds alongside a highly experienced Investment Committee consisting of Trustees David Burke and Martin Höhmann, as well as Jamie Korner (charity investment specialist), and Bruno De Kegel (private wealth specialist). The investment objective of the portfolio had been so designed as to produce annual income in the range of £60–£80k on a long-term basis, and preserving the real value of the capital over the longer term is also of great importance. This year it produced income of £49k in what was a challenging year with markets impacted globally by the COVID-19 pandemic. The valuation of the portfolio increased by £441,171, recovering losses incurred in 2019/20 alongside further gains.

Development Income

As a registered charity, the London Philharmonic Orchestra is grateful to all those individuals and organisations that offer financial support to enable and enhance its activities. We are grateful to all of the many corporate, trust and individual supporters that contribute to our work.

In particular for this financial year we would like to thank the following for their generous support: The American Friends of the London Philharmonic Orchestra, Arts Council England, Steven M. Berzin, The Candide Trust, the CHANEL Fund for Women in the Arts and Culture, Dunard Fund, Mrs Aline Foriel-Destezet, The Foyle Foundation, JTI, Mr & Mrs Philip Kan, The Lambert Family Charitable Trust, The London Community Foundation and Cockayne – Grants for the Arts, The Adam Mickiewicz Institute, Sir Simon and Lady Robey, Neil Westreich, William and Alex de Winton and The Victoria Wood Foundation. The LPO would also like to thank all those who made donations to continue to support the Orchestra during the ongoing pandemic.

This year's Annual Gala, 'Expect the Unexpected' was held in person once again at Banqueting House. 100 guests came together, following Government restrictions regarding COVID-19, for a celebration of the LPO's adventurous spirit, resilience and creativity under the baton of Principal Conductor, Edward Gardner. The evening raised £188k to keep the LPO thriving. The American Friends of the London Philharmonic Orchestra held their first virtual fundraising event in 2021, raising over \$120k.

Donations and legacies for the year totalled £5.3m, which includes £3.1m from Arts Council England (£1.026m restricted), £0.02m from legacies that have been put into the endowment, and £2.1m raised in development income for activities, which was ahead of expectation and includes exceptional donations of £97k (restricted) towards feasibility work on a new capital campaign and £362k for the COVID Appeal (designated). A further £702k of unrestricted income was received and £975k restricted. Included in the restricted funds were £334k towards Education and Community work and £594k towards the London concert season.

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The comparative figure for the prior year was £5.5m total. Specifically, £3.2m was raised in development income in 2020, of which £1.14m was unrestricted and £1.25m restricted (£343k, £425k, £484k and £15k for Education, London concerts, capital and COVID Appeal respectively).

Fundraising

The London Philharmonic Orchestra's fundraising department solicits sponsorship, donations and membership from individuals, business, Government bodies and charitable foundations. The team is committed to best practice in ethical fundraising process and abides by the Funding Regulator's Code of Fundraising Practice, which includes specific guidance to ensure the charity does not put undue pressure on any individual to make a contribution or pledge. The Orchestra has a formal Gift Acceptance policy and does not use third-party fundraisers to make asks of members of the public. No complaints were received during the year.

We are registered with the Fundraising Regulator and are compliant with the Code of Fundraising Practice. We continue to comply with the European Union's General Data Protection Regulation (GDPR) which has strengthened our supporters' control of their relationships with us, and will keep abreast of any required changes in legislation as a result of the UK leaving the European Union.

Reserves Policy

The London Philharmonic Orchestra requires reserves in order to provide for contingencies as they may arise. The nature of the London Philharmonic Orchestra's operations requires reliance on significant levels of income from sponsorship and donations that can show substantial variation due to changes in the economic climate or exceptional events after the Company's artistic plans are formulated. The Company aims to retain general (risk) reserves at a level the Trustees anticipate will be sufficient to provide security from such unexpected variations and other risks highlighted below. This has been set at £1.1m, following detailed analysis of the risks faced. The current value is £1.042m (2020: £906k), which is slightly below the level set, and it is expected to return to the £1.1m level next year. The designated COVID-19 fund established in 2019/20 has been an important factor in enabling the organisation to budget to carry out a range of activity in 2020/21, and will continue to be so in 2021/22.

The Company has designated reserves of £3.89m (2020: £3.43m) that have been set aside out of unrestricted funds by the Board. £348,988 of this, along with the revaluation reserve of £346,000, represents the value of the fixed assets. The revaluation reserve of £346,000 consists predominantly of the increased value of the Sanctus Seraphin violin, but also a historic revaluation of the music library. This value can also only be realised by disposing of tangible fixed assets.

A further £362k received in the year has been designated to the COVID Appeal fund, with £310k expended including £184k related to cancelled concerts, allowing us to continue to support our membership, extras and artists; £77k on retainers required due to COVID restrictions limiting orchestra size; and £37k for COVID testing. At year-end the fund stood at £824k, which gives confidence to underpin future plans, especially regarding ongoing challenges related to foreign touring and greater uncertainty than usual over levels of ticket sales.

£2m has been set aside to a Special Projects Fund to enable special programmes at the Royal Festival Hall, such as Edward Gardner's opening season and the conclusion of the *Ring* Cycle with Vladimir Jurowski. The fund will also be used to enable strategically important tours and advanced commissions to be upheld in these uncertain times. It is anticipated that this fund will be spent out over the next 3-4 years.

The Orchestra has established an Innovation Fund of £375k in order to trial new models across all of the Arts Council England Investment Principles. This will be to offer a defined budget specifically ring-fenced for some of the special new initiatives outlined in the 2022/23 Business Plan. The fund will in future be promoted to appropriate donors and provide opportunities for people with special interest in these areas to support the Orchestra to reach new audiences and trial new approaches.

The Orchestra has established an endowment to allow deeper collaboration with the Southbank Centre and other venues on a long-term basis. When originally established, the endowment benefited from £1m match funding from Arts Council England. The value of the endowment at 31 August 2021 was £3,007k (2020: £2,549k), which is considered sufficient to meet the investment targets set. For clarity, the Orchestra has taken the decision to keep this endowment within the main charity rather than in a separate trust. Interest from the endowment is considered restricted for use towards strategic collaborations with key venues. The long-term aim is to maintain the capital

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value, whilst being able to draw down £60–£80k on an annual basis.

The Company is the sole Trustee of the London Philharmonic Trust. As is common with the arts community, the Trust was established many years ago as an independent charity to support the work of the Orchestra. However, by linking the two, the Orchestra offers greater clarity on the assets available to support its work. The Trust's assets of £112k remain separate, but are shown as part of these accounts as a linked charity.

The Orchestra continues with preliminary steps towards an exciting capital project, receiving a further £97,222 in the year towards feasibility costs, of which it spent £21,340.

The Orchestra's trading subsidiary, London Philharmonic Orchestra Trading Ltd, incurred a deficit of £2,646 in what was a challenging year, with reserves of at year end of -£2,393.

The Orchestra's total reserves are therefore £9.09m, which is made up of designated reserves (£3.547m), revaluation reserves (£346k), restricted reserves (£1.15m, of which £902k relates to the capital campaign), the Orchestra's endowment (£3.007m), and general (risk) reserves of £1.042m. Prior Year respective figures were total reserves £7.9m, made up of designated reserves (£3.165m), revaluation reserves (£266k), restricted reserves (£1.044m with £827k relating to capital), Orchestra's endowment (£2.55m), and general (risk) reserves of £906k.

Risk Management

The Trustees have overall responsibility for ensuring that the organisation operates an appropriate system of controls, financial and otherwise, to provide reasonable assurance that:

- the charity is operating efficiently and effectively
- proper records are maintained and financial information, used within the charity or for publication, is reliable
- the charity complies with relevant laws and regulations.

A detailed risk register is maintained, grading all identified risks and any actions taken to manage them. This is monitored on an ongoing basis by management and reported to the Audit Committee on an annual basis. The key risks that have been identified to the successful delivery of LPO's strategy and artistic programme are:

- The impact of the current economic environment on voluntary income, ticket and recording sales and other earned income, most notably international touring. The Orchestra prepares detailed budgets including sensitivity analysis and continues to seek to diversify income streams where possible.
- The impact of Brexit, particularly in relation to international touring in respect of increased transport and work visa/permit costs. The organisation is working closely with promoters, the ABO and relevant Government departments to address this.
- The continuing impact of COVID-19, which continues to bring a greater than usual uncertainty to future plans regarding performances, touring, availability of guest artists, musicians and venues (particular around future restrictions on capacity and social distancing measures). The Orchestra continues to model several scenarios and during this period there continues to be regular contact between senior management, the Chair of the Board and the Chair of the Audit Committee.
- In addition, the Trustees are aware of issues regarding National Insurance payments for freelance musicians that have potential implications for the Orchestra. See note 18 for further details.

Plans for future periods

COVID-19 continues to create significant uncertainty and make longer-term planning challenging, although the Orchestra's reserves put it in a position to be able to plan with more confidence than others. Autumn 2021 sees Edward Gardner begin his tenure as Principal Conductor, and the Orchestra plans to open with a series of major concerts including Tippett's *The Midsummer Marriage*, Berlioz's *Symphonie fantastique*, Bartók's *Bluebeard's Castle* and Sibelius's Symphony No. 2. The Orchestra will also welcome Karina Canellakis as Principal Guest Conductor with performances of music by Sibelius and Shostakovich.

The Orchestra began to explore hybrid filming of concerts, taking the lessons from 2020/21 and applying them to concerts with live audiences. The intention is to film a minimum of ten concerts per season to continue to engage the audiences it developed during 2020/21 through its partnership with Marquee TV.

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The Orchestra also hopes to resume international touring in autumn 2021, with trips to Romania, Turkey, Spain and Germany all planned. Tours to Korea, Japan and China have unfortunately been postponed until future years given COVID uncertainty.

Elena Dubinets joins the Orchestra in September 2021 as its new Artistic Director. Elena joins from the USA, where over a period of 15 years she made an outstanding impact on the artistic direction and vision of the Seattle Symphony Orchestra as Vice President of Artistic Planning & Creative Projects. She has also held the position of Chief Artistic Officer at the Atlanta Symphony Orchestra. An artistic programmer and musicologist with vision, creative curiosity and true commitment to broadening community engagement, Elena is dedicated to exploring and embracing the opportunities and challenges of creating forward-facing artistic programming to engage the widest possible audiences.

Longer term, the Orchestra is building a more dynamic relationship with its local, national and international communities. It has plans to develop a physical home for the Orchestra including a significant Education and Community space, and to use this as a base to both explore and demonstrate the Orchestra's relevance to modern society and to broaden the expectations of how a symphonic orchestra can represent and support that society.

London Philharmonic Orchestra Limited

Trustees' Report

31 August 2021

Reference and administrative details

Charity number: 238045
Company number: 357059
Registered Office: 89 Albert Embankment, London SE1 7TP

Our Advisors

Auditors Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW
Bankers Clydesdale Bank Plc, 2nd Floor, 35 Regent Street, Piccadilly Circus, London. SW1Y 4ND
Solicitors Charles Russell Speechlys LLP, 8/10 New Fetter Lane, London. EC4A IRS

Directors and Trustees

Henry Baldwin*Ø	(retired 4 December 2021, Vice-President, from 3 November 2020)
Roger Barron≠	(retired 20 May 2021)
Kate Birchall*	(appointed 20 May 2021)
David Buckley#	(Chair, Audit Committee)
David Burke#•≠	
Deborah Dolce	(appointed 17 June 2021)
Elena Dubinets	(appointed 1 September 2021)
Catherine Høgel•°≠	(Vice-Chairman)
Martin Höhmann*≠#•‡	(President)
Tanya Joseph	
Bruno De Kegel‡	
Hugh Kluger*	(appointed 20 May 2021)
Stewart McIlwham*Ø	
Alan MacCuish	
Tania Mazzetti*	(appointed 7 October 2020)
Jamie Njoku-Goodwin	(appointed 17 June 2021)
Gareth Newman*‡	(Vice-President, retired 7 October 2020)
Pei-Jee Ng*	(retired 20 May 2021)
Victoria Robey OBE°‡•≠	(Chairman)
Cristina Rocca•	(appointed 11 November 2020, retired 7 May 2021)
Andrew Tusa#	
Mark Vines*	(appointed 7 October 2020, Vice-President from 12 January 2022)
Neil Westreich	(retired 7 October 2020)
David Whitehouse*	(retired 20 May 2021)

* Player Director
Member of the Audit Committee
‡ Member of the Development Committee
° Members of the Events Committee
• Member of the Nominations Committee
‡ Member of the Investment Committee
≠ Member of the Premises Committee
Ø Member of the Diversity and Inclusion Steering Committee

Secretary

David Burke

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Key Management personnel

Chief Executive	David Burke
Artistic Director (Until June 2021)	Cristina Rocca
Artistic Director (From Sept 2021)	Elena Dubinets
Finance Director	Frances Slack
Campaigns and Projects Director	Nicholas Jackman
Concerts Director	Roanna Gibson
Development Director	Laura Willis
Education and Community Director (Until October 2021)	Isabella Kernot
Education and Community Director (Maternity Cover – until Sept 2021)	Lindsay Wilson
Acting Education & Community Director (from Oct 2021)	Talia Lash
Marketing & Communications Director	Kath Trout

Governing Document

The London Philharmonic Orchestra Limited ("The Company") was formed as a private limited Company on 6 October 1939, registration number 357059 and is registered with the Charity Commission under Charity Number 238045. The Directors therefore carry out the role of Trustees under Charities legislation. The Company is governed by its Memorandum and Articles of Association last amended on 22 May 2012.

Board of Directors / Trustees

The London Philharmonic Orchestra is owned by its shareholding members, who are the Orchestra's musicians whose name appears on the 'Orchestral list' ("Members"). There are a maximum 80 members, and shares for any vacant position are held by the President.

Under the updated Memorandum and Articles of Association approved at the Company's AGM on 22 May 2012, the membership can elect up to eleven Non-Executive Directors and seven Player Directors. This change ensures compliance with the latest updates to the Charities Act, whilst strengthening the Board's capacity in key areas such as governance and fundraising. The Chair of the Orchestra is elected from the Non-Executive Directors, whilst the Chair of the Players' Committee, a member of the Orchestra, also takes the title President.

Organisation

The Board is responsible for monitoring the Company's core business and provides the Company with access to advice and guidance in the new areas of the Company's operations. The level of membership is continually reviewed to ensure effective governance of the Company. Eight subcommittees of the Board have been established with delegated responsibilities for audit, development, investment, the annual Gala, nominations, marketing, premises, and player issues. Authority for the day-to-day management of the Company has been delegated to the Chief Executive and the Artistic Director.

An Advisory Council was also established on 22 May 2012, whose members advise and assist the Board on matters of strategic and/or orchestral importance without formal governance responsibility.

Governance code

Strong governance and management are critical to our success and reputation. We have a Board of Trustees that takes overall responsibility for the charity and our work. They are responsible for ensuring we are effectively and properly run and meet our goals as a charity. Our Board is responsible for:

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Trustees' Report

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- Furthering our overall purpose, as set out in our governing document and setting our direction and strategy
- Ensuring our work is effective, responsible and legal
- Safeguarding our finances, resources and property and ensuring they are used to further our purpose
- Being accountable to those with an interest or stake in what we do or who regulates us
- Establishing clear boundaries with the staff, musicians and contractors who carry out our work between the governance role of the Board and operational or day-to-day matters ensuring the Board operates effectively.

The Board reviews its own governance practice annually against the Charity Governance Code, with no major concerns identified.

Advisory Council

The members of the Advisory Council at the time of signature are below.

Martin Höhmann (Chairman) *#•‡	Rob Adediran Ø
Christopher Aldren	Manon Antoniazzi
Richard Brass†#	Helen Brocklebank
YolanDa Brown	David Burke
Simon Callow CBE	Desmond Cecil‡
Sir Alan Collins	Andrew Davenport†
Guillaume Descottes	Cameron Doley
Elena Dubinets	Christopher Fraser OBE
Lord Hall of Birkenhead CBE	Jonathan Harris CBE≠
Marianna Hay	Amanda Hill†
Rehmet Kassim-Lakha‡Ø	Jamie Korner‡
Geoff Mann≠	Clive Marks OBE FCA
Stewart McIlwham* Ø	Andrew Neill
Jamie Njoku Goodwin	Nadya PowellØ
Sir Bernard Rix‡	Victoria Robey OBE °‡‡
Baroness Shackleton of Belgravia	Thomas Sharpe QC
Julian Simmonds≠	Barry Smith
Martin Southgate	Chris Viney
Laurence Watt	Elizabeth Winter‡

* Player Director

Member of the Audit Committee

‡ Member of the Development Committee

° Members of the Events Committee

• Member of the Nominations Committee

† Member of the Marketing Committee

‡ Member of the Investment Committee

≠ Member of the Premises Committee

Ø Member of the Diversity and Inclusion Steering Committee

Recruitment and training of Trustees

Player Directors are appointed by the members at the Annual General Meeting of the Company after nomination by at least two Company members as required by the Company's Articles of Association. Non-Executive Directors are recommended to the Board by the Nominations Committee and can be appointed to the Board either to fill a vacancy or as an additional Trustee. Any Trustee so appointed shall hold office only until the next Annual General Meeting. The Articles also provide that only those persons who are named on the Orchestral List may be a member of the Company.

New Trustees and Council members undergo an orientation to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Board and decision making processes, the business plan and recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

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Trustees' Report

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Related Parties and co-operation with other organisations

Our Chairman, Victoria Robey, is on the board of Music Masters, which engaged the Orchestra to provide musicians as part of its education activity. Victoria Robey's husband is Co-Chair of Britten Pears Arts (Snape Maltings), which engaged the Orchestra for performances during the year. Board member Jamie Njoku-Goodwin is also a Trustee of Britten Pears Arts. Chief Executive, David Burke and President, Martin Höhmann, hold ex officio positions on the board of Henry Wood Hall, a charitable rehearsal space where the Orchestra regularly rehearses. Alan MacCuish is Creative Chairman of Sunshine, who provided in-kind services to the Orchestra during the year.

During the year, playing members of the Board received no remuneration for the additional duties resulting from being members of the Board, with the exception of the President, as disclosed in note 6.

The Orchestra has a trading subsidiary, of which Victoria Robey, David Buckley, Martin Höhmann and David Burke are directors. All group transactions between the charity and its subsidiary are eliminated on consolidation. A management charge of £0 (2020: £276) was charged during the year representing LPO Trading Limited's share of group overheads and other passed on costs. Due to limited activity, the trading company generated a loss in 2020/21 of £2,646. At the year-end the outstanding balance of £1,254 (2020: £270) was due to the charity.

Stewart McIlwham is director of McIlwham Music Ltd, who provide musical service to the Orchestra receiving performance fees and expenses on the same scale as those paid to other playing members in respect of their performances with the Orchestra as per the MU collective agreement. The fees paid are included within note 6, Trustee emoluments on page 29. Stewart McIlwham and Kate Birchall are also trustees of London Philharmonic Orchestra Benevolent Fund, to whom the London Philharmonic Orchestra made contributions of £19,511 during the year.

The partner of one Trustee who served during the year was connected to an employee of the Orchestra, but had no involvement in matters relating to that employee. Similarly, the wife of another Trustee is an artist agent whose artists occasionally work with the Orchestra, but has no involvement in matters relating to that musician and any engagement during the year was on terms equivalent to those in similar arm's-length transactions. There were no other related party transactions.

Trustees

The Trustees who served throughout the year and subsequent to the year end and the beneficial interests of the Trustees in the Company's shares at 31 August 2021 and 1 September 2020 were:

		Ordinary shares of £1 each	
		31 August 2021	31 August 2020
Henry Baldwin	(Vice-President)	1	1
Kate Birchall		1	1
Martin Höhmann	(President)	9	15
Stewart McIlwham		1	1
Hugh Kluger		1	1
Tania Mazzetti		1	1
Pei-Jee Ng		1	1
Gareth Newman		1	1
Mark Vines		1	1
David Whitehouse		1	1

Employment Policy

The Orchestra is an equal opportunities employer. Full and fair consideration is given to all job applications. Regular consultation is given between all staff and their managers, with due consideration given to their training and employment needs. Meetings take place on a regular basis with all staff and departmentally to ensure all employees are aware of the Orchestra's activities and performance.

Pay policy for senior staff

Staff salaries are set by the Chief Executive, in consultation with the Finance Director. The Chief Executive and the Artistic Director salaries are set by the Chairman and President. (The position of Chairman is an unpaid position). Payment for equivalent roles are tracked where possible and used for benchmarking purposes.

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Statement of Trustees' Responsibilities

31 August 2021

The Trustees (who are also directors of the London Philharmonic Orchestra for the purposes of company law) are responsible for preparing the Strategic Report and the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. 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;
- * make judgments 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

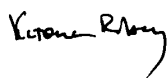
Auditors

A resolution to re-appoint Crowe U.K. LLP as the Company's auditors will be proposed at the forthcoming Annual General Meeting.

Disclosure of Information to Auditors

Insofar as each of the trustees/directors of the charity at the date of approval of this report is aware there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each trustee/director has taken all of the steps that he/she should have taken as a trustee/director in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The Trustees' Report and Strategic Report were approved by the Board of Trustees and signed on behalf of the Board on 3rd March 2022.



Victoria Robey OBE
Trustee (Chair)



Martin Höhmann
Trustee (President)

Independent Auditor's Report to the Members of the London Philharmonic Orchestra Limited

Opinion

We have audited the financial statements of the London Philharmonic Orchestra Limited ('the charitable company') and its subsidiaries ('the group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2021 and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 Statement of Trustees' responsibilities set out on page 15, 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 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 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

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.

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.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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 might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were health and safety legislation, taxation legislation, employment legislation, and General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, tested the application of cut-off and revenue recognition, particularly around voluntary income and grants; reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Poulter,
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London
3rd March 2022

London Philharmonic Orchestra Limited

Consolidated Statement of Financial Activities (incorporating an income and expenditure account) Year ended 31 August 2021

Statement of Financial Activities	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Endow- -ment 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income from						
Donations and legacies	2	3,142,888	2,098,398	23,150	5,264,436	5,535,985
Income from charitable activities	3	1,991,109	-	-	1,991,109	3,367,656
Other trading activities		-	-	-	-	2,902
Investments	4	54	49,775	-	49,829	70,734
LPO income		5,134,051	2,148,173	23,150	7,305,374	8,977,277
Expenditure on						
Raising funds	5	422,399	21,880	-	444,279	450,876
Charitable activities	5	4,194,025	2,023,972	6,567	6,224,564	7,285,216
Total expenditure		4,616,424	2,045,852	6,567	6,668,843	7,736,092
Net income for the year before investment gains		517,627	102,321	16,583	636,531	1,241,185
Gains on revaluation of Fixed Assets		80,000	-	-	80,000	-
Net gains/(losses) on investments		-	-	441,171	441,171	(56,287)
Net movement in funds		597,627	102,321	457,754	1,157,702	1,184,898
Reconciliation of funds						
Total funds brought forward at 1 September 2020		4,338,064	1,044,288	2,548,992	7,931,344	6,746,446
Total funds carried forward at 31 August 2021		4,935,691	1,146,609	3,006,746	9,089,046	7,931,344

The above results are from continuing activities and there are no other gains and losses except as stated above.

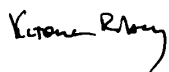
London Philharmonic Orchestra Limited

Consolidated and Charity Balance Sheet Year ending 31 August 2021

		Group	Group	Charity	Charity
	Note	2021	2020	2021	2020
		£	£	£	£
Fixed assets					
Tangible assets	11	694,988	659,398	694,988	659,398
Investments	12	5,571,373	4,971,000	5,571,373	4,971,000
		6,266,361	5,630,398	6,266,361	5,630,398
Current assets					
Stock and Work in progress	13	124,314	147,162	124,314	147,162
Debtors	14	2,027,551	1,811,075	2,028,804	1,811,345
Cash at bank and in hand		2,305,962	1,585,793	2,304,791	1,583,839
		4,457,827	3,544,030	4,457,909	3,542,346
Creditors: amounts falling due within one year	15	(1,456,742)	(1,120,434)	(1,454,431)	(1,119,004)
Net current assets		3,001,085	2,423,596	3,003,478	2,423,342
Creditors: amounts falling due in more than one year	16	(178,400)	(122,650)	(178,400)	(122,650)
Net assets		9,089,046	7,931,344	9,091,439	7,931,090
Capital and Funds					
<i>Unrestricted Funds</i>					
Called up share capital	17	80	80	80	80
Revaluation reserve	19	346,000	266,000	346,000	266,000
Designated fund (1) : Fixed Asset	19	348,988	393,399	348,988	393,399
Designated fund (2) : Special Projects	19	2,000,000	2,000,000	2,000,000	2,000,000
Designated fund (3) : Innovation	19	375,000	0	375,000	0
Designated fund (4) : COVID Appeal	19	823,701	772,099	823,701	772,099
General (Risk) reserve	19	1,041,922	906,486	1,044,315	906,232
<i>Restricted Funds</i>					
Endowment Fund interest	19	82,236	32,461	82,236	32,461
Capital Campaign		902,405	826,523	902,405	826,523
COVID Appeal		0	14,796	0	14,796
Education, touring and concert work		50,000	58,000	50,000	58,000
London Philharmonic Trust		111,968	112,508	111,968	112,508
<i>Endowment Funds</i>					
Endowment Funds - Catalyst	19	3,006,746	2,548,992	3,006,746	2,548,992
Total capital and funds		9,089,046	7,931,344	9,091,439	7,931,090

The Trustees have prepared group accounts in accordance with section 298 of the Companies Act and section 138 of the Charities Act 2011. The charity has taken exemption from presenting its unconsolidated profit and loss account under section 408 of the Companies Act 2006. The net income of the charity in 2021, after gains on investments and transfer of profits from the trading company (nil) was £1,157,702 (2020: £1,184,645)

These financial statements were approved by the Board of Trustees on 3rd March 2022.
Signed on behalf of the Board of Trustees



V Robey OBE
Trustee (Chair)



M Höhmann
Trustee (President)

London Philharmonic Orchestra Limited

Consolidated Cash Flow Statement Year ending 31 August 2021

	2021 Group and charity £	2020 Group and charity £
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	848,155	1,756,850
Cash flows from investing activities		
Dividends, interest and rents from investments	49,829	70,734
Proceeds from the sale of property, plant and equipment	5,000	-
Purchase of property, plant and equipment	(23,613)	(245,041)
Proceeds from the sale of investments	122,611	660,589
Purchase of investments	(200,590)	(568,036)
Net cash provided by (used in) investing activities	(46,763)	(81,754)
Cash flows from financing activities		
Net cash provided by (used in) financing activities	-	-
Change in cash and cash equivalents in the reporting period	801,392	1,675,096
Cash and cash equivalents at the beginning of the reporting period	4,444,014	2,768,918
Change in cash and cash equivalents due to exchange rate movements	-	-
Cash and cash equivalents at the end of the reporting period	5,245,406	4,444,014
Cash held as cash	2,305,962	1,585,793
Cash held as investments	2,939,444	2,858,221
	2021	2020
	£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	1,157,702	1,184,898
Adjustments for:		
Depreciation charges	67,752	63,964
(Gains) / losses on investments	(441,171)	56,281
Dividends, interest and rents from investments	(49,829)	(70,734)
(Gain) on Revaluation of fixed assets	(80,000)	-
Loss/(profit) on the sale of fixed assets	(4,728)	-
(Increase) / decrease in stocks	22,848	(12,470)
(Increase) / decrease in debtors	(216,476)	786,556
Increase / (decrease) in creditors	392,057	(251,645)
Net cash provided by (used in) operating activities	848,155	1,756,850

London Philharmonic Orchestra Limited

Notes to the accounts

Year ending 31 August 2021

1. Company Information

London Philharmonic Orchestra Limited is a registered charity and as such is a non-profit making organisation, limited by shares. The number of members at 31 August 2021 is 72 and their liability on a liquidation is limited to £1 each.

London Philharmonic Orchestra Limited is registered as a limited liability company in England and Wales under number 357059 and its registered office is 89 Albert Embankment, London SE1 7TP. It is also a Public Benefit Entity registered with the Charity Commission under number 238045.

Accounting policies

Critical accounting judgements and key areas of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

a) Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - Charities SORP (FRS 102) 2nd edition, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The consolidated financial statements incorporate the financial statements of the Charity and its 100% owned subsidiary London Philharmonic Trading Ltd (Company Number 9979254).

The Trustees have departed from the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in note 6, 'Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel' to show the musicians' payments for playing in the Orchestra in aggregate. The Trustees feel that this is necessary to avoid reducing the pool of available Trustees required to successfully govern the Orchestra. These Player-Directors are not remunerated for their services as Trustees.

The London Philharmonic Orchestra meets the definition of a Public Benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Preparation of the accounts on a going concern basis

The Company's activities together with the factors likely to affect its future development, performance and position are set out in the Strategic and Trustees' Reports on pages 2 to 15.

The ongoing impact of COVID-19 has continued to impact the company's general activity significantly; however, the Orchestra has adapted its activities to enable continued operations within social distancing constraints, and will be able to do so in future, should COVID restrictions return. The designated COVID Appeal funds and a successful application to the ACE Culture Recovery Fund have underpinned activity in 2020/21, with the COVID Appeal funds in particular, alongside the Special Projects Fund being utilised to cover a projected deficit in the 2021/22 budget. The Orchestra continues to model a number of possible future scenarios and to perform sensitivity analysis in key areas. The Orchestra considers there to be a reasonable expectation that a proportionate element of fundraising will continue, based on existing pledges, ongoing

London Philharmonic Orchestra Limited

Notes to the accounts

Year ending 31 August 2021

conversations and cautious expectations, and an assumption of funding from Arts Council England for an ongoing programme of activity that is as consistent with previously agreed activities as possible, and will be adapted to continue to reach orchestras should circumstances change and more significant restrictions on activity return. In the event that projected fundraising income is not received, the Orchestra is still confident it could cover its costs but this would be likely to impact planned activities. On this basis of ongoing receipt of Arts Council Grant, current reserves levels that can be appropriately utilised if required and ongoing activities (including an element of fundraising), the Trustees are confident that the company is a going concern.

c) Accounting convention

The financial statements are prepared under the historical cost convention with the exception of the revaluation of the Sanctus Seraphin violin, valuation of investments and the music library at its valuation pre-2000 as permitted in FRS 102.

d) Foreign currency

The functional currency of the Orchestra is considered to be in pounds sterling because that is the currency of the primary economic environment in which the charity/group operates. The financial statements are presented in pounds sterling.

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year-end, in accordance with FRS102. Any gains or losses arising on translations are reported as part of the transaction within the SOFA and are not material; they are therefore not disclosed separately.

e) Fund accounting

Unrestricted funds:

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the objectives of the Charity and which have not been designated for other purposes.

Designated funds are unrestricted funds, which have been applied or reserved by the Trustees for a specific purpose. The aim and use of each designated fund is set out in the notes to the accounts.

Revaluation Funds relates to revaluations of the Sanctus Seraphin violin and the music library.

Restricted funds are those which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The purpose for which restricted funds are held is analysed in the notes to the accounts (see note 19).

The expendable Endowment comprises monies that must be held as capital and spent over a minimum 25 years. Interest from the endowment is credited to restricted funds and applied to joint projects between the Orchestra and its regular venues under the terms of the endowment.

f) Income

Voluntary income including donations, gifts and legacies and grants that are of general nature are recognised where there is entitlement, receipt is more probable than not and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Legacies are included in the financial statements as an incoming resource in the year in which the charity is notified and when the value and entitlement of the legacy is known with reasonable certainty.

Income from the charitable trading operation is recognised as earned (as the related goods and services are provided).

Investment income is recognised on a receivable basis.

London Philharmonic Orchestra Limited

Notes to the accounts

Year ending 31 August 2021

g) Donated services and facilities

Donated Services and facilities are included at the value to the charity where this can be quantified. No amounts are included in the financial statements for services donated by volunteers. Gifts in Kind are included at current market value where their value is ascertainable and material. The estimated valuation of gifts in kind is based on the value of the contribution to the charity, or the valuation the charity would have had to pay to acquire the assets.

h) Government Grants

Government grants are recognised on the performance model, when the organisation has complied with any conditions attaching to the grant and the grant will be received. The grant in connection to the Coronavirus Job Retention Scheme (CJRS) has been recognised in the period to which the underlying furloughed staff costs relate to.

i) Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance-related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that result in the payment being unavoidable.

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with the performance of concerts and educational programmes and include both the direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. per capita, staff costs by the time spent and other costs by their usage.

j) Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation, which is provided in equal annual instalments over the estimated useful lives of the assets.

The rates of depreciation are applied as allocated support costs (see note 5) and are charged at a rate of:

Leasehold improvements	- 10% straight line (over term of lease)
Music library	- 4% straight line
Computer equipment (PCs/laptops)	- 33% straight line
Computer equipment (servers/IT infrastructure)	- 20% straight line
Furniture, fixtures, fittings and office equipment	- 15% reducing balance
Musical instruments	- 10% reducing balance
Motor vehicles	- 15% straight line
Sanctus Seraphin violin	- not depreciated

The Sanctus Seraphin violin has not been depreciated on the basis of it being an appreciating asset. The violin was last valued in 2021 and the increase in value reflected in the accounts. Assets over £1,000 are capitalised.

k) Stocks and work in progress

Own-label CDs in the course of development at the Balance Sheet date are valued at cost. Stock is stated at the lower of cost or net realisable value.

l) Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

m) Pensions

Pension costs are recognised in the accounts when they are paid. The Company does not operate its own pension scheme, but offers to make contributions into employees' private schemes or alternatively contributes

London Philharmonic Orchestra Limited

Notes to the accounts

Year ending 31 August 2021

to an external auto-enrolment scheme. Pensions are allocated from unrestricted funds, as no restricted funding directly covers employee costs. Total payments are as per note 6 in the accounts.

n) Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transactions value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and debtors excluding prepayments. Financial liabilities held at amortised cost comprise creditors excluding other taxes and social security and deferred income and income in advance.

o) Debtors

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

p) Creditors

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

q) Investments

Listed investments are stated at the market closing price on 31 August 2021. Gains and losses in the year are taken to the Statement of Financial Activities.

r) Cash

Cash at bank and in hand includes cash deposits in banks only.

2. Income from Donations and Legacies

	Total Funds 2021 £	Total Funds 2020 £
Gifts and memberships	2,083,602	3,373,146
Donated goods and services	14,949	28,955
Grants from government and other public bodies (see note 8)	3,165,885	2,133,884
	<u>5,264,436</u>	<u>5,535,985</u>

Donations and legacies for the year totalled £5.3m, which includes £3.1m from Arts Council England (£1.026m restricted), £0.02m from legacies that have been put into the endowment and £2.1m raised in development income for activities, which was ahead of expectation and includes exceptional donations of £97k (restricted) towards feasibility work on a new capital campaign and £362k for the COVID Appeal (designated). A further £702k of unrestricted income was received and £975k restricted. Included in the restricted funds was £334k towards Education and Community and £594k towards the London concert season.

The comparative figure for the prior year was £5.5m total. Specifically, £3.2m was raised in development income in 2020, of which £1.14m was unrestricted and £1.25m restricted (£343k, £425k, £484k and £15k for Education, London concerts, capital and COVID Appeal respectively).

The charity is grateful for in-kind support from, among others, Lindt, Lidl and Gusborne. The total value of all in-kind support is estimated at £15,000 (2020: £29,000). The estimated value of these goods and services is recognised within unrestricted incoming resources as a donation, and an equivalent charge being included in unrestricted expenditure under charitable activities.

London Philharmonic Orchestra Limited
Notes to the accounts
Year ending 31 August 2021

3 Income from charitable activities

	Total Funds 2021 £	Total Funds 2020 £
Ticket and programme sales	72,842	1,355,219
Performance fees	1,369,562	1,246,429
Recording label & streaming	131,999	84,992
Other income	416,706	681,016
Total income from Charitable Activities	<u>1,991,109</u>	<u>3,367,656</u>

4 Investment income

	Total Funds 2021 £	Total Funds 2020 £
Dividend	49,081	65,202
Investment interest	-	1,356
Bank interest	748	4,176
	<u>49,829</u>	<u>70,734</u>

5. Analysis of Expenditure

Net income for the year is stated after charging

	2021 £	2020 £
Operating lease rental	119,642	40,999
Depreciation	67,753	63,964
Fees payable to the Company's auditors for taxation purposes	10,415	10,535
Fees payable to the Company's auditors for the audit of the Company's annual accounts	24,190	23,715

London Philharmonic Orchestra Limited
Notes to the accounts
Year ending 31 August 2021

5. (cont) Analysis of Expenditure

Charitable Activities

	Concert Promotions	Other UK and Tours	Education Activities	TOTAL 2021	TOTAL 2020
	£	£	£	£	£
Orchestra fees	1,460,829	936,559	94,089	2,491,476	3,069,562
Conductor, soloist & choir fees	362,880	2,275	62,124	427,279	895,047
Travel, hire, subsistence and accommodation	318,749	219,980	38,578	577,307	512,298
Presentation, marketing and programme costs	483,935	78	1,157	485,170	662,255
House rentals and promoter commissions	660,976	-	29,979	690,955	488,111
LPO recording label	102,733	-	-	102,733	102,733
Subscriptions and professional assistance	-	-	44,583	44,583	56,067
Other direct costs	476,592	123,849	174,641	775,082	839,043
Support	274,778	274,778	80,423	629,979	659,522
Total	4,141,472	1,557,518	525,574	6,224,564	7,285,216

Expenditure on charitable activities was £6,224,564 (2020: £7,285,216) of which £4,194,025 was unrestricted (2020: £6,499,501) and £2,023,972 was restricted (2020: £780,001).

Ex-gratia payments of £8,570 (2020 £472,938) were paid to 6 (2020 over 185) freelance musicians in the year. These were agreed by the Board to support the musicians and sustain the quality of the Orchestra through the COVID-19 pandemic.

Cost of raising funds

	2021 £	2020 £
Direct costs	375,772	384,117
Support	68,507	66,759
Total	444,279	450,876

Allocation of Support costs

	Charitable Activities	Cost of Raising Funds	2021	2020
	£	£	£	£
Apportioned staff costs	318,146	-	318,146	352,451
Rent and rates	98,389	24,133	122,522	117,971
Office overhead costs	67,072	16,452	83,524	94,446
Legal and other professional fees	6,941	1,702	8,643	9,443
Audit and tax advice	34,734	-	34,734	34,900
Finance charges	30,063	7,914	37,977	57,832
Depreciation	52,155	12,793	64,948	28,527
Travel, expenses etc.	22,478	5,513	27,991	30,711
Total	629,978	68,507	698,485	726,281

London Philharmonic Orchestra Limited

Notes to the accounts

Year ending 31 August 2021

6. Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

The number of persons employed by the Company, including Trustees with contracts of service, were as follows:

	2021 No.	2020 No.
Administration	5	5
Concert management	13	13
Education	4	4
Marketing	9	8
Development	8	8
Other	1	1
	<u>40</u>	<u>39</u>

Staff costs incurred during the year in respect of these employees were:

	2021 £	2020 £
Wages and salaries	1,398,139	1,428,149
Social security costs	135,780	135,487
Other pension costs	<u>87,286</u>	<u>87,831</u>
	<u>1,621,205</u>	<u>1,651,467</u>

The number of senior staff (including Trustees with contracts of service) paid over £60,000 during the year (salary plus taxable benefits excluding pension contributions) was:

	2021 No.	2020 No.
£60,001 to £70,000	2	1
£70,001 to £80,000	1	-
£90,001 to £100,000	0	1
£100,000 to £110,000	1	1
£160,001 to £170,000	0	1

The pension contributions for the provision of money purchase schemes in respect of the higher-paid employees above totalled £41,279 (2020: £22,419).

The Key Management personnel of the Charity comprises the President, Chief Executive, Artistic Director (also trustees), Finance Director, Campaigns and Projects Director, Concerts Director, Development Director, Education and Community Director and Marketing & Communications Director. Total remuneration paid to key management personnel was £611,847 (2020: £657,925).

The seven Trustees who are playing members of the Orchestra received performance fees and expenses on the same scale as those paid to other playing members in respect of their performances with the Orchestra as per the MU collective agreement.

Other than fees payable to the President, the Chief Executive and the Artistic Director, no Trustees received fees or expenses in relation to their office as Trustee.

London Philharmonic Orchestra Limited

Notes to the accounts

Year ending 31 August 2021

	2021	2021	2020	2020
Trustees' emoluments	£	£	£	£
	Salary	Pension	Salary	Pension
Cristina Rocca (Artistic Director Nov 20 – Jun 21)	74,462	4,468	-	-
Martin Höhmann (President)	18,000	1,080	14,469	630
David Burke (Chief Executive)	120,000	7,200	29,090	2,238
Performance fees and expenses to (seven) Player Directors	241,825	-	214,157	-

This note is not compliant with the SORP, which requires remuneration to all musicians on the board (Player Directors) to be presented alongside the format used above for the President and Chief Executive. The Trustees feel that to do so will have an adverse effect on the effective operation of the charity as musicians are reluctant to act as Trustees if that role requires disclosure of fees received as this can result in comparison of remuneration with their peers. This would result in reducing the pool of available Trustees required to successfully govern the Orchestra. These Player Directors are not remunerated for their services as Trustees. The total amount of donations received from the Trustees directly associated with the Charity and their related parties is £664,039 (2020: £796,144)

7. Related Parties

Our Chairman, Victoria Robey, is on the board of Music Masters, which engaged the Orchestra to provide musicians as part of its education activity. Victoria Robey's husband is Co-Chair of Britten Pears Arts (Snape Maltings), which engaged the Orchestra for performances during the year. Board member Jamie Njoku-Goodwin is also a Trustee of Britten Pears Arts. Chief Executive, David Burke and President, Martin Höhmann, hold ex officio positions on the board of Henry Wood Hall, a charitable rehearsal space where the Orchestra regularly rehearses. Alan MacCuish is Creative Chairman of Sunshine, who provided in-kind services to the Orchestra during the year.

During the year, playing members of the Board received no remuneration for the additional duties resulting from being members of the Board, with the exception of the President, as disclosed in note 6.

The Orchestra has a trading subsidiary, of which Victoria Robey, David Buckley, Martin Höhmann and David Burke are directors. All group transactions between the charity and its subsidiary are eliminated on consolidation. A management charge of £0 (2020: £276) was charged during the year representing LPO Trading Limited's share of group overheads and other passed on costs. Due to limited activity, the trading company generated a loss in 2020/21 of £2,646. At the year-end the outstanding balance of £1,254 (2020: £270) was due to the Charity.

Stewart McIlwham is director of McIlwham Music Ltd, who provide musical service to the Orchestra receiving performance fees and expenses on the same scale as those paid to other playing members in respect of their performances with the Orchestra as per the MU collective agreement. The fees paid are included within note 6, Trustee emoluments on page 29. Stewart McIlwham and Kate Birchall are also trustees of London Philharmonic Orchestra Benevolent Fund, to whom London Philharmonic Orchestra made contributions of £19,511 during the year.

The partner of one Trustee who served during the year was connected to an employee of the Orchestra, but had no involvement in matters relating to that employee. Similarly, the wife of another Trustee is an artist agent whose artists occasionally work with the Orchestra, but has no involvement in matters relating to that musician and any engagement during the year was on terms equivalent to those in similar arm's-length transactions. There were no other related party transactions.

8. Grants receivable from government and other public bodies

Grant Income	2021	2020
	£	£
Arts Council of England	2,079,799	2,057,879
Southbank Centre Residency subsidy	59,961	76,005
Arts Council of England Culture Recovery Fund (Restricted)	1,026,125	-
	<u>3,165,885</u>	<u>2,133,884</u>

*In addition, the Orchestra received £2,173 (2020 £35,341) from CJRS.

London Philharmonic Orchestra Limited
Notes to the accounts
Year ending 31 August 2021

9. Changes in grants deferred

	Balance 31 August 2020	Grants received	Utilised in year	Balance 31 August 2021
	£	£	£	£
Arts Council of England		2,057,879	(2,057,879)	-
Southbank Centre Residency subsidy	-	59,961	(59,961)	-
Total balance	-	2,117,840	(2,117,840)	-

10. Taxation

London Philharmonic Orchestra is a registered charity and is therefore not liable to direct taxes on income derived from its charitable activities, as they fall within the various exemptions available to registered charities.

11. Tangible fixed assets – Group and Charity

	Leasehold improve- ments	Vehicle	Music library	Computer equipment	Furniture, fixtures, fittings and office equipment	Musical instru- ments	Sanctus Seraphin violin	Total
	£	£	£	£	£	£	£	£
Cost or valuation								
At 31 August 2020	55,380	347,315	267,211	150,076	313,278	220,486	320,000	1,673,746
Additions	-	-	-	23,138	475	-	-	23,613
Revaluations							80,000	80,000
Disposals	-	(113,637)	-	-	-	-	-	(113,637)
At 31 August 2021	55,380	233,678	267,211	173,214	313,753	220,486	400,000	1,663,722
Accumulated Depreciation								
At 31 August 2020	41,503	148,420	261,883	112,234	299,488	150,820	-	1,014,348
Charges for the year	2,651	35,055	350	19,762	2,252	7,682	-	67,752
Disposals	-	(113,365)	-	-	-	-	-	(113,365)
At 31 August 2021	44,154	70,110	262,233	131,996	301,740	158,502	-	968,735
Net book value								
At 31 August 2021	11,226	163,568	4,978	41,218	12,013	61,984	400,000	694,988
At 31 August 2020	13,877	198,895	5,328	37,842	13,790	69,666	320,000	659,398

Musical instruments are generally contemporary, low-value instruments whose value is fairly represented by the written down cost of such instruments. The Sanctus Seraphin violin is used during performances and has aesthetic and musical qualities, but also intrinsic value. Consequently, this violin was valued at a current market value of £400,000 at 31 August 2021 by J&A Beare, London, Members of the British Antique Dealers Association; Dealers,

London Philharmonic Orchestra Limited

Notes to the accounts

Year ending 31 August 2021

restorers and makers of fine violins, violas, cellos and bows. The original historic cost of the violin was £35,000. The Trustees are not aware of any material changes since the last valuation.

The music library was revalued at £250,000 in 1993. No historical information is available with respect to the music library's net book value under historic cost convention, as the cost of acquiring the bulk of the library was expensed through the income and expenditure account over a number of years. Additions to the library since 1993 have been included at cost.

12. Investments –Group and Charity

	Cash	Traded Investments	Total
	£	£	£
Valuation at 1 September 2020	2,858,221	2,112,779	4,971,000
Additions at cost	-	200,590	200,590
Disposals at carrying value	-	(122,611)	(122,611)
Net increase in cash	81,223	-	81,223
Net gains	-	441,171	441,171
Valuation at 31 August 2021	2,939,444	2,631,929	5,571,373

Valuation at 1 September 2021 are both actual and historic costs. Historic costs of investments as at 1 September 2021 are £2,555,751

Investments by investment type

	2021	2020
UK Govt Bond	£ 245,475	252,545
UK Equity	£ 951,881	716,909
International Equity	£ 987,132	711,971
Infrastructure	£ 78,526	81,830
Property	£ 227,502	221,301
Actively Managed Strategies	£ 141,413	128,223
Cash	£ 2,939,444	2,858,221
Total	£ 5,571,373	4,971,000

The Charity also has a 100% holding of 1 ordinary shares of £1 each in London Philharmonic Orchestra Trading Limited, a limited company incorporated and registered in England and Wales, company registration number 09979254. The subsidiary had income of £0 and expenditure of £2,646.84. Capital and reserves as at 31 August 2021 totalled -£2,393.

London Philharmonic Orchestra Limited
Notes to the accounts
Year ending 31 August 2021

13. Stocks and work in progress – Group and Charity

	2021	2020
	£	£
Stocks of own-label recorded CDs	35,365	33,333
Work in progress of own-label CDs not released	88,949	113,829
	124,314	147,162

14. Debtors

	2021	2020	2021	2020
	£	£	£	£
	Group	Group	Charity	Charity
Trade debtors	408,168	176,878	408,168	176,878
Intercompany debtors	-	-	1254	270
Other debtors	4,473	26,263	4,473	26,263
Prepayments	205,399	106,088	205,399	106,088
Accrued income	1,409,511	1,501,846	1,409,510	1,501,846
	2,027,551	1,811,075	2,028,804	1,811,345

At 31 August 2021, legacies which had been notified but not recognised as incoming resources in the Statement of Financial Activities had an estimated value of £128,000 (2020: £13,000) which had not been accrued.

15. Creditors: amounts falling due within one year

	2021	2020	2021	2020
	£	£	£	£
	Group	Group	Charity	Charity
Trade creditors	419,568	176,630	417,768	176,330
Value Added Tax	86,730	55,422	87,290	55,392
Other taxes and social security	38,218	32,660	38,218	32,660
Other creditors	153,996	456,101	153,996	456,101
Accrued expenditure	403,015	207,035	401,944	205,935
Deferred income and income in advance due within one year	355,215	192,586	355,215	192,586
	1,456,742	1,120,434	1,454,431	1,119,004

£98,110 of the income brought forward (total of £315,236) was recognised during the year.

At the year end the charity held £8,936 in respect of funds received in memory of a former LPO Co-Principal Cellist. These funds are being held on behalf of Susanne Beer Cello Foundation, registered charity number 1195303. The funds were transferred after year end to the Foundation. These funds have been excluded from the assets of the charity.

16. Creditors: amounts falling due in more than one year-Group and Charity

	2021	2020
	£	£
Deferred income and income in advance due in more than one year	178,400	122,650

London Philharmonic Orchestra Limited
Notes to the accounts
Year ending 31 August 2021

17. Called up share capital

	2021	2020
	£	£
Authorised		
200 ordinary shares of £1 each	200	200
Allotted, called up and fully paid		
80 ordinary shares of £1 each	80	80

18. Contingent Liability

The Trustees are aware of a legal case (which does not involve the LPO) which has highlighted issues around the interpretation of legislation around payments of Class 1 National Insurance Contributions (NICs) to be paid in relation to musicians' earnings by the LPO and the players themselves. This issue was discussed at length with Her Majesty's Revenue and Customs (HMRC) in 2005 and 2006 and an agreement reached at that time which confirmed that NICs were not payable in relation to the freelance musicians engaged by the LPO.

Following consultation, the government has decided to repeal the current National Insurance regulations in respect of entertainers from 6 April 2014. However, at the time of approval of this report and the financial statements, the potential, quantity and likelihood of any backdated liability is less clear. The Trustees are of the view if such liabilities were to exist, the amount that would be payable cannot be estimated reliably at present. Taking all of the above factors into account, the Trustees have not made any provision in the accounts for any backdated NICs that might become payable.

London Philharmonic Orchestra Limited

Notes to the accounts

Year ending 31 August 2021

19. Reserves –Group	Balance at 1 September 2020	Income	Expenditure	Transfer of amount	Balance at 31st August 2021
<i>Unrestricted Funds</i>	£	£	£	£	£
Called up share capital	80	-	-	-	80
Revaluation reserve	266,000	80,000	-	-	346,000
<i>Designated Funds</i>					
Designated fund (1) Fixed Asset	393,399	23,613	(68,024)	-	348,988
Designated fund (2) Special Project	2,000,000	-	-	-	2,000,000
Designated fund (3) Innovation	-	375,000	-	-	375,000
Designated fund (4) COVID Appeal	772,099	361,602	(310,000)	-	823,701
General (risk) reserve	906,486	4,373,836	(4,238,400)	-	1,041,922
	4,338,064	5,214,051	(4,616,424)	-	4,935,691
<i>Restricted Funds</i>					
London, Touring and Education	58,000	2,001,176	(2,009,176)	-	50,000
Catalyst interest	32,461	49,775	-	-	82,236
Capital Campaign	826,523	97,222	(21,340)	-	902,405
COVID Appeal	14,796	-	(14,796)	-	-
London Philharmonic Trust	112,508	-	(540)	-	111,968
	1,044,288	2,148,173	(2,045,852)	-	1,146,609
<i>Endowment Fund</i>					
Catalyst	2,548,992	464,321	(6,567)	-	3,006,746
Total Funds	7,931,344	7,826,545	(6,668,843)	-	9,089,046

The above funds carried forward as at 31 August 2021 represent:

	Tangible Fixed assets	Investment Fixed assets	Net current assets	Total
<i>Unrestricted Funds</i>	£	£	£	£
Called up share capital	-	-	80	80
Revaluation reserve	346,000	-	-	346,000
<i>Designated Funds</i>				
Designated fund (1) Fixed Asset	348,988	-	-	348,988
Designated fund (2) Special Project	-	1,468,018	531,982	2,000,000
Designated fund (3) Innovation	-	-	375,000	375,000
Designated fund (4) COVID Appeal	-	-	823,701	823,701
General (risk) reserve	-	-	1,041,922	1,041,922
	694,988	1,468,018	2,772,685	4,935,691
<i>Restricted Funds</i>				
London, Touring and Education	-	-	50,000	50,000
Catalyst interest	-	82,236	-	82,236
Capital Campaign	-	902,405	-	902,405
COVID Appeal	-	-	-	-
London Philharmonic Trust	-	111,968	-	111,968
	-	1,096,609	50,000	1,146,609
<i>Endowment Fund</i>				
Catalyst	-	3,006,746	-	3,006,746
Total Funds	694,988	5,571,373	2,822,685	9,089,046

London Philharmonic Orchestra Limited

Notes to the accounts

Year ending 31 August 2021

19a. Prior Year Comparison	Balance at 1 September 2019	Income	Expenditure	Transfer of amount	Balance at 31st August 2020
<i>Unrestricted Funds</i>	£	£	£	£	£
Called up share capital	80	-	-	-	80
Revaluation reserve	266,000	-	-	-	266,000
<i>Designated Funds</i>					
Designated fund (1) Fixed Asset	212,322	45,041	(63,964)	200,000	393,399
Designated fund (2) Special Project	2,000,000	-	(300,000)	300,000	2,000,000
Designated fund (3) Truck	200,000	-	-	(200,000)	0
Designated fund (4) COVID Appeal	-	772,099	-	0	772,099
General (risk) reserve	1,072,776	6,595,848	(6,462,138)	(300,000)	906,486
	3,751,178	7,412,988	(6,826,102)	0	4,338,064
<i>Restricted Funds</i>					
London, Touring and Education	-	768,001	(710,001)	-	58,000
Catalyst interest	36,870	65,591	(70,000)	-	32,461
Capital Campaign	466,597	484,201	(124,275)	-	826,523
COVID Appeal	-	14,796	-	-	14,796
London Philharmonic Trust	112,508	-	-	-	112,508
	615,975	1,332,589	(904,276)	-	1,044,288
<i>Endowment Fund</i>					
Catalyst	2,379,293	231,700	(62,001)	-	2,548,992
Total Funds	6,746,446	8,977,277	(7,792,379)	-	7,931,344

The above funds carried forward as at 31 August 2020 represent:

	Tangible Fixed assets	Investment Fixed assets	Net current assets	Total
<i>Unrestricted Funds</i>	£	£	£	£
Called up share capital	-	-	80	80
Revaluation reserve	266,000	-	-	266,000
<i>Designated Funds</i>				
Designated fund (1) Fixed Asset	393,399	-	-	393,399
Designated fund (2) Special Project	-	1,450,516	549,484	2,000,000
Designated fund (3) Truck	-	-	-	-
Designated fund (4) COVID Appeal	-	-	772,099	772,099
General (risk) reserve	-	-	906,486	906,486
	659,399	1,450,516	2,228,149	4,338,064
<i>Restricted Funds</i>				
London, Touring and Education	-	-	58,000	58,000
Catalyst interest	-	32,461	-	32,461
Capital Campaign	-	826,523	-	826,523
COVID Appeal	-	-	14,796	14,796
London Philharmonic Trust	-	112,508	-	112,508
	-	971,492	72,796	1,044,288
<i>Endowment Fund</i>				
Catalyst	-	2,548,992	-	2,548,992
Total Funds	659,399	4,971,000	2,300,945	7,931,344

London Philharmonic Orchestra Limited

Notes to the accounts

Year ending 31 August 2021

19. Reserves (continued)

Revaluation reserve: revaluations on assets held by the charity, principally the Sanctus Seraphin violin and the music library.

Designated fund: Designated funds are funds that have been set aside out of unrestricted funds by the Board for a specific purpose. £348,988 of this, along with the revaluation reserve of £346,000, represents the value of the fixed assets.

During the year £310,000 was allocated from the COVID designated Appeal funds to continue to support our members, extras and artists and to cover specific COVID-related costs. Further funds of £361,602 were received in the year, with the balance of £823,701 which gives confidence to underpin future plans, especially regards ongoing challenges related to foreign touring and greater uncertainty than usual over levels of ticket sales.

An Innovation Reserve has been established in order to trial new models across all of the Arts Council England Investment Principles. This will be to offer a defined budget specifically ring-fenced for some of the special new initiatives outlined in the 2022/23 business plan. The fund will in future be promoted to appropriate donors and provide opportunities for people with special interest in these areas to support the Orchestra to reach new audiences and trial new approaches. The remaining amount of £2,000,000 has been set aside to a Special Projects Fund to enable commitments made with regard to programming at the Royal Festival Hall, and strategically important tours and commissions to be upheld.

Restricted income of £2,148,173 was raised during the year and £2,045,852 was spent during the year. Included in the restricted funds was £333,912 towards Education and Community and £594,239 towards the London concert season, alongside interest from the Catalyst Endowment (£49,775).

The Catalyst Endowment is an expendable endowment that has been established to enable co-programmed projects with key venues such as the Southbank Centre.

The remaining balance constitutes the charity's General (Risk) Reserve.

The Charity is also linked to the London Philharmonic Trust, whose assets of £111,968 (2020: £112,508) are also shown in these accounts.

20. Operating lease commitments

Aggregate minimum lease payment commitments under non-cancellable operating leases are as follows:

Expiry date:

Within one year

Between two and five years

Land and Buildings	Land and Buildings
2021	2020
£	£
99,260	40,999
257,260	-
<u>356,520</u>	<u>40,999</u>

London Philharmonic Orchestra Limited

Notes to the accounts

Year ending 31 August 2021

21. Prior Year comparative Statement of Financial Activity

Statement of Financial Activities	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Endow- -ment 2020 £	Total Funds 2020 £
Income from					
Donations and legacies	2	4,038,254	1,266,031	231,700	5,535,985
Income from charitable activities	3	3,367,656	-	-	3,367,656
Other trading activities		2,902	-	-	2,902
Investments	4	4,176	66,558	-	70,734
LPO income		7,412,988	1,332,589	231,700	8,977,277
Expenditure on					
Raising funds	5	326,601	124,275	-	450,876
Charitable activities	5	6,499,501	780,001	5,714	7,285,216
Total expenditure		6,826,102	904,276	5,714	7,736,092
Net income for the year before investment gains		586,886	428,313	225,986	1,241,185
Gains on revaluation of Fixed Assets		-	-	-	-
Net gains/(losses) on investments		-	-	(56,287)	(56,287)
Net movement in funds		586,886	428,313	169,699	1,184,898
Reconciliation of funds					
Total funds brought forward at 1 September 2019		3,751,178	615,975	2,379,293	6,746,446
Total funds carried forward at 31 August 2020		4,338,064	1,044,288	2,548,992	7,931,344

The above results are from continuing activities and there are no other gains and losses except as stated above.

London Philharmonic Orchestra Limited

Notes to the accounts

Year ending 31 August 2021

23. Trading Subsidiary

The London Philharmonic Orchestra is the sole shareholder of London Philharmonic Orchestra Trading Ltd, registered address 89 Albert Embankment, London SE1 7TP. Its taxable profits are donated to the London Philharmonic Orchestra Ltd except in specific circumstances. The trading result of the subsidiary and its assets, liability and funds at year end are summarised below.

	Year ended 31 August 2021	Year ended 31 August 2020
Turnover	-	2,902
Less: Cost of sales	<u>2,646</u>	<u>2,372</u>
Gross Profit	(2,646)	530
Operating profit	(2,646)	254
Less: Donation to parent charity	<u>(-)</u>	<u>(-)</u>
Retained Profit for the year	<u>(2,646)</u>	<u>254</u>
Assets	1,731	1,955
Liabilities	<u>4,124</u>	<u>1,701</u>
Net Funds	<u>(2,393)</u>	<u>254</u>

LONDON PHILHARMONIC ORCHESTRA LIMITED

England & Wales - Charity number 238045

Accounts

Company Registration No. 357059

Charity Registration No. 238045

**London Philharmonic Orchestra
Limited**

Consolidated Report and Financial Statements

31 August 2020

London Philharmonic Orchestra Limited

Consolidated Report and Financial Statements 31 August 2020

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London Philharmonic Orchestra Limited

Report and Financial Statements 31 August

2020 Executive Summary

2019/20 was a year like no other.

That the year started with one of the great joys of orchestral life, Vladimir Jurowski conducting Tchaikovsky's 6th Symphony at the Royal Festival Hall, serves to show us now just how existential the challenge has been. The COVID-19 pandemic has provided challenges to every organisation and individual across the country. For an organisation whose essence is about bringing people together – from the coming together of so many talented musicians to create the colours and emotions of orchestral music, to the collective experience of listening together, to those participating in creating music through our substantial Education and Community programme – it has been brutal.

However, despite the pandemic, the Orchestra has thrived in many ways. The musicians, conductors and soloists, staff, audiences, supporters, and Education and Community participants have all come together in a way a crisis demands. They have shown immense creativity in reaching out to and sharing music with not only existing audiences who could no longer attend live events, but millions of new audiences. The majority of the Education and Community schemes rapidly moved online, engaging in care homes, creative opportunities for young people, and digital teaching and seminars. The Orchestra has adapted its business model as flexibly as its players immediately adapted to playing in their living rooms, and as a result found ways of both making and sharing music that would not have been conceived of in 'normal' years.

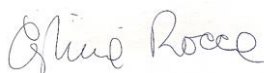
The Orchestra had a very full season prior to the UK lockdown in March 2020. Jurowski followed up his performances of Tchaikovsky's final symphony with a spectacular Strauss *Alpine Symphony* and later Mahler's 'Resurrection' Symphony. Principal Conductor Designate, Edward Gardner, conducted a memorable Verdi *Requiem*, and Thomas Adès conducted the UK premiere of his latest piano concerto. The Orchestra revived the highly successful opera *Sukanya* by Ravi Shankar, and the final concert of the shortened season included Beethoven's Triple Concerto conducted by Robin Ticciati with Anne-Sophie Mutter, Khatia Buniatishvili and Pablo Ferrández. The season highlight, however, was the third part of Wagner's Ring Cycle, *Siegfried*. A remarkable cast and performance led by Jurowski will live in many memories for years to come.

The Orchestra also said farewell to Timothy Walker, who stepped down after 17 years as Chief Executive and Artistic Director. The Orchestra was delighted to see his hard work recognised with a CBE in the New Year Honours. The Orchestra's Board subsequently separated the role, appointing David Burke (formerly General Manager and Finance Director at the Orchestra) as Chief Executive, and Cristina Rocca (formerly Vice President for Artistic Planning at Chicago Symphony Orchestra) as Artistic Director.

Financially, the results look remarkably strong. A substantial fighting fund of over £750,000 was raised throughout the first months of the pandemic and has been instrumental in providing security to the members of the Orchestra, who are all self-employed, with many receiving no support from the Government schemes. The monies raised to date will be used in their entirety during the following season to enable a series of concerts for digital consumption, enabling work to be created and shared despite the absence of ticket income. The Orchestra may not have been able to survive without this exceptionally generous support and we are extremely grateful to every single donor who has contributed to the fund. The cultural health of a country is inextricably linked to its psychological and financial health, and the London Philharmonic Orchestra will continue to play its substantial part in supporting that in the years to come.



David Burke
Chief Executive



Cristina Rocca
Artistic Director

London Philharmonic Orchestra Limited

Strategic Report 31 August 2020

The Trustees are pleased to present their annual Trustees' Report together with the consolidated financial statements of the charity for the year ended 31 August 2020, which are also prepared to meet the requirements for a Directors' Report and accounts for Companies House purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Our Purpose and Activity

The primary purpose of the Orchestra is to bring wonder to the modern world through the power of orchestral music. In doing so we aim to:

- maintain a world-class orchestra and high-quality series of performances for the widest possible audience in London, nationally and internationally
- undertake a substantial and meaningful programme of Education and Community work
- ensure all of the Orchestra's own-promotion concerts are open to the public without restriction and every effort is made to ensure ticket price is not a barrier to entry.

This is in accordance with our charitable objects as set out in our governing document, being

- To promote, maintain, improve and advance education, particularly musical education, and to encourage the arts, including the arts of music, drama, mime, dance, and singing and to formulate, prepare and establish schemes therefore provided that the objects of the company shall be of a charitable nature only. and, as ancillary to the foregoing objects to hold and participate in concerts, and to perform orchestral and instrumental works, operas, ballets and entertainments of this kind and to form and maintain a symphonic orchestra of the highest possible standing to serve the needs of this and other musical institutions in Great Britain and abroad.

The Trustees have considered the Charity Commission's guidance on public benefit in shaping our objectives for the year and planning our activities, including the guidance 'Public benefit: running a charity (PB2)'. Affordability and access to our programme are a key consideration, with tickets available from £10 for all self-promoted concerts and a significant digital and broadcast presence. The Orchestra runs a significant Education and Community programme, including initiatives for those who may not be able to experience the Orchestra in a concert hall environment, and we endeavour to encourage all within our community to take part in activities or attend performances, or engage with the Orchestra digitally or through other media.

The Orchestra relies on grants and income from the fees and charges to cover its operating costs.

The strategies employed to achieve the charity's aims and objectives are:

- to present a varied and inventive programme that reflects the energy, ambition, excitement, enthusiasm, breadth and traditions of contemporary London
- to reach a broad audience through a wide range of concert and opera performances, Education and Community projects, broadcasts and recordings
- to attract, retain, develop and celebrate world-class musicians
- to deliver a world-class experience to every audience with whom the LPO interacts
- to maintain the long-term sustainability of the Orchestra.

Putting these strategies into action, we have seven major areas of activity: our London season, our Education and Community programme, our Eastbourne and Brighton residencies, Glyndebourne Festival Opera, our other UK performances, international touring, and our recording and digital activity.

London Philharmonic Orchestra Limited

Strategic Report

31 August 2020

Achievement and performance

- ❖ The Orchestra gave 84 performances during the year, with a further 97 cancelled due to COVID-19. In addition, the Orchestra also ran 313 educational sessions, with sessions continuing online during the lockdown period. In total the Orchestra reached a live audience of over 121,000 people.
- ❖ During the lockdown period, the Orchestra moved quickly to develop 'LPOOnline', a substantial suite of digital activity to engage with new and existing audiences. 100 short-form videos of performances, insights, and introductions to playlists were created and shared via social media, and collectively received over 3 million views worldwide.
- ❖ The Orchestra's digital reach continues to grow, with over 133 million streams during the year across Spotify and Apple Music alone, and we are approaching 600,000 followers across our social media channels.
- ❖ The Education and Community department engaged with c.16,000 people. The programme enabled the Orchestra to engage with a large and diverse group of people including both young people and adults with disabilities, musicians and audiences from under-represented communities, and talented young artists entering the profession. The number engaged is down on the prior year due to COVID-19 restrictions curtailing tailored concerts during the second half of the year.
- ❖ The Orchestra's touring plans were decimated, with just 11 performances overseas. In the UK, there were 30 concerts at the Royal Festival Hall, with the remaining 43 concerts split between full and chamber concerts around the UK, with a new residency established at Saffron Hall in the East of England to complement those in Brighton and Eastbourne. Eight performances at Glyndebourne and one at Snape Maltings were able to take place in August as the initial lockdown restrictions eased.
- ❖ Several concerts were broadcast by the BBC, including performances at the Royal Festival Hall and Glyndebourne, reaching thousands of people who did not have the opportunity to experience the Orchestra in live performance. Further details of the Orchestra's activities are below.

London season (September–March)

A central part of the Orchestra's work is its international series of concerts at the Royal Festival Hall. 45,000 people attended the concerts between September and March. Accessibility is important to the Orchestra: tickets were available from £14, and schemes including the Student Pulse and NOISE initiatives encouraged new and younger audiences throughout the season. Several concerts were preceded by free performances or talks. Sadly, the season was badly affected by the COVID-19 pandemic, with a third of the concerts cancelled following the Government lockdown in March 2020. There were, however, some very special performances in the months preceding this.

The first half of the London season continued the focus on British music, with the conclusion of the year-long series 'Isle of Noises'. The season opened with two concerts conducted by Vladimir Jurowski, the first including Britten's Violin Concerto with Julia Fischer and the second Elgar's Violin Concerto with Nicola Benedetti, the latter following the highly successful release of the recording of the Elgar with Benedetti, Jurowski and the Orchestra. The performances with Jurowski were followed by Elgar's Cello Concerto with Sheku Kanneh-Mason, James Ehnes performing Walton's Violin Concerto, Martin Brabbins conducting Elgar's *The Apostles* and Marin Alsop conducting Walton's *Belshazzar's Feast*.

The second half of the season started with Ravi Shankar's opera *Sukanya*, which the Orchestra premiered with the Royal Opera House in 2017. This was part of three concerts planned to mark the Orchestra's long relationship with the late composer in the 100th anniversary year of his birth. January also saw the third instalment of the Orchestra's *Ring Cycle* with *Siegfried*. Torsten Kerl sang the title role, with Adrian Thompson giving a superb Mime. Elena Pankratova sang Brünnhilde and Anna Larsson sang Erda, with Evgeny Nikitin, Robert Hayward and Brindley Sherratt in the roles of Wanderer, Alberich and Fafner respectively.

The rest of the season was built around the ambitious '2020 Vision' series. The series took a creative approach to the Beethoven 250th anniversary, asking what the masterpieces of the first decades of the 21st century could provide. Over 20 concerts, the series chose a key piece from consecutive years of the 21st century and performed it in the context of pieces written both one hundred and two hundred years earlier (It was helpful that Beethoven wrote his first three symphonies in 1801, 1802 and 1803). Although the lockdown in March interrupted this series, the Orchestra kept the theme throughout a series of streamed concerts in Autumn 2020.

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Selected press quotes

'Not a note felt wasted thanks to Jurowski's taut direction ... The London Philharmonic is playing at the peak of its form and that will be an important part of Jurowski's legacy.' Richard Fairman, Financial Times, 2 October 2019

'If this is what Gardner and the LPO can achieve together we have much to look forward to.' Erica Jeal, The Guardian, 11 October 2019

'Jurowski's top-drawer LPO really has no weak links... Jurowski succeeds in making this outfit sound like an all-star band of integrated virtuosi.' Boyd Tonkin, The Arts Desk, 14 November 2019

'Ultimately, as on previous occasions, the evening belonged to Jurowski and his orchestra, who were simply astonishing throughout.' Tim Ashley, The Guardian, 4 February 2020

LPOOnline (March-August)

In March the UK restrictions due to COVID-19 enforced the longest period in its history that the Orchestra was unable to meet. The Orchestra recognised that it still had a significant role to play in supporting national cultural wellbeing, and moved swiftly to develop a substantial digital programme, 'LPOOnline'. LPOOnline contained four major strands: The Season, Performance, Insight, and Learn & Take Part.

Members of the Orchestra gave performances from their homes, expertly recorded and edited into ensemble performances that ranged widely from Beethoven's 'Harp' Quartet (our string Principals alongside Anne-Sophie Mutter), to a special arrangement of 'Stand By Me' by the viola section, including the viola-playing Foyle Future Firsts and LPO Junior Artists.

As part of LPOOnline, members of the Orchestra performed together in July, in the same room, for the first time since mid-March, in a series entitled 'Summer Sessions'.

These four hour-long recitals were filmed at our rehearsal home, Henry Wood Hall. Each session celebrates a section of the Orchestra, and the final concert in the series was an all-Beethoven programme to celebrate the composer's 250th anniversary and featured LPO players alongside four musicians from the Orchestra's Foyle Future Firsts development programme.

The Orchestra devised a particular campaign, 'Lean in & Listen', aimed at reaching new audiences via Instagram. This was hosted by wellbeing expert Hollie de Cruz and partnered with influencers including Laura and Russell Brand, Fearne Cotton, Rochelle Humes and Jameela Jamil, reaching nearly 250,000 new listeners around the world with the Orchestra's music.

As a result, our following on social media continues to grow with over 335,000 followers on Facebook, 147,000 followers on Twitter, and the Orchestra's new Instagram account building 52,000 followers over the year.

'Absolutely Beautiful! Takes one to another place. Thank you for sharing your gift with us.'

'Thank you LPO for your amazing music ... this really made my night ... now classical music became essential in our daily quarantine life!'

'The stress of all of this has just taken a toll on all of us ... and today [I'm] really feeling it. Thank you LPO from Atlanta GA for your beautiful music ... just at the right time, with the right piece to lift our spirits and fill our hearts.'

'I'm sat along, as I live alone and I'm obviously shut away from the world as much as possible. This brought a moment of serenity and warmth, thank you so much to all of you for taking the time to do this. I hope there may be more, if possible.'

Education and Community programme

The Orchestra's Education and Community programme continued to focus on four main areas that:

- provide first musical experiences to children and adults alike
- offer formal learning projects and performances for schools, and CPD opportunities for teachers

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- inspire talented teenage musicians to progress their creative and instrumental skills
- develop the next generation of professional instrumentalists and composers.

The Orchestra's BrightSparks (schools) and FUNharmonics (family) concerts offered first concert experiences which reached over 11,000 people prior to the March lockdown. Concerts were programmed for specific National Curriculum Key Stages, including Julia Donaldson's *Zog* for Key Stage 1, and set works for GCSE.

'Thank you so much for organising such an amazing event. This could very well be the only opportunity our pupils will ever have to watch such a high quality performance.' Teacher attending Key Stage 1 concert

'Very well organised and incredible performances. The first classical concert some of my students had attended.' Teacher attending GCSE concert

This was a significant year for the Orchestra's work with people with special educational needs and disabilities. OrchLab, a project for people who may have limited mobility or other physical or learning difficulties, through assistive music technology, reached the end of its initial three-year phase, offering 31 sessions across seven Leonard Cheshire Centres. This project was undertaken in collaboration with assistive music specialists Drake Music. Critically, the project moved online from March 2020, ensuring continued and much-valued engagement with the participants, who were highly affected by the national lockdown. Open Sound Ensemble, an inclusive music-making opportunity for young people with special educational needs and disabilities and their parents/carers, also continued, and was particularly valued by parents who were home-schooling during the latter half of the year.

LPO Junior Artists continued to thrive. This is a free orchestral experience programme for talented young musicians from communities and backgrounds currently under-represented in professional UK orchestras. During 2019/20, eight participants on the year-long course benefitted from access to coaching, skills sessions ranging from performance psychology to communication skills to arts administration, and careers advice. We were delighted that some participants were subsequently offered full scholarships to conservatoires, and look forward to seeing them enter the profession in due course. 43 participants were able to take part in the first 'LPO Junior Artists: Overture' session of the year. This was an introductory day providing a hands-on, behind-the-scenes look at the world of a professional orchestra, aimed at musicians aged 11–14: the Junior Artists of the future. Sadly, the remaining Overture session had to be cancelled.

The final strand covers the Orchestra's Foyle Future Firsts and Young Composers schemes. Amongst the most sought-after professional development schemes of their kind, these offer experience to post-conservatoire musicians at the beginning of their orchestral careers through a year-long series of sessions. The culmination of both schemes, the annual Debut Sounds concert, sees the Foyle Future Firsts joined by members of the Orchestra to perform works by the Young Composers. This year, the project was delayed until September when restrictions were eased, but was the first project the Orchestra delivered in the new season, emphasising its commitment to the scheme.

Other projects undertaken during by the department during the season included its annual project with Crisis, the homelessness charity; a first project with the Vauxhall Festival presenting a new ensemble piece – *Before The Firebird* – to local primary school children; and a substantial development of content on The Studio, the online compositional resource for young people aged 14–19.

The Orchestra is committed to genuine 360-degree learning, continually developing our musicians' creative leadership skills and learning from all our participants – bringing the inspiration they give us back to the Orchestra.

Glyndebourne Festival Opera

The 2020 Festival was decimated by Covid. The Festival management initially looked at a delayed Festival, but ultimately had to cancel. Towards the end of the summer, when it was possible to perform outdoors, Glyndebourne was one of the first major arts organisations to respond, building an outdoor stage and organising a series of outdoor, socially-distanced performances. The first half of the programme was a concert by the London Philharmonic Orchestra conducted by Glyndebourne Music Director Robin Ticciati, who had coincidentally conducted the Orchestra's last concert before lockdown, and the second half a brilliantly conceived staging of Offenbach's *Mesdames de la Halle*. There were many challenges including social distancing, the heat, the rain, and substantial COVID-19 security arrangements, but the response from the audiences were spectacular and a genuine reminder of why live performance is so special. The Board and Management fundraised on behalf of all the artists and workforce whose income are being affected by the pandemic, and made an exceptional donation of £360,000.

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This was critical in sustaining the LPO musicians through this period and the Orchestra is very grateful to Glyndebourne and its supporters for this donation.

Other UK performances

The Orchestra gave a further 17 performances in the UK during the year. It was delighted to start a new residency in Saffron Hall, Saffron Waldon in Essex, giving an opening performance with Vladimir Jurowski and Julia Fischer,

and a further concert conducted by Marin Alsop. The intention will be for four concerts a season at the Hall for future years. The Orchestra's residencies in Brighton and Eastbourne continue to flourish and the Orchestra was able to give seven performances over the two venues before COVID-19 curtailed the season.

The Orchestra also played to significant new audiences, providing the live soundtrack for two performances of the Tim Burton film *The Nightmare Before Christmas* at Wembley Arena, and a more boutique experience for audiences with a string quartet in a pod of the London Eye as part of its 20th anniversary celebrations.

Several additional UK concerts were cancelled due to COVID-19, most notably two performances at the BBC Proms. However, towards the end of the summer the LPO was proud to be one of the first UK orchestras to perform to a live audience, initially outdoors at Glyndebourne (see above), and two socially-distanced concerts at Snape Maltings as part of the first steps to offering audiences a live experience once again.

International Touring

The Orchestra's touring plans were similarly disrupted by COVID-19, with just 11 overseas performances during the year. These were over three separate European tours including Austria, Germany and Spain. A planned seven-concert tour with Anne-Sophie Mutter was the first cancellation of the summer, having initially been scaled back when awareness of the virus was emerging.

Recording activity

The Orchestra's own CD label continues to thrive, and the Orchestra continues to be one of the most digitally accessed worldwide. Four new titles were released this year, ranging from a studio recording of Mozart concertos featuring the Orchestra's wind principals, to Ravi Shankar's *Sukanya*. 2020/21 will see the release of a five-disc box set of historic recordings conducted by Sir Adrian Boult, spanning his tenure as Principal Conductor (1950-57) to his retirement in 1978, with the release timed to coincide with the 70th anniversary of Sir Adrian becoming Principal Conductor. The Orchestra also recorded several commercial recordings throughout the year.

Financial

Income for the group during the year was £8.98m, compared to £11.3m in the prior year. The reduction was primarily due to reduced income from charitable activities due to the COVID-19 pandemic. The Orchestra ran a highly successful appeal to raise funds to support the Orchestra during the pandemic, raising £787k (c.£15k restricted and c.£772k designated) by year end. These funds will be used to support the Orchestra during the early stages of 2020/21 amid the ongoing impact of the pandemic on income streams, in particular ticket sales and touring fees.

In addition, the Orchestra received donations of £484k towards continuing feasibility costs around a new capital project. Feasibility costs incurred during the year were £124k, with the balance in restricted funds in respect of capital standing at £827k at year end. The London Philharmonic Orchestra Trading Ltd – for non-charitable trading – generated income of £2,902 in what was a challenging year.

Expenditure fell from £10.5m to £7.7m during the year. The Orchestra moved very quickly upon lockdown to maximise savings due to cancellations and reductions where required. The Orchestra maintained payments to all freelance musicians contracted to work, and established a scheme for the Orchestra's members that ensured a minimum income was offered to each (after the Government's SEISS scheme, where possible). Included within expenditure are ex-gratia payments of £472,938 that were paid to over 185 freelance musicians in the year.

The Orchestra made a surplus this year of £1,241,185 (less £56,287 loss on investments), of which £170k is to be held within the endowment, £360k is restricted to the capital campaign, £58k restricted for education projects, and £787k raised as a result of the COVID Appeal (£15k restricted).

£234k was invested in a new truck, required to meet emission regulations, of which £200k was covered by a transfer from designated funds put aside in prior years.

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In the year, £300k was expended from the special projects fund towards London concerts Sept 2019 to March 2020; the Trustees decided to maintain the project fund at £2m for future years, and therefore £300k was transferred back to the special projects fund at year end.

This left a deficit in unrestricted, undesignated funds (general (risk) reserve) of £166,290, which could have been significantly worse given the unprecedented challenges of this period.

The Orchestra received 25% of its operating income in public funding via Arts Council England, which is 7% higher than the prior year, and 5.5% higher than budgeted due to the curtailment of revenue-generating opportunities from charitable activities. This funding primarily supports the Orchestra's work in London and the South East of England, and is critical to the Orchestra's business model. This is to be maintained at a standstill level in cash terms, which, whilst representing some success given pressures on Government spending, presents some inflationary problems going forward.

Every effort is being made to diversify income from a balance of sources to protect the Orchestra's future. The establishment of the Sound Futures endowment through the Catalyst programme is one of several strategies to support the Orchestra's longer-term ambition. The endowment has been invested in a broad range of conservative investment options, with Rathbones appointed to help manage the funds alongside a highly experienced Investment Committee. This year, the International Board of Governors and the Trading Company have both increased this diversification.

The special projects fund exists to enable mid-term planning to continue appropriately (see below) in this delicate environment.

The ongoing impact of COVID-19 has continued to impact the company's general activity significantly; however, the Orchestra has adapted its activities to enable continued operations within social distancing constraints. The designated COVID Appeal funds and a successful application to the ACE Culture Recovery Fund have underpinned activity in 2020/21 and the Orchestra continues to model a number of possible future scenarios. The Orchestra considers there to be a reasonable expectation that a proportionate element of fundraising will continue, based on existing pledges, ongoing conversations and cautious expectations, and an assumption of funding from Arts Council England for an ongoing programme of activity that is as consistent with previously agreed activities as possible given the circumstances. In the event that projected fundraising income is not received, the Orchestra is still confident it could cover its costs but this would be likely to impact planned activities. On this basis of ongoing receipt of Arts Council Grant, current reserves levels that can be appropriately utilised if required and ongoing activities (including an element of fundraising), the Trustees are confident that the company is a going concern.

Investment Policy

The establishment of the Sound Futures endowment is one of several strategies to support the Orchestra's longer-term ambition. The £2m endowment has been invested in a broad range of conservative investment options, with Rathbones appointed to help manage the funds alongside a highly experienced Investment Committee consisting of Trustees Timothy Walker (until June 2020), David Burke (from June 2020), Victoria Robey and Martin Höhmann, as well as Jamie Korner (charity investment specialist), and Bruno De Kegel (private wealth specialist). The investment objective of the portfolio had been so designed as to produce annual income in the range of £60–£80k on a long-term basis, and preserving the real value of the capital over the longer term is also of great importance. This year it produced income of £65,600, although the value decreased by £56,300 in what was a challenging year, with markets impacted globally by the COVID-19 pandemic.

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Development Income

As a registered charity, the London Philharmonic Orchestra is grateful to all those individuals and organisations that offer financial support to enable and enhance its activities. We are grateful to all of the many corporate, trust and individual supporters that contribute to our work. In particular for this financial year we would like to thank the following for their generous support: The American Friends of the London Philharmonic Orchestra, Arts Council England, The Candide Trust, the late Mr Ian Croft, Thomas Deane Trust, Dunard Fund, Esmée Fairbairn Foundation, Mrs Aline Foriel-Destezet, Hamish and Sophie Forsyth, The Foyle Foundation, JTI, Mr & Mrs Philip Kan, The Kirby Laing Foundation, The London Community Foundation and Cockayne – Grants for the Arts, The Andrew Lloyd Webber Foundation, The Adam Mickiewicz Institute, Sir Simon and Lady Robey, Schroder Charity Trust, Villa Maria Wines, Neil Westreich, and William and Alex de Winton. The LPO would also like to thank all those who made donations to support the Orchestra during the pandemic.

Donations and legacies for the year totalled a record £5.5m, which includes £2.1m from Arts Council England, £0.2m of legacies that are held in the endowment and £3.2m raised in development income for activities, which was ahead of expectation and includes exceptional donations of £484k (restricted) towards feasibility work on a new capital campaign and £787k for the COVID Appeal (£15k restricted and £772k designated). A further £1.2m of unrestricted income was received and £768k restricted. Included in the restricted funds was £343k towards Education and Community and £425k towards the London concert season.

The comparative figure for the prior year was £4.77m total. Specifically, £2.6m was raised in development income in 2019, of which £950k was unrestricted and £1.6m restricted (£400k, £530k, £170k and £500k for Education, London concerts, touring and capital respectively).

This year's Annual Gala was a highly innovative virtual event, held on Zoom with performances, live conversation with the titled conductors and breakout time to catch up with musicians and fellow guests. Over 240 guests attended, raising in excess of £100k towards the COVID Appeal. The American Friends of the London Philharmonic Orchestra also held a successful gala in New York, with the net amount raised after costs \$80k.

Fundraising

The London Philharmonic Orchestra's fundraising department solicits sponsorship, donations and membership from individuals, business, Government bodies and charitable foundations. The team is committed to best practice in ethical fundraising process and abides by the Funding Regulator's Code of Fundraising Practice, which includes specific guidance to ensure the charity does not put undue pressure on any individual to make a contribution or pledge. The Orchestra has a formal Gift Acceptance policy and does not use third-party fundraisers to make asks of members of the public. No complaints were received during the year.

We are registered with the Fundraising Regulator and are compliant with the Code of Fundraising Practice. We continue to comply with the European Union's General Data Protection Regulation (GDPR) which has strengthened our supporters' control of their relationship with us, and will keep abreast of any required changes in legislation as a result of the UK leaving the European Union.

Reserves Policy

The London Philharmonic Orchestra requires reserves in order to provide for contingencies as they may arise. The nature of the London Philharmonic Orchestra's operation requires reliance on significant levels of income from sponsorship and donations that can show substantial variation due to changes in the economic climate or exceptional events after the Company's artistic plans are formulated. The Company aims to retain general (risk) reserves at a level the Trustees anticipate will be sufficient to provide security from such unexpected variations and other risks highlighted below. This has been set at £1.1m, following detailed analysis of the risks faced. The current value is £906k, which is below the target reserve figure set, however given the continuing impact of Covid-19 on the organisations activities the decision has been made to separate out designations to the COVID Appeal, ring-fencing these funds to enable the organisation to budget to carry out a range of activity in 2020/21, whilst having utilised the general (risk) reserve funds to address the immediate consequences of COVID-19 arising in 2019/20. The expectation is that the general (risk) reserve will be able to be return to the £1.1m level over the next few years.

The Company has designated reserves of £3.43m (2019: £2.4m) that have been set aside out of unrestricted funds by the Board. £393,399 of this, along with the revaluation reserve of £266,000, represents the value of the fixed assets. Over £770k received as a result of the COVID Appeal has been designated by the Board to support the ongoing

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future activities during the COVID-19 pandemic, and is expected to be spent throughout the 2020/21 season. The remaining amount of £2m has been set aside to a special projects fund to enable special programmes at the Royal Festival Hall, such as Edward Gardner's opening season and the conclusion of the *Ring* Cycle with Vladimir Jurowski. The fund will also be used to enable strategically important tours and advanced commissions to be upheld in these uncertain times. It is anticipated that this fund will be spent out over the next 2-4 years

The revaluation reserve of £266,000 consists predominantly of the increased value of the Sanctus Seraphin violin, but also a historic revaluation of the music library. This value can also only be realised by disposing of tangible fixed assets.

The Orchestra has established an endowment to allow deeper collaboration with the Southbank Centre and other venues on a long-term basis. When originally established, the endowment benefited from £1m match funding from Arts Council England. The value of the endowment at 31 August 2020 was £2.55m, which is considered sufficient to meet the investment targets set. For clarity, the Orchestra has taken the decision to keep this endowment within the main charity rather than in a separate trust. Interest from the endowment is considered restricted for use towards strategic collaborations with key venues. The long-term aim is to maintain the capital value, whilst being able to draw down £60–£80k on an annual basis.

The Company is the sole Trustee of the London Philharmonic Trust. As is common with the arts community, the Trust was established many years ago as an independent charity to support the work of the Orchestra. However, by linking the two, the Orchestra offers greater clarity on the assets available to support its work. The Trust's assets of £112k remain separate, but are shown as part of these accounts as a linked charity.

The Orchestra continues with preliminary steps towards an exciting capital project, receiving a further £484,201 in the year towards feasibility costs, of which it spent £124,275.

The Orchestra's trading subsidiary, London Philharmonic Orchestra Trading Ltd, retained profits of £254, resulting in reserves of £254 for the trading subsidiary at year end.

The Orchestra's total reserves are therefore £7.9m, which is made up of designated reserves (£3.165m), revaluation reserves (£266k), restricted reserves (£1.044m, of which £826,523 relates to the capital campaign), the Orchestra's endowment (£2.55m), and general (risk) reserves of £906k. Prior Year respective figures were total reserves £6.7m, made up of designated reserves (£2.4m), revaluation reserves (£266k), restricted reserves (£615k with £467k relating to capital), Orchestra's endowment (£2.4m), and general (risk) reserves of £1.1m

Risk Management

The Trustees have overall responsibility for ensuring that the organisation operates an appropriate system of controls, financial and otherwise, to provide reasonable assurance that:

- the charity is operating efficiently and effectively
- proper records are maintained and financial information, used within the charity or for publication, is reliable
- the charity complies with relevant laws and regulations.

A detailed risk register is maintained, grading all identified risks and any actions taken to manage them. This is monitored on an ongoing basis by management and reported to the Audit Committee on an annual basis. The key risks that have been identified to the successful delivery of LPO's strategy and artistic programme are:

- The impact of the current economic environment on voluntary income, ticket and recording sales and other earned income, most notably international touring. The orchestra prepares detailed budgets including sensitivity analysis and continues to seek to diversify income streams where possible.
- The impact of Brexit, particularly in relation to international touring in respect of increased transport and work visa/permit costs. The organisation is working closely with promoters, the ABO and relevant government departments to address this.
- The continuing impact of COVID-19 which continues to bring a larger than usual uncertainty to future plans regarding performances, touring, availability of guest artists, musicians, and venues (particular around capacity and social distancing measures). The Orchestra continues to model several scenarios, and identify key dates when decisions must be taken based on the best evidence at the time. During this period there continues to be regular contact between senior management, the Chair of the Board and Chair of the Audit Committee.
- In addition, the Trustees are aware of issues regarding National Insurance payments for freelance musicians that have potential implications for the Orchestra. See note 18 for further details.

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Plans for future periods

Planning has been increasingly challenging given the uncertainties of COVID-19 and the necessary restrictions imposed to try to control it. The COVID Appeal was invaluable in providing some financial certainty to enable the Orchestra to plan a series of concerts throughout Autumn 2020. The Orchestra planned these concerts with the intention of having a socially distanced audience at the Royal Festival Hall, but also to film each concert for online distribution in partnership with Marquee TV, to give confidence that performances would still go ahead and meet a substantial online audience if physical audiences were not permitted.

A minimum of 13 concerts will take place in Autumn 2020, which is a small reduction on the original plans, but sufficient to maintain a liveable income for the musicians. Artistically, the season will be opened by Principal Conductor Designate, Edward Gardner, before concluding the '2020 Vision' series. The Orchestra has engaged Silent Studios to light and film the concerts in an engaging way, using this period as an opportunity to explore new ways of presenting orchestral concerts on screen. High-specification cinematic camera equipment and on-stage camera work aims to bring an intimacy to the experience similar to that brought to live streamed opera in recent years. It is envisaged a further 16 concerts will take place during Spring 2021, hopefully to a live audience, but with the back-up option of recording them for digital distribution only if required.

These digital activities have presented the Orchestra with an opportunity to reach a broader audience, including those who may not necessarily have seen the Orchestra perform at the Royal Festival Hall. It has established an innovative package with arts streaming service Marquee TV where each concert is available for free for 7 days before going behind a paywall for Marquee subscribers. This ensures there is an income to the Orchestra, but also maximises the potential reach of each concert. Similarly, the Orchestra has had substantial and very positive engagement with its social media content by a broader demographic and with strong international reach. The Orchestra has plans to build on this further as the 2020/21 season develops.

The Orchestra has now adapted many of its Education and Community programmes for digital delivery where required, for example Orchlub, LPO Junior Artists, Young Composers and Foyle Future Firsts. However, as with the rest of the Orchestra's activity, scenarios will be managed and live face-to-face work will take place whenever possible.

The COVID-19 pandemic will continue to disrupt the Orchestra's touring opportunities and those to perform within the UK, including uncertainty over the critical Glyndebourne period in 2021. The Orchestra will continue to plan for these activities as long as they are a possibility, with the intention always for live performance at every opportunity. However, the 2021 season will be planned upon multiple scenarios with a minimum sustainable baseline secured.

The Orchestra maintains its long-held ambition to develop rehearsal and recording facilities in London together with a facility that offers an engaging community resource with which to create opportunities for music-making and enjoyment with its local communities. This would complement the Orchestra's concert work at the Southbank Centre's Royal Festival Hall. Funding has been secured to undertake feasibility of a specific project and fundraising for the main project is underway, as can be seen in this year's accounts.

The Orchestra will continue to make every effort to share the wonder of orchestral music through its concerts, recordings and broadcasts, Education and Community projects and online. It is optimistic that it will come through these exceptional times stronger, with an increased value on the work it does, in the concert hall, with its communities and online; and having developed a more direct engagement with its audiences, and its local, critical and much appreciated donors and partners.

Cristina Rocca will be leaving her role as Artistic Director in May 2021 following a personal bereavement. She will be succeeded by Elena Dubinets. Elena joins the Orchestra from the US where over a period of 15 years she made an outstanding impact on the artistic direction and vision of the Seattle Symphony Orchestra where she held the role Vice President of Artistic Planning and Creative Projects. She has also held the position of Chief Artistic Officer at Atlanta Symphony Orchestra. An artistic programmer and musicologist with vision, creative curiosity and true commitment to broadening community engagement, Elena is dedicated to exploring and embracing the opportunities and challenges of creating forward facing artistic programming to engage the widest possible audiences.

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Trustees' Report

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Reference and administrative details

Charity number: 238045
Company number: 357059
Registered Office: 89 Albert Embankment, London SE1 7TP

Our Advisors

Auditors Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW
Bankers Clydesdale Bank Plc, 2nd Floor, 35 Regent Street, Piccadilly Circus, London. SW1Y 4ND
Solicitors Charles Russell Speechlys LLP, 8/10 New Fetter Lane, London. EC4A IRS

Directors and Trustees

Henry Baldwin*Ø	(Vice-President from 3 November 2020)
Roger Barron≠	
David Buckley#	(Chair, Audit Committee)
David Burke#•≠	(appointed 3 June 2020)
Catherine Høgel•°≠‡	(Vice-Chairman)
Martin Höhmann*≠#•‡	(appointed President on 12 November 2019)
Tanya Joseph	(appointed 21 January 2020)
Bruno De Kegel	
Stewart McIlwham*Ø	(retired as President on 4 November 2019, remaining a director)
Susanne Martens*	(retired 2 September 2020)
Alan MacCuish	
Tania Mazzetti*	(appointed 7 October 2020)
Gareth Newman*‡	(Vice-President, retired 7 October 2020)
Pei-Jee Ng*	
Victoria Robey OBE°•‡≠	(Chairman)
Cristina Rocca•	(appointed 11 November 2020)
Andrew Tusa#	
Mark Vines*	(appointed 7 October 2020)
Timothy Walker CBE AM#•‡≠	(retired 1 June 2020)
Neil Westreich	(retired 7 October 2020)
David Whitehouse*	

* Player Director

Member of the Audit Committee

‡ Member of the Development Committee

° Members of the Events Committee

• Member of the Nominations Committee

‡ Member of the Investment Committee

≠ Member of the Premises Committee

Ø Member of the Diversity and Inclusion Steering Committee

Secretary

David Burke

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Key Management personnel

Chief Executive (From June 2020)	David Burke
Artistic Director (From Nov 2020)	Cristina Rocca
Finance Director (From June 2020)	Frances Slack
Campaigns and Projects Director	Nicholas Jackman
Concerts Director	Roanna Gibson
Development Director	Laura Willis
Education and Community Director	Isabella Kernot
Marketing Director	Kath Trout
Education and Community Director (Maternity Cover)	Lindsay Wilson

Timothy Walker held the position of Chief Executive and Artistic Director until June 2020.

Governing Document

The London Philharmonic Orchestra Limited ("The Company") was formed as a private limited Company on 6 October 1939, registration number 357059 and is registered with the Charity Commission under Charity Number 238045. The Directors therefore carry out the role of Trustees under Charities legislation. The Company is governed by its Memorandum and Articles of Association last amended on 22 May 2012.

Board of Directors / Trustees

The London Philharmonic Orchestra is owned by its shareholding members, who are the Orchestra's musicians whose name appears on the 'Orchestral list' ("Members"). There are a maximum 80 members, and shares for any vacant position are held by the President.

Under the updated Memorandum and Articles of Association approved at the Company's AGM on 22 May 2012, the membership can elect up to eleven Non-Executive Directors and seven Player Directors. This change ensures compliance with the latest updates to the Charities Act, whilst strengthening the Board's capacity in key areas such as governance and fundraising. The Chair of the Orchestra is elected from the Non-Executive Directors, whilst the Chair of the Players' Committee, a member of the Orchestra, also takes the title President.

Organisation

The Board is responsible for monitoring the Company's core business and provides the Company with access to advice and guidance in the new areas of the Company's operations. The level of membership is continually reviewed to ensure effective governance of the Company. Eight subcommittees of the Board have been established with delegated responsibilities for audit, development, investment, the annual gala, nominations, marketing, premises and player issues. Authority for the day-to-day management of the Company has been delegated to the Chief Executive and Artistic Director.

An Advisory Council was also established on 22 May 2012, whose members will advise and assist the Board on matters of strategic and/or orchestral importance without formal governance responsibility.

Governance code

Strong governance and management are critical to our success and reputation. We have a Board of Trustees that takes overall responsibility for the charity and our work. They are responsible for ensuring we are effectively and properly run and meet our goals as a charity. Our Board is responsible for:

- Furthering our overall purpose, as set out in our governing document and setting our direction and strategy
- Ensuring our work is effective, responsible and legal

London Philharmonic Orchestra Limited

Trustees' Report

31 August 2020

- Safeguarding our finances, resources and property and ensuring they are used to further our purpose
- Being accountable to those with an interest or stake in what we do or who regulates us
- Establishing clear boundaries with the staff, musicians and contractors who carry out our work between the governance role of the Board and operational or day-to-day matters ensuring the Board operates effectively.

The Board reviews its own governance practice annually against the Charity Governance Code, with no major concerns identified.

Advisory Council

The members of the Advisory Council at the time of signature are below.

Martin Höhmann (Chairman) *##•‡	Rob Adediran ø
Christopher Aldren	Manon Antoniazzi
Richard Brass†‡#	Helen Brocklebank
David Burke	Simon Callow CBE
Desmond Cecil‡	Sir Alan Collins
Andrew Davenport†	Guillaume Descottes
Cameron Doley	Christopher Fraser OBE
Lord Hall of Birkenhead CBE	Jonathan Harris CBE≠
Marianna Hay	Amanda Hill†
Rehmet Kassim-Lakhaø	Jamie Korner‡
Geoff Mann≠	Clive Marks OBE FCA
Stewart McIlwham* ø	Andrew Neill
Jamie Njoku Goodwin	Nadya Powellø
Sir Bernard Rix†	Victoria Robey OBE °•‡
Cristina Rocca	Baroness Shackleton of Belgravia
Thomas Sharpe QC	Julian Simmonds≠
Barry Smith	Martin Southgate
Chris Viney	Laurence Watt
Elizabeth Winter‡	

* Player Director

Member of the Audit Committee

‡ Member of the Development Committee

° Members of the Events Committee

• Member of the Nominations Committee

† Member of the Marketing Committee

‡ Member of the Investment Committee

≠ Member of the Premises Committee

ø Member of the Diversity and Inclusion Steering Committee

Recruitment and training of Trustees

Player Directors are appointed by the members at the Annual General Meeting of the Company after nomination by at least two Company members as required by the Company's Articles of Association. Non-Executive Directors are recommended to the Board by the Nominations Committee and can be appointed to the Board either to fill a vacancy or as an additional Trustee. Any Trustee so appointed shall hold office only until the next Annual General Meeting. The Articles also provide that only those persons who are named on the Orchestral List may be a member of the Company.

New Trustees and Council members undergo an orientation to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Board and decision making processes, the business plan and recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

London Philharmonic Orchestra Limited

Trustees' Report

31 August 2020

Related Parties and co-operation with other organisations

Our Chairman, Victoria Robey, is on the board of Music Masters, which engaged the Orchestra to provide musicians as part of its education activity. Victoria Robey's husband is Co-Chair of Britten Pears Arts (Snape Maltings), which engaged the Orchestra for performances during the year. Former Chief Executive, Timothy Walker, was on the board of Music Masters until July 2020. David Burke and President, Martin Höhmann, hold ex officio positions on the board of Henry Wood Hall, a charitable rehearsal space where the Orchestra regularly rehearses. Alan MacCuish is Creative Chairman of Sunshine, who provided in-kind services to the Orchestra during the year.

During the year, playing members of the Board received no remuneration for the additional duties resulting from being members of the Board, with the exception of the President, as disclosed in note 6.

The Orchestra has a trading subsidiary, of which Victoria Robey, David Buckley, Martin Höhmann and David Burke are directors. All group transactions between the charity and its subsidiary are eliminated on consolidation. A management charge of £276 (2019: £9,464) was charged during the year representing LPO Trading Limited's share of group overheads and other passed on costs. Due to limited activity, profit for the year to 31 August 2020 will be retained in the trading subsidiary. At the year-end the outstanding balance of £270 (2019: £31,931) was due to the Charity.

Stewart McIlwham is director of McIlwham Music Ltd, who provide musical service to the Orchestra receiving performance fees and expenses on the same scale as those paid to other playing members in respect of their performances with the Orchestra as per the MU collective agreement. The fees paid are included within note 6, Trustee emoluments on page 29. Stewart McIlwham is also a trustee of London Philharmonic Orchestra Benevolent Fund, to whom London Philharmonic Orchestra made contributions of £10,898 during the year.

The partner of one Trustee who served during the year was connected to an employee of the Orchestra, but had no involvement in matters relating to that employee. Similarly, the wife of another Trustee is an artist agent whose artists occasionally work with the Orchestra, but has no involvement in matters relating to that musician and any engagement during the year was on terms equivalent to those in similar arms' length transactions. There were no other related party transactions.

Trustees

The Trustees who served throughout the year and subsequent to the year end and the beneficial interests of the Trustees in the Company's shares at 31 August 2020 and 1 September 2019 were:

		Ordinary shares of £1 each	
		31 August 2020	31 August 2019
Henry Baldwin		1	1
Martin Höhmann	(President)	15	1
Stewart McIlwham		1	12
Susanne Martens		1	1
Tania Mazzetti		1	1
Pei-Jee Ng		1	1
Gareth Newman	(Vice-President)	1	1
George Peniston		1	1
Mark Vines		1	1
David Whitehouse		1	1

Employment Policy

The Orchestra is an equal opportunities employer. Full and fair consideration is given to all job applications. Regular consultation is given between all staff and their managers, with due consideration given to their training and employment needs. Meetings take place on a regular basis with all staff and departmentally to ensure all employees are aware of the Orchestra's activities and performance.

Pay policy for senior staff

Staff salaries are set by the Chief Executive, in consultation with the Finance Director. The Chief Executive and the Artistic Director salaries are set by the Chairman and President. (The position of Chairman is an unpaid position). Payment for equivalent roles are tracked where possible and used for benchmarking purposes.

London Philharmonic Orchestra Limited

Statement of Trustees' Responsibilities

31 August 2020

The Trustees (who are also directors of the London Philharmonic Orchestra for the purposes of company law) are responsible for preparing the Strategic Report and the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. 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;
- * make judgments 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

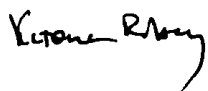
Auditors

A resolution to re-appoint Crowe U.K. LLP as the Company's auditors will be proposed at the forthcoming Annual General Meeting.

Disclosure of Information to Auditors

Insofar as each of the trustees/directors of the charity at the date of approval of this report is aware there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each trustee/director has taken all of the steps that he/she should have taken as a trustee/director in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The Trustees' Report and Strategic Report were approved by the Board of Trustees and signed on behalf of the Board on 7th April 2021



Victoria Robey OBE
Trustee (Chair)



Martin Höhmann
Trustee (President)

Independent Auditor's Report to the Members of the London Philharmonic Orchestra Limited

Opinion

We have audited the financial statements of the London Philharmonic Orchestra for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2020 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent

with the financial statements; and

- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 15 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 or the 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 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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed



Julia Poulter
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London
7th April 2021

London Philharmonic Orchestra Limited

Consolidated Statement of Financial Activities (incorporating an income and expenditure account) Year ended 31 August 2020

Statement of Financial Activities	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Endow-ment 2020 £	Total Funds 2020 £	Total Funds 2019 £
Income from						
Donations and legacies	2	4,038,254	1,266,031	231,700	5,535,985	4,770,918
Income from charitable activities	3	3,367,656	-	-	3,367,656	6,366,248
Other trading activities		2,902	-	-	2,902	70,738
Investments	4	4,176	66,558	-	70,734	82,648
LPO income		7,412,988	1,332,589	231,700	8,977,277	11,290,552
Expenditure on						
Raising funds	5	326,601	124,275	-	450,876	515,171
Charitable Activities	5	6,499,501	780,001	5,714	7,285,216	9,965,109
Total expenditure		6,826,102	904,276	5,714	7,736,092	10,480,280
Net income for the year before investment gains		586,886	428,313	225,986	1,241,185	810,272
Gains on revaluation of Fixed Assets		-	-	-	-	-
Net gains/(losses) on investments		-	-	(56,287)	(56,287)	(10,775)
Net movement in funds		586,886	428,313	169,699	1,184,898	799,497
Reconciliation of funds						
Total funds brought forward at 1 September 2019		3,751,178	615,975	2,379,293	6,746,446	5,946,949
Total funds carried forward at 31 August 2020		4,338,064	1,044,288	2,548,992	7,931,344	6,746,446

The above results are from continuing activities and there are no other gains and losses except as stated above.

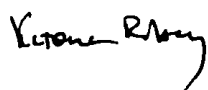
London Philharmonic Orchestra Limited

Consolidated and Charity Balance Sheet Year ending 31 August 2020

		Group	Group	Charity	Charity
	Note	2020	2019	2020	2019
		£	£	£	£
Fixed assets					
Tangible assets	11	659,398	478,322	659,398	478,322
Investments	12	4,971,000	4,445,268	4,971,000	4,445,268
		<u>5,630,398</u>	<u>4,923,590</u>	<u>5,630,398</u>	<u>4,923,590</u>
Current assets					
Stock and Work in progress	13	147,162	134,692	147,162	134,692
Debtors	14	1,811,075	2,597,631	1,811,345	2,622,056
Cash at bank and in hand		1,585,793	585,262	1,583,839	560,837
		<u>3,544,030</u>	<u>3,317,585</u>	<u>3,542,346</u>	<u>3,317,585</u>
Creditors: amounts falling due within one year	15	(1,120,434)	(1,494,729)	(1,119,004)	(1,494,729)
Net current assets		<u>2,423,596</u>	<u>1,822,856</u>	<u>2,423,342</u>	<u>1,822,856</u>
Creditors: amounts falling due in more than one year	16	(122,650)	-	(122,650)	-
Net assets		<u>7,931,344</u>	<u>6,746,446</u>	<u>7,931,090</u>	<u>6,746,446</u>
Capital and Funds					
<i>Unrestricted Funds</i>					
Called up share capital	17	80	80	80	80
Revaluation reserve	19	266,000	266,000	266,000	266,000
Designated fund (1) : Fixed Asset	19	393,399	212,322	393,399	212,322
Designated fund (2) : Special Projects	19	2,000,000	2,000,000	2,000,000	2,000,000
Designated fund (3) : Truck	19	0	200,000	0	200,000
Designated fund (4) : COVID Appeal	19	772,099	0	772,099	0
General (Risk) reserve	19	906,486	1,072,776	906,232	1,072,776
<i>Restricted Funds</i>					
Endowment Fund interest	19	32,461	36,870	32,461	36,870
Capital Campaign		826,523	466,597	826,523	466,597
COVID Appeal		14,796	0	14,796	0
Education, touring and concert work		58,000	0	58,000	0
London Philharmonic Trust		112,508	112,508	112,508	112,508
<i>Endowment Funds</i>					
Endowment Funds - Catalyst	19	2,548,992	2,379,293	2,548,992	2,379,293
Total capital and funds		<u>7,931,344</u>	<u>6,746,446</u>	<u>7,931,090</u>	<u>6,746,446</u>

The Trustees have prepared group accounts in accordance with section 298 of the Companies Act and section 138 of the Charities Act 2011. The charity has taken exemption from presenting its unconsolidated profit and loss account under section 408 of the Companies Act 2006. The net income of the charity in 2020, after gains on investments and transfer of profits from the trading company (nil) was £1,184,645 (2019: £799,497)

These financial statements were approved by the Board of Trustees on 7th April 2021.
Signed on behalf of the Board of Trustees



V Robey OBE
Trustee (Chair)



M Höhmann
Trustee (President)

London Philharmonic Orchestra Limited

Consolidated Cash Flow Statement Year ending 31 August 2020

	2020 Group and charity £	2019 Group and charity £
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	1,756,850	354,415
Cash flows from investing activities		
Dividends, interest and rents from investments	70,734	76,828
Proceeds from the sale of property, plant and equipment	-	(70)
Purchase of property, plant and equipment	(245,041)	(56,927)
Proceeds from the sale of investments	660,589	-
Purchase of investments	(568,036)	(95,815)
Net cash provided by (used in) investing activities	(81,754)	(75,984)
Cash flows from financing activities		
Net cash provided by (used in) financing activities	-	-
Change in cash and cash equivalents in the reporting period	1,675,096	278,431
Cash and cash equivalents at the beginning of the reporting period	2,768,918	2,490,487
Change in cash and cash equivalents due to exchange rate movements	-	-
Cash and cash equivalents at the end of the reporting period	4,444,014	2,768,918
Cash held as cash	1,585,793	585,262
Cash held as investments	2,858,221	2,183,656
	2020	2019
	£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	1,184,898	799,497
Adjustments for:		
Depreciation charges	63,964	28,257
(Gains) / losses on investments	56,281	10,775
Dividends, interest and rents from investments	(70,734)	(76,828)
(Gain) on Revaluation of fixed assets		
(Increase) / decrease in stocks	(12,470)	(5,907)
(Increase) / decrease in debtors	786,556	(436,598)
Increase / (decrease) in creditors	(251,645)	35,219
Net cash provided by (used in) operating activities	1,756,850	354,415

London Philharmonic Orchestra Limited

Notes to the accounts

Year ending 31 August 2020

1. Company Information

London Philharmonic Orchestra Limited is a registered charity and as such is a non-profit making organisation, limited by shares. The number of members at 31 August 2020 is 72 and their liability on a liquidation is limited to £1 each.

London Philharmonic Orchestra Limited is registered as a limited liability company in England and Wales under number 357059 and its registered office is 89 Albert Embankment, London SE1 7TP. It is also a Public Benefit Entity registered with the Charity Commission under number 238045.

Accounting policies

Critical accounting judgements and key areas of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

a) Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2016) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The consolidated financial statements incorporate the financial statements of the Charity and its 100% owned subsidiary London Philharmonic Trading Ltd (Company Number 9979254).

The Trustees have departed from the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in note 6, 'Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel' to show the musicians' payments for playing in the Orchestra in aggregate. The Trustees feel that this is necessary to avoid reducing the pool of available Trustees required to successfully govern the Orchestra. These Player-Directors are not remunerated for their services as Trustees.

The London Philharmonic Orchestra meets the definition of a Public Benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Preparation of the accounts on a going concern basis

The Company's activities together with the factors likely to affect its future development, performance and position are set out in the Strategic and Trustees' Reports on pages 2 to 15.

The ongoing impact of COVID-19 has continued to impact the company's general activity significantly; however, the Orchestra has adapted its activities to enable continued operations within social distancing constraints. The designated COVID Appeal funds and a successful application to the ACE Culture Recovery Fund have underpinned activity in 2020/21 and the Orchestra continues to model a number of possible future scenarios. The Orchestra considers there to be a reasonable expectation that a proportionate element of fundraising will continue, based on existing pledges, ongoing conversations and cautious expectations, and an

London Philharmonic Orchestra Limited

Notes to the accounts

Year ending 31 August 2020

assumption of funding from Arts Council England for an ongoing programme of activity that is as consistent with previously agreed activities as possible given the circumstances. In the event that projected fundraising income is not received, the Orchestra is still confident it could cover its costs but this would be likely to impact planned activities. On this basis of ongoing receipt of Arts Council Grant, current reserves levels that can be appropriately utilised if required and ongoing activities (including an element of fundraising), the Trustees are confident that the company is a going concern.

c) Accounting convention

The financial statements are prepared under the historical cost convention with the exception of the revaluation of the Sanctus Seraphin violin, valuation of investments and the music library at its valuation pre-2000 as permitted in FRS 102.

d) Foreign currency

The functional currency of the Orchestra is considered to be in pounds sterling because that is the currency of the primary economic environment in which the charity/group operates. The financial statements are presented in pounds sterling.

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year-end, in accordance with FRS102. Any gains or losses arising on translations are reported as part of the transaction within the SOFA and are not material; they are therefore not disclosed separately.

e) Fund accounting

Unrestricted funds:

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the objectives of the Charity and which have not been designated for other purposes.

Designated funds are unrestricted funds, which have been applied or reserved by the Trustees for a specific purpose. The aim and use of each designated fund is set out in the notes to the accounts.

Revaluation Funds relates to revaluations of the Sanctus Seraphin violin and the music library.

Restricted funds are those which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The purpose for which restricted funds are held is analysed in the notes to the accounts (see note 19).

The expendable Endowment comprises monies that must be held as capital and spent over a minimum 25 years. Interest from the endowment is credited to restricted funds and applied to joint projects between the Orchestra and its regular venues under the terms of the endowment.

f) Incoming resources

Voluntary income including donations, gifts and legacies and grants that are of general nature are recognised where there is entitlement, receipt is more probable than not and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Legacies are included in the financial statements as an incoming resource in the year in which the charity is notified and when the value and entitlement of the legacy is known with reasonable certainty.

Income from the charitable trading operation is recognised as earned (as the related goods and services are provided).

Investment income is recognised on a receivable basis.

g) Donated services and facilities

Donated Services and facilities are included at the value to the charity where this can be quantified. No

London Philharmonic Orchestra Limited

Notes to the accounts

Year ending 31 August 2020

amounts are included in the financial statements for services donated by volunteers. Gifts in Kind are included at current market value where their value is ascertainable and material. The estimated valuation of gifts in kind is based on the value of the contribution to the charity, or the valuation the charity would have had to pay to acquire the assets.

h) Government Grants

Government grants are recognised on the performance model, when the organisation has complied with any conditions attaching to the grant and the grant will be received. The grant in connection to the job retention scheme has been recognised in the period to which the underlying furloughed staff costs relate to.

i) Resources expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance-related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that result in the payment being unavoidable.

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with the performance of concerts and educational programmes and include both the direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. per capita, staff costs by the time spent and other costs by their usage.

j) Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation, which is provided in equal annual instalments over the estimated useful lives of the assets.

The rates of depreciation are applied as allocated support costs (see note 5) and are charged at a rate of:

Leasehold improvements	-	10% straight line (over term of lease)
Music library	-	4% straight line
Computer equipment (PCs/laptops)	-	33% straight line
Computer equipment (servers/IT infrastructure)	-	20% straight line
Furniture, fixtures, fittings and office equipment	-	15% reducing balance
Musical instruments	-	10% reducing balance
Motor vehicles	-	15% straight line
Sanctus Seraphin violin	-	not depreciated

The Sanctus Seraphin violin has not been depreciated on the basis of it being an appreciating asset. The violin was last valued in 2018 and the increase in value reflected in the accounts. Assets over £1,000 are capitalised.

k) Stocks and work in progress

Own-label CDs in the course of development at the Balance Sheet date are valued at cost. Stock is stated at the lower of cost or net realisable value.

l) Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

m) Pensions

Pension costs are recognised in the accounts when they are paid. The Company does not operate its own pension scheme, but offers to make contributions into employees' private schemes or alternatively contributes

London Philharmonic Orchestra Limited

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to an external auto-enrolment scheme. Pensions are allocated from unrestricted funds, as no restricted funding directly covers employee costs. Total payments are as per note 6 in the accounts.

n) Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transactions value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and debtors excluding prepayments. Financial liabilities held at amortised cost comprise creditors excluding other taxes and social security and deferred income and income in advance.

o) Debtors

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

p) Creditors

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

q) Investments

Listed investments are stated at the market closing price on 31 August 2020. Gains and losses in the year are taken to the Statement of Financial Activities.

r) Cash

Cash at bank and in hand includes cash deposits in banks only.

2. Income from Donations and Legacies

	Total Funds 2020	Total Funds 2019
	£	£
Gifts and memberships	3,373,146	2,564,176
Donated goods and services	28,955	88,515
Grants from government and other public bodies (see note 8)	2,133,884	2,118,227
	<u>5,535,985</u>	<u>4,770,918</u>

Donations and legacies for the year totalled a record £5.5m, which includes £2.1m from Arts Council England, £0.2m from legacies that have been put into the endowment and £3.2m raised in development income for activities, which was ahead of expectation and includes exceptional donations of £484k (restricted) towards feasibility work on a new capital campaign and £787k for the COVID Appeal (£15k restricted and £772k designated). A further £1.14m of unrestricted income was received and £768k restricted. Included in the restricted funds was £343k towards Education and Community and £425k towards the London concert season.

The comparative figure for the prior year was £4.77m total. Specifically, £2.6m was raised in development income in 2019, of which £950k was unrestricted and £1.6m restricted (£400k, £530k, £170k and £500k for Education, London concerts, touring and capital respectively).

The charity is grateful for in-kind support from, among others, Villa Maria, Heineken, Steinway and Lindt. The total value of all in-kind support is estimated at £29,000 (2019: £88,000). The estimated value of these goods and services is recognised within unrestricted incoming resources as a donation, and an equivalent charge being included in unrestricted expenditure under charitable activities.

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3 Incoming resources from charitable activities

	Total Funds 2020 £	Total Funds 2019 £
Ticket and programme sales	1,355,219	1,521,846
Performance fees	1,246,429	3,915,863
Recording label	84,992	94,478
Other income	681,016	834,062
Total income from Charitable Activities	<u>3,367,656</u>	<u>6,366,249</u>

4 Investment income

	Total Funds 2020 £	Total Funds 2019 £
Dividend	65,202	76,828
Investment interest	1,356	538
Bank interest	<u>4,176</u>	<u>5,282</u>
	<u>70,734</u>	<u>82,648</u>

5. Analysis of Resources Expended

Net income for the year is stated after charging

	2020 £	2019 £
Operating lease rental	40,999	70,900
Depreciation	63,964	28,257
Fees payable to the Company's auditors for taxation purposes	10,535	1,500
Fees payable to the Company's auditors for the audit of the Company's annual accounts	23,715	23,250

London Philharmonic Orchestra Limited
Notes to the accounts
Year ending 31 August 2020

5. (cont) Analysis of Resources Expended

Charitable Activities

	Concert Promotions	Other UK and Tours	Education Activities	TOTAL 2020	TOTAL 2019
	£	£	£	£	£
Orchestra fees	2,045,562	888,614	135,386	3,069,562	4,540,812
Conductor, soloist & choir fees	685,903	143,167	65,977	895,047	1,317,743
Travel, hire, subsistence and accommodation	263,090	214,010	35,198	512,298	1,238,879
Presentation, marketing and programme costs	651,992	25	10,238	662,255	657,168
House rentals and promoter commissions	460,638	13,410	14,063	488,111	582,872
LPO recording label	103,311	-	-	103,311	114,592
Subscriptions and professional assistance	3,000	-	53,067	56,067	56,203
Other direct costs	319,265	347,074	172,704	839,043	817,258
Support	287,664	287,664	84,194	659,522	639,582
Total	4,820,425	1,893,964	570,827	7,285,216	9,965,109

Expenditure on charitable activities was £7,285,216 (2019: £9,965,109) of which £6,499,501 was unrestricted (2019: £8,778,398) and £780,001 was restricted (2019: £1,181,159)

Ex-gratia payments of £472,938 were paid to over 185 freelance musicians in the year. These were agreed by the Board to support the musicians and sustain the quality of the Orchestra through the COVID-19 pandemic.

Cost of Fundraising

	2020	2019
	£	£
Direct costs	384,117	448,837
Support	66,759	66,334
Total	450,876	515,171

Allocation of Support costs

	Operation of Orchestra	Cost of Fundraising	2020	2019
	£	£	£	£
Apportioned Staff Costs	352,451	-	352,451	334,264
Rent and Rates	94,734	23,237	117,971	103,605
Office overhead costs	75,843	18,603	94,446	129,259
Legal and other professional fees	7,583	1,860	9,443	13,336
Audit and tax advice	34,900	-	34,900	34,879
Finance charges	46,441	11,391	57,832	24,376
Depreciation	22,908	5,619	28,527	28,257
Travel, expenses etc.	24,662	6,049	30,711	37,940
Total	659,522	66,759	726,281	705,916

London Philharmonic Orchestra Limited

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Year ending 31 August 2020

6. Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

The number of persons employed by the Company, including Trustees with contracts of service, were as follows:

	2020 No.	2019 No.
Administration	5	6
Concert management	13	13
Education	4	4
Marketing	8	7
Development	8	8
Other	1	1
	<u>39</u>	<u>39</u>

Staff costs incurred during the year in respect of these employees were:

	2020 £	2019 £
Wages and salaries	1,428,149	1,346,317
Social security costs	135,487	132,592
Other pension costs	<u>87,831</u>	<u>79,151</u>
	<u>1,651,467</u>	<u>1,558,060</u>

The number of senior staff (including Trustees with contracts of service) paid over £60,000 during the year (salary plus taxable benefits excluding pension contributions) was:

	2020 No.	2019 No.
£60,001 to £70,000	1	-
£70,001 to £80,000	-	1
£90,001 to £100,000	1	-
£160,001 to £170,000	1	-
£210,000 to £220,000	-	1

The pension contributions for the provision of money purchase schemes in respect of the higher-paid employees above totalled £22,419 (2019: £19,299).

The Key Management personnel of the Charity comprises the President (also a Trustee), Chief Executive and Artistic Director (also a Trustee, split into two roles during the year), Finance Director, Campaigns and Projects Director, Concerts Director, Development Director, Education and Community Director and Marketing Director. Total remuneration paid to key management personnel was £657,925 (2019: £615,743).

The seven Trustees who are playing members of the Orchestra received performance fees and expenses on the same scale as those paid to other playing members in respect of their performances with the Orchestra as per the MU collective agreement.

Other than fees payable to the President and the Chief Executive and Artistic Director, no Trustees received fees or expenses in relation to their office as Trustee.

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	2020	2020	2019	2019
Trustees' emoluments	£	£	£	£
	Salary	Pension	Salary	Pension
Timothy Walker (Chief Executive and Artistic Director)	162,511	9,751	207,183	12,914
Stewart McIlwham (fees as President until Nov 2019)	2,264	1,627	12,607	-
Martin Höhmann (fees as President from Nov 2019)	14,469	630	-	-
David Burke (from 3 June 2020)	29,090	2,238	-	-
Performance fees and expenses to (seven) Player Directors	214,157	-	323,227	-

This note is not compliant with the SORP, which requires remuneration to all musicians on the board (Player Directors) to be presented alongside the format used above for the President and Chief Executive. The Trustees feel that to do so will have an adverse effect on the effective operation of the charity as musicians are reluctant to act as Trustees if that role requires disclosure of fees received as this can result in comparison of remuneration with their peers. This would result in reducing the pool of available Trustees required to successfully govern the Orchestra. These Player Directors are not remunerated for their services as Trustees. The total amount of donations received from the Trustees directly associated with the Charity and their related parties is £796,144 (2019: £893,114)

7. Related Parties

Our Chairman, Victoria Robey, is on the board of Music Masters, which engaged the Orchestra to provide musicians as part of its education activity. Victoria Robey's husband is Co-Chair of Britten Pears Arts (Snape Maltings), which engaged the Orchestra for performances during the year. Former Chief Executive, Timothy Walker, was on the board of Music Masters until July 2020. David Burke and President, Martin Höhmann, hold ex officio positions on the board of Henry Wood Hall, a charitable rehearsal space where the Orchestra regularly rehearses. Alan MacCuish is Creative Chairman of Sunshine, who provided in-kind services to the Orchestra during the year.

During the year, playing members of the Board received no remuneration for the additional duties resulting from being members of the Board, with the exception of the President, as disclosed in note 6.

The Orchestra has a trading subsidiary, of which Victoria Robey, David Buckley, Martin Höhmann and David Burke are directors. All group transactions between the charity and its subsidiary are eliminated on consolidation. A management charge of £276 (2019: £9,464) was charged during the year representing LPO Trading Limited's share of group overheads and other passed on costs. Due to limited activity, profit for the year to 31 August 2020 will be retained in the trading subsidiary. At the year-end the outstanding balance of £270 (2019: £31,931) was due to the Charity.

Stewart McIlwham is director of McIlwham Music Ltd, who provide musical service to the Orchestra receiving performance fees and expenses on the same scale as those paid to other playing members in respect of their performances with the Orchestra as per the MU collective agreement. The fees paid are included within note 6, Trustee emoluments on page 29. Stewart McIlwham is also a trustee of London Philharmonic Orchestra Benevolent Fund, to whom London Philharmonic Orchestra made contributions of £10,898 during the year.

The partner of one Trustee who served during the year was connected to an employee of the Orchestra, but had no involvement in matters relating to that employee. Similarly, the wife of another Trustee is an artist agent whose artists occasionally work with the Orchestra, but has no involvement in matters relating to that musician and any engagement during the year was on terms equivalent to those in similar arms' length transactions. There were no other related party transactions.

8. Grants receivable from government and other public bodies

Grant Income	2020	2019
	£	£
Arts Council of England	2,057,879	2,042,222
Southbank Centre Residency subsidy	76,005	76,005
	<u>2,133,884</u>	<u>2,118,227</u>

*In addition, the orchestra received £35,341 from the government Coronavirus Job Retention Scheme

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9. Changes in grants deferred

	Balance 31 August 2019	Grants received	Utilised in year	Balance 31 August 2020
	£	£	£	£
Arts Council of England		2,057,879	(2,057,879)	-
Southbank Centre Residency subsidy	-	76,005	(76,005)	-
Total Balance	-	2,133,884	(2,133,884)	-

10. Taxation

London Philharmonic Orchestra is a registered charity and is therefore not liable to direct taxes on income derived from its charitable activities, as they fall within the various exemptions available to registered charities.

11. Tangible fixed assets – Group and Charity

	Leasehold improve- ments	Vehicle	Music library	Computer equipment	Furniture, fixtures, fittings and office equipment	Musical instru- ments	Sanctus Seraphin Violin	Total
	£	£	£	£	£	£	£	£
Cost or valuation								
At 31 August 2019	55,380	113,617	267,211	145,588	313,278	213,631	320,000	1,428,705
Additions	-	233,698	-	4,488	-	6,855	-	245,041
Disposals	-	-	-	-	-	-	-	-
At 31 August 2020	55,380	347,315	267,211	150,076	313,278	220,486	320,000	1,673,746
Accumulated Depreciation								
At 31 August 2019	39,961	112,983	261,533	94,983	296,966	143,958	-	950,384
Charges for the year	1,542	35,437	350	17,251	2,522	6,862	-	63,964
Disposals	-	-	-	-	-	-	-	-
At 31 August 2020	41,503	148,420	261,883	112,234	299,488	150,820	-	1,014,348
Net book value								
At 31 August 2020	13,877	198,895	5,328	37,842	13,790	69,666	320,000	659,398
At 31 August 2019	15,419	635	5,678	50,605	16,312	69,673	320,000	478,322

Musical instruments are generally contemporary, low-value instruments whose value is fairly represented by the written down cost of such instruments. The Sanctus Seraphin violin is used during performances and has aesthetic and musical qualities, but also intrinsic value. Consequently, this violin was valued at a current market value of £320,000 at 31 August 2018 by J&A Beare, London, Members of the British Antique Dealers Association; Dealers, restorers and makers of fine violins, violas, cellos and bows. The original historic cost of the violin was £35,000. The Trustees are not aware of any material changes since the last valuation.

London Philharmonic Orchestra Limited

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The music library was revalued at £250,000 in 1993. No historical information is available with respect to the music library's net book value under historic cost convention, as the cost of acquiring the bulk of the library was expensed

through the income and expenditure account over a number of years. Additions to the library since 1993 have been included at costs.

During the year the Orchestra purchased a new truck to comply with ULEZ requirements. The old vehicle was sold in September 2020, resulting in changes of £113,617, £113,361, and £256 to Cost, Accumulated depreciation and NBV respectively.

London Philharmonic Orchestra Limited
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12. Investments –Group and Charity

	Cash	Traded Investments	Total
	£	£	£
Valuation at 1 September 2019	2,183,656	2,261,613	4,445,269
Additions at cost	-	568,036	568,036
Disposals at carrying value	-	(660,589)	(660,589)
Net increase in cash	674,565	-	674,565
Net gains	-	(56,281)	(56,281)
Valuation at 31 August 2020	2,858,221	2,112,779	4,971,000

Valuation at 1 September 2020 are both actual and historic costs. Historic costs of investments as at 1 September 2020 are £2,019,476

Investments by investment type

	2020	2019
UK Govt Bond	£ 252,545	250,233
UK Equity	£ 716,909	815,020
International Equity	£ 711,971	758,371
Infrastructure	£ 81,830	83,996
Property	£ 221,301	232,938
Actively Managed Strategies	£ 128,223	121,055
Cash	£ 2,858,221	2,183,656
Total	£ 4,971,000	4,445,269

The Charity also has a 100% holding of 1 ordinary shares of £1 each in London Philharmonic Orchestra Trading Limited, a limited company incorporated and registered in England and Wales, company registration number 09979254. The subsidiary had income of £2,902 and expenditure of £2,648, retaining the balance in reserves at year end. Capital and reserves as at 31 August 2020 totalled £254.

London Philharmonic Orchestra Limited
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13. Stocks and work in progress – Group and Charity

	2020	2019
	£	£
Stocks of own-label recorded CDs	33,333	33,214
Work in progress of own-label CDs not released	113,829	101,478
	147,162	134,692

14. Debtors

	2020	2019	2020	2019
	£	£	£	£
	Group	Group	Charity	Charity
Trade debtors	176,878	648,780	176,878	636,780
Intercompany debtors	-	-	270	36,425
Other debtors	26,263	31,370	26,263	31,370
Prepayments	106,088	222,011	106,088	222,011
Accrued income	1,501,846	1,695,470	1,501,846	1,695,470
	1,811,075	2,597,631	1,811,345	2,622,056

At 31 August 2020, legacies which had been notified but not recognised as incoming resources in the Statement of Financial Activities had an estimated value of £13,000 (2019: £83,160) which had not been accrued.

15. Creditors: amounts falling due within one year

	2020	2019	2020	2019
	£	£	£	£
	Group	Group	Charity	Charity
Trade creditors	176,630	432,574	176,330	432,574
Value Added Tax	55,422	73,945	55,392	73,945
Other taxes and social security	32,660	41,237	32,660	41,237
Other creditors	456,101	60,194	456,101	60,194
Accrued expenditure	207,035	158,651	205,935	158,651
Deferred income and income in advance due within one year	192,586	728,128	192,586	728,128
	1,120,434	1,494,729	1,119,004	1,494,729

£711,045 of the income brought forward (total of £728,128) was recognised during the year.

At the year end the charity held £8,455 in respect of funds received in memory of a former LPO Co-Principal Cellist. These funds are being held on behalf of Susanne Beer Cello Foundation and will be transferred in due course. These funds have been excluded from the assets of the charity.

16. Creditors: amounts falling due in more than one year-Group and Charity

	2020	2019
	£	£
Deferred income and income in advance due in more than one year	122,650	-

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17. Called up share capital

	2020	2019
	£	£
Authorised		
200 ordinary shares of £1 each	200	200
Allotted, called up and fully paid		
80 ordinary shares of £1 each	80	80

18. Contingent Liability

The Trustees are aware of a legal case (which does not involve the LPO) which has highlighted issues around the interpretation of legislation around payments of Class 1 National Insurance Contributions (NICs) to be paid in relation to musicians' earnings by the LPO and the players themselves. This issue was discussed at length with Her Majesty's Revenue and Customs (HMRC) in 2005 and 2006 and an agreement reached at that time which confirmed that NICs were not payable in relation to the freelance musicians engaged by the LPO.

Following consultation, the government has decided to repeal the current National Insurance regulations in respect of entertainers from 6 April 2014. However, at the time of approval of this report and the financial statements, the potential, quantity and likelihood of any backdated liability is less clear. The Trustees are of the view if such liabilities were to exist, the amount that would be payable cannot be estimated reliably at present. Taking all of the above factors into account, the Trustees have not made any provision in the accounts for any backdated NICs that might become payable.

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19. Reserves –Group	Balance at 1 September 2019	Incoming resources for the year	Outgoing resources for the year	Transfer of amount	Balance at 31st August 2020
<i>Unrestricted Funds</i>	£	£	£	£	£
Called up share capital	80	-	-	-	80
Revaluation reserve	266,000	-	-	-	266,000
<i>Designated Funds</i>					
Designated fund (1) Fixed Asset	212,322	45,041	(63,964)	200,000	393,399
Designated fund (2) Special Projects	2,000,000	-	(300,000)	300,000	2,000,000
Designated fund (3) Truck	200,000	-	-	(200,000)	0
Designated fund (4) COVID Appeal	-	772,099	-	-	772,099
General (risk) reserve	1,072,776	6,605,849	(6,472,139)	(300,000)	906,486
	3,751,178	7,422,989	(6,836,103)	-	4,338,064
<i>Restricted Funds</i>					
London, Touring and Education	-	768,001	(710,001)	-	58,000
Catalyst interest	36,870	65,591	(70,000)	-	32,461
Capital Campaign	466,597	484,201	(124,275)	-	826,523
COVID Appeal	-	14,796	-	-	14,796
London Philharmonic Trust	112,508	-	-	-	112,508
	615,975	1,332,589	(904,276)	-	1,044,288
<i>Endowment Fund</i>					
Catalyst	2,379,293	231,700	(62,001)	-	2,548,992
Total Funds	6,746,446	8,987,277	(7,802,379)	-	7,931,344

	Balance at 1 September 2018	Incoming resources for the year	Outgoing resources for the year	Transfer of amount	Balance at 31st August 2019
<i>Unrestricted Funds</i>	£	£	£	£	£
Called up share capital	80	-	-	-	80
Revaluation reserve	276,000	-	-	(10,000)	266,000
<i>Designated Funds</i>					
Designated fund (1) Fixed Asset	173,584	56,928	(28,190)	10,000	212,322
Designated fund (2) Special Projects	1,775,000	-	-	225,000	2,000,000
Designated fund (3) Truck	150,000	-	-	50,000	200,000
General (risk) reserve	1,102,813	9,476,936	(9,231,973)	(275,000)	1,072,776
	3,477,477	9,533,864	(9,260,163)	-	3,751,178
<i>Restricted Funds</i>					
London, Touring and Education	-	1,101,162	(1,101,162)	-	-
Catalyst interest	39,504	77,366	(80,000)	-	36,870
Capital Campaign	-	500,000	(33,403)	-	466,597
London Philharmonic Trust	112,508	-	-	-	112,508
	152,012	1,678,528	(1,214,565)	-	615,975
<i>Endowment Fund</i>					
Catalyst	2,317,460	78,160	(16,327)	-	2,379,293
Total Funds	5,946,949	11,290,552	10,491,055	-	6,746,446

* Equal to additional depreciation on revalued assets

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The above funds carried forward as at 31 August 2020 represent:

	Tangible Fixed assets	Investment Fixed assets	Net current assets	Total
<i>Unrestricted Funds</i>	£	£	£	£
Called up share capital	-	-	80	80
Revaluation reserve	266,000	-	-	266,000
<i>Designated Funds</i>				
Designated fund (1) Fixed Asset	393,399	-	-	393,399
Designated fund (2) Special Project	-	1,450,516	549,484	2,000,000
Designated fund (3) Truck	-	-	-	-
Designated fund (4) COVID Appeal	-	-	772,099	772,099
General (risk) reserve	-	-	906,486	906,486
	659,399	1,450,516	2,228,149	4,338,064
<i>Restricted Funds</i>				
London, Touring and Education	-	-	58,000	58,000
Catalyst interest	-	32,461	-	32,461
Capital Campaign	-	826,523	-	826,523
COVID Appeal	-	-	14,796	14,796
London Philharmonic Trust	-	112,508	-	112,508
	-	971,492	72,796	1,044,288
<i>Endowment Fund</i>				
Catalyst	-	2,548,992	-	2,548,992
Total Funds	659,399	4,971,000	2,300,945	7,931,344

Prior Year Comparison	Tangible Fixed assets	Investment Fixed assets	Net current assets	Total
<i>Unrestricted Funds</i>	£	£	£	£
Called up share capital	-	-	80	80
Revaluation reserve	266,000	-	-	266,000
<i>Designated Funds</i>				
Designated fund (1) Fixed Asset	212,322	-	-	212,322
Designated fund (2) Special Project	-	1,300,000	700,000	2,000,000
Designated fund (3) Truck	-	150,000	50,000	200,000
General (risk) reserve	-	-	1,072,776	1,072,776
	478,322	1,450,000	1,822,856	3,751,178
<i>Restricted Funds</i>				
Catalyst interest	-	36,870	-	36,870
Capital Campaign	-	466,597	-	466,597
London Philharmonic Trust	-	112,508	-	112,508
	-	615,975	-	615,975
<i>Endowment Fund</i>				
Catalyst	-	2,379,293	-	2,379,293
Total Funds	478,322	4,445,268	1,822,856	6,746,446

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19. Reserves (continued)

Revaluation reserve: revaluations on assets held by the charity, principally the Sanctus Seraphin violin and the music library.

Designated fund: Designated funds are funds that have been set aside out of unrestricted funds by the Board for a specific purpose. £393,399 of this, along with the revaluation reserve of £266,000, represents the value of the fixed assets. £772,099 represents funds received as a result of the COVID Appeal and have been set aside to support the Orchestra to maintain its activities in light of the particularly challenging environment caused by the pandemic. The remaining amount of £2,000,000 has been set aside to a special projects fund to enable commitments made with regard to programming at the Royal Festival Hall, and strategically important tours and commissions to be upheld. At the outset of the financial year, £300,000 was budgeted to be spent from the special projects fund; this was utilised towards RFH concerts in the period September 19 – Mid March 2020, however the Board have decided to designate a further £300,000 to the special projects fund to maintain its £2,000,000 level given the current circumstances.

Restricted income of £1,332,589 was raised during the year and £904,276 was spent during the year. Included in the restricted funds was £343,000 towards Education and Community and £425,000 towards the London concert season, alongside interest from the Catalyst Endowment (£65,591).

The Catalyst Endowment is an expendable endowment that has been established to enable co-programmed projects with key venues such as the Southbank Centre.

The remaining balance constitutes the charity's General (Risk) Reserve.

The Charity is also linked to the London Philharmonic Trust, whose assets of £112,508 (2019: £112,508) are also shown in these accounts.

20. Operating lease commitments

Aggregate minimum lease payment commitments under non-cancellable operating leases are as follows:

	Land and Buildings 2020 £	Land and Buildings 2019 £
Expiry date:		
Within one year	-	40,999
Between two and five years		
		40,999

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21. Prior Year comparative Statement of Financial Activity

Statement of Financial Activities	Note	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Endow- -ment 2019 £	Total Funds 2019 £
Income from					
Donations and legacies	2	3,091,596	1,601,162	78,160	4,770,918
Income from charitable activities	3	6,366,248	-	-	6,366,248
Other trading activities		70,738	-	-	70,738
Investments	4	5,282	77,366	-	82,648
LPO income		9,533,864	1,678,528	78,160	11,290,552
Expenditure on					
Raising funds	5	481,765	33,406	-	515,171
Charitable Activities	5	8,778,398	1,181,159	5,552	9,965,109
Total expenditure		9,260,163	1,214,565	5,552	10,480,280
Net income/(expenditure) for the year before investment gains		273,701	463,963	72,608	810,272
Gains on revaluation of Fixed Assets		-	-	-	-
Net gains/losses on investments		-	-	(10,775)	(10,775)
Net movement in funds		273,701	463,963	61,833	799,497
Reconciliation of funds					
Total funds brought forward at 1 September 2018		3,477,477	152,012	2,317,460	5,946,949
Total funds carried forward at 31 August 2019		3,751,178	615,975	2,379,293	6,746,446

The above results are from continuing activities and there are no other gains and losses except as stated above.

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23. Trading Subsidiary

The London Philharmonic Orchestra is the sole shareholder of London Philharmonic Orchestra Trading Ltd, registered address 89 Albert Embankment, London SE1 7TP. Its taxable profits are donated to the London Philharmonic Orchestra Ltd except in specific circumstances. The trading result of the subsidiary and its assets, liability and funds at year end are summarised below.

	Year ended 31 August 2020	Year ended 31 August 2019
Turnover	2,902	70,739
Less: Cost of sales	<u>2,372</u>	<u>34,809</u>
Gross Profit	530	35,930
 Operating profit	 254	 26,466
Less: Donation to parent charity	<u>(-)</u>	<u>(26,466)</u>
Retained Profit for the year	<u>254</u>	<u>-</u>
 Assets	 1,955	 36,432
Liabilities	<u>1,701</u>	<u>36,432</u>
Net Funds	<u>254</u>	<u>-</u>