

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.

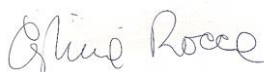
The Orchestra had a very full season prior to the UK lockdown in March 2020. Jurowski followed up his performances of Tchaikovsky's final symphony with a spectacular Strauss *Alpine Symphony* and later Mahler's 'Resurrection' Symphony. Principal Conductor Designate, Edward Gardner, conducted a memorable 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

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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.

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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 'LPOnline', 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.

London Philharmonic Orchestra Limited

Strategic Report

31 August 2020

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.

London Philharmonic Orchestra Limited

Trustees' Report

31 August 2020

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

London Philharmonic Orchestra Limited

Trustees' Report

31 August 2020

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

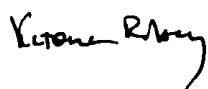
Year ending 31 August 2020

		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

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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

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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

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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
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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

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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.

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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.

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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.

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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	-

London Philharmonic Orchestra Limited
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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

London Philharmonic Orchestra Limited

Notes to the accounts

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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

London Philharmonic Orchestra Limited

Notes to the accounts

Year ending 31 August 2020

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		
		<hr/> 40,999 <hr/>

London Philharmonic Orchestra Limited
Notes to the accounts
Year ending 31 August 2020
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		<u>9,533,864</u>	<u>1,678,528</u>	<u>78,160</u>	<u>11,290,552</u>
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		<u>9,260,163</u>	<u>1,214,565</u>	<u>5,552</u>	<u>10,480,280</u>
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		<u>-</u>	<u>-</u>	<u>(10,775)</u>	<u>(10,775)</u>
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		<u>3,751,178</u>	<u>615,975</u>	<u>2,379,293</u>	<u>6,746,446</u>

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>