

Company Registration No. 357059

Charity Registration No. 238045

**London Philharmonic Orchestra
Limited**

Consolidated Report and Financial Statements

31 August 2021

London Philharmonic Orchestra Limited

Consolidated Report and Financial Statements 31 August 2021

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London Philharmonic Orchestra Limited

Report and Financial Statements 31 August

2021 Executive Summary

The report covers the period from September 2020 to August 2021. This period was dominated by the COVID-19 coronavirus and the many changing rules, nationally and internationally, brought in to try and manage the impact of the pandemic. In this context we want to start by thanking the musicians, artists and staff who have shown immense creativity, flexibility, and resilience to create such exceptional work in uncertain surroundings. Significant thanks are also due to the UK Government, Arts Council England, Glyndebourne Festival, and the many supporters who have helped the Orchestra to provide a secure environment for our musicians.

When it became clear that the Orchestra would not be able to perform to live audiences in September 2020, we partnered with Intersection (formerly Silent Studios) and K&A Productions aiming to create visibly engaging, high quality performances created specifically for digital audiences. These made a virtue of the empty Royal Festival Hall to explore new styles of orchestral presentation and gave flexibility over programming. Social distancing limited the Orchestra to c.60 performers on stage, however through a thorough testing regime we were able to bring the full Orchestra back for the final concert of the season, Vladimir Jurowski's performance of *Swan Lake* in its original version.

Ultimately, the entire London season was 'behind closed doors', with 25 concerts created and shared online via Marquee TV. The result, with over 100,000 views, enabled the Orchestra to keep in touch with its regular UK-based audience, and also reach significant audiences overseas including a notable segment of younger audiences - a third of viewers were under the age of 35. Excerpts were also used to reach new audiences through social media and in the Orchestra's Education and Community work. 184 short-form films were shared online, with the LPO reaching 20 million views over the year and resulting in a 16% increase in social media followers.

Audiences were allowed back into the auditorium from May 2021, and in the final third of the season the Orchestra was able to give 57 performances. The core of these were our summer residency at Glyndebourne, where the Orchestra gave four orchestral concerts alongside its traditional four opera runs, but it was also possible to arrange performances at Saffron Hall (8), Snape Maltings (3), and two BBC Proms concerts at the Royal Albert Hall.

The Orchestra's Education and Community programme also adapted strongly to utilise digital opportunities during lockdown. Workshops were re-imagined on Zoom, retaining a vital creative lifeline to those in lockdown, particularly in care homes and parents home-schooling young people with special educational needs and disabilities. Similarly, lessons for emerging artists on the Orchestra's Foyle Future Firsts, LPO Young Composers and LPO Junior Artists schemes kept a vital contact point with the profession for emerging professionals at the most vulnerable point of their careers.

2020/21 was Vladimir Jurowski's final season as Principal Conductor & Artistic Advisor, and we were deeply sorry that it was not possible to perform Wagner's complete *Ring Cycle* as planned. The Orchestra has committed to re-scheduling *Götterdämmerung* with Jurowski at the earliest possibility. It was wonderful to conclude the London season with Jurowski's long-planned performance of the original *Swan Lake* and to have this captured on film for posterity. His final concert before taking the title Conductor Emeritus was in front of a live audience at the Royal Albert Hall as part of the BBC Proms, and it was notable that it concluded with Jurowski being presented with the prestigious RPS Gold Medal.

The future remains unpredictable and changeable. COVID-19 and its variants will continue to impact audiences and the Orchestra's ability to work for the foreseeable future. The Orchestra's reserves have enabled it to plan in a balanced and consistent way, offering security to its players throughout this period. The reserves are critical in enabling the Orchestra to maintain stability and plan ahead with ambition during such uncertain times. With the triumvirate of new Principal Conductor Edward Gardner, Principal Guest Conductor Karina Canellakis and Conductor Emeritus Vladimir Jurowski, alongside new Artistic Director Elena Dubinets, there is immense potential to be realised in future seasons.

David Burke
Chief Executive



Elena Dubinets
Artistic Director



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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 2021, which are also prepared to meet the requirements for a Directors' Report and accounts for Companies House purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Our Purpose and Activity

The primary purpose of the Orchestra is **to bring wonder to the modern world through the power of orchestral music**. In doing so we aim to:

- maintain a world-class orchestra and high-quality series of performances for the widest possible audience in London, nationally, internationally and digitally, ensuring all of the Orchestra's own-promotion concerts are open to the public without restriction
- undertake a substantial and meaningful programme of Education and Community work
- develop the repertoire, workforce and audience that truly reflects the modern world, challenging structural, social, historic and embedded inequalities that restrict access to the artform.

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

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

The Trustees have considered the Charity Commission's guidance on public benefit in shaping our objectives for the year and planning our activities, including the guidance 'Public benefit: running a charity (PB2)'. Affordability and access to our programme are a key consideration, with tickets available from £15 for all self-promoted concerts and a significant digital and broadcast presence. The Orchestra runs a significant Education and Community programme, including initiatives for those who may not be able to experience the Orchestra in a concert hall environment, and we endeavour to encourage all within our community to take part in activities or attend performances, or engage with the Orchestra digitally or through other media. All of the concerts filmed during 2020/21 were available for free for a limited time as part of the arrangement with Marquee TV.

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

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

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

Putting these strategies into action, we typically have seven major areas of activity: our London season, our Education and Community programme, our Brighton, Eastbourne and Saffron Hall residencies, Glyndebourne Festival Opera, our other UK performances, international touring, and our recording and digital activity.

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Achievement and performance

In a highly challenging year the Orchestra's activities were curtailed by the COVID-19 coronavirus, however the Orchestra was able to create substantial work, reaching significant audiences and supporting its freelance pool of musicians. Live performances to audiences were only possible for the Orchestra from May-August 2021, with a significant body of work prior to that date created for online audiences, but this gave the Orchestra an opportunity to explore new formats and reach new audiences.

- ❖ The Orchestra was able to give 57 live performances, 25 full concerts created specifically for digital audiences, and 10 educational performances (one live, nine online). In addition, the Orchestra also ran 141 educational sessions, which continued online during the lockdown period.
- ❖ Over 100,000 people watched the full digital concerts, keeping a connection with existing audiences and developing new audiences in the US and in the 18-35 year-old age bracket. There were an additional 23,000 views of the educational films produced.
- ❖ The Orchestra posted 184 short-form videos on social media, helping increase its combined social reach to in excess of 700,000 followers, with over 20,000,000 views during the year. On commercial music platforms the Orchestra continued to be one of the most successful worldwide, with c.145 million streams during the year across Spotify and Apple Music alone.
- ❖ Several concerts were broadcast by BBC Radio 3, reaching thousands of people who did not have the opportunity to experience the Orchestra in live performance. Further details of the Orchestra's activities are below.
- ❖ In addition to the education concerts, the Education and Community department directly engaged with over 1,000 people through physical and online workshop sessions. The programme reaches diverse groups of people including both young people and adults with disabilities, and talented young artists entering the profession, including those from backgrounds currently under-represented in the sector.
- ❖ The Orchestra's touring plans were decimated, with no international dates during the year.

London season

A highly unusual London season, with no audiences permitted, still bore the hallmarks of excellence for which the London Philharmonic Orchestra is known. The season opened in September with two concerts conducted by Principal Conductor Designate, Edward Gardner. This was the first time the full Orchestra had come together to perform for six months! The first piece to be rehearsed together was Beethoven's Symphony No. 5, performed with an exceptional energy, and the first streamed recording ambitiously opened with Jörg Widmann's *Con Brio*, and Sibelius's *In the Stream of Life* with Gerald Finley, before closing with the Beethoven. Gardner's second concert separately featured wind and percussion in Messiaen's *Et exspecto resurrectionem mortuorum* and strings in Schoenberg's *Verklärte Nacht*.

★★★★ Richard Fairman for the [Financial Times](#)

'Even if the world's concert halls had not been shut down, it's unlikely there would have been many better in this Beethoven year.'

The Orchestra partnered with Intersection (formerly Silent Studios) and K&A Productions, aiming to create visibly engaging, high-quality performances specifically for the online medium, making a virtue of the empty hall to explore new styles of orchestral presentation. This was the first time the Orchestra had worked in this way and the result enabled the Orchestra to keep in touch with its regular UK-based audience, but also reach significant audiences overseas with over 100,000 views, of which there was a major young audience segment with a third of viewers under the age of 35, and received strong critical acclaim. The series, entitled 'In the Stream of Life', was subsequently shortlisted for a Digital Culture Network Award and the Orchestra was 'highly commended' for its digital output in the Classical Music Digital Awards 2020.

Where possible the Orchestra honoured contracts, and was delighted to work with an exceptional group of artists including Vladimir Jurowski, Edward Gardner, Sir Mark Elder, Robin Ticciati, Enrique Mazzola, Gil Shaham, Miah Persson, Steven Isserlis and Stephen Hough. Many of these made exceptional efforts to enable the concerts to go

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ahead, including isolation, quarantine and testing, for which we were extremely grateful.

Travel restrictions and quarantine requirements prevented several artists from appearing as planned, most notably new Principal Guest Conductor, Karina Canellakis, Zubin Mehta, Christoph Eschenbach, Vikingur Ólafsson, Anoushka Shankar and Klaus Mäkelä. The other major loss of the season was the long-planned double *Ring* Cycle with Vladimir Jurowski due to take place over eight performances in January 2021. Regrettably, its successor, the imaginatively programmed four-part series *The Legacy of the Ring*, also had to be cancelled at short notice due to the January lockdown. However the Orchestra has committed to completing the *Ring* Cycle with Vladimir Jurowski with a performance of *Götterdämmerung* at the earliest opportunity.

The unique nature of the season allowed the Orchestra to give LPO debuts to several new composers, with music by Anna Clyne, Missy Mazzoli, Chevalier de St George, Lotta Wennäkoski, Elena Kats-Chernin and Samuel Coleridge-Taylor all being performed by the Orchestra for the first time, as well as premieres of new works by Composer-in-Residence Brett Dean and former Composer-in-Residence Magnus Lindberg. Commissions that were unable to be performed due to their larger orchestrations, including music by James MacMillan, David Bruce, Danny Elfman and Brett Dean, will be performed in future seasons.

The final concert of the series marked Vladimir Jurowski's final concert at the Royal Festival Hall as Principal Conductor after 14 years, the longest serving tenure of any London orchestra. The Orchestra is delighted that Jurowski remains in a titled position as Conductor Emeritus.

Selected press quotes

★★★★ Ivan Hewett for [The Telegraph](#)

'This concert made me feel as if a corner has been turned.'

★★★★★ Richard Morrison for [The Times](#)

'This streamed London Philharmonic concert was as thrilling to watch as it was to hear, which is saying something.'

★★★★★ Mark Pullinger for [Bachtrack](#)

'In terms of production values, the LPO is head and shoulders ahead of any other UK orchestra right now.'

Education and Community programme

This was a particularly challenging year for many of the community groups the Orchestra traditionally works with, and we worked hard to adapt the projects to continue to be able to create work together during this period. Specific groups include adults and young people with disabilities, emerging artists considering or starting their careers in the profession, and adults who have experienced or are experiencing homelessness. Additionally, whilst we were unable to welcome school and family groups into the Royal Festival Hall, the Orchestra developed several videos targeted at different age groups to help support curriculum music learning during this period of online learning.

Foyle Future Firsts and LPO Young Composers

The Foyle Future Firsts and LPO Young Composers programmes are long-standing flagship development schemes in the sector for post-conservatoire artists as they enter the profession. In a year with such uncertainty for young artists, these programmes offered a direct line of support and mentoring with LPO musicians and staff. Whilst certain elements of the scheme, such as orchestral sit-ins, were not possible because of social distancing, lessons and workshops continued online, and when possible the participants were brought together for ensemble playing, including a session with Principal Conductor Designate Edward Gardner. The Young Composers worked with Composer-in-Residence Brett Dean throughout the year and their pieces were performed in the Orchestra's first live concert at the Royal Festival Hall, under the theme *Bunker Music: Music Composed Under Lockdown*. The Orchestra is very grateful to Jack Sheen, who stood in at extremely short notice to conduct the programme, as Brett Dean was forced to isolate under Test & Trace on the day of the concert.

LPO Junior Artists

LPO Junior Artists is an equally highly-regarded programme for talented young musicians from communities and backgrounds currently under-represented in professional UK orchestras. As with the Foyle Future Firsts scheme, lessons, mentoring sessions and professional development training were offered online during the lockdown periods,

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and participants were able to come together later in the year for a digital performance opportunity under conductor Jonathan Bloxham. Sadly, it was not possible to run LPO Junior Artists: Overture days this season as they require in-person contact to deliver. This element of the programme, which reaches significantly greater numbers of under-represented participants, will be reinstated for 2021/22.

OrchLab and LPO Open Sound Ensemble

Given the adverse effects of isolation during the long periods of lockdown, the online development of OrchLab offered an even more significant creative outlet for its participants this year. OrchLab, a project for people who may have limited mobility or other physical or learning difficulties, continued through online workshops using assistive music technology. This year the Orchestra worked with Flying Angel House, run by new partner Look Ahead, as well as long-standing partners Leonard Cheshire Disability and assistive music specialists Drake Music. We were delighted to conclude the year with some in-person working which built towards a live showcase of the scheme in December 2021.

Open Sound Ensemble, an inclusive music-making opportunity for young people with special educational needs and disabilities and their parents/carers, also continued, and was particularly valued by parents who were home-schooling in lockdown.

Filmed Concerts

In the absence of being able to welcome schools and families to the Orchestra's Royal Festival Hall home, the Orchestra created a series of online performances. The first set was designed to support GCSE students, covering syllabus repertoire; the second, aimed at Key Stage 1 students, saw brass players create a film including storytelling, music and audience participation based on the book *Elephants in the Custard*, with accompanying teachers' material. The third set, for children aged 7-11 and presented by Yolanda Brown, explored expressing emotions through music. The films were viewed over 23,500 times, although the total audience is likely to be higher as we are aware that several schools watched as a whole-class group once in-school learning had resumed.

Other Projects

Other projects undertaken during by the department during the season included its annual project with Crisis, the homelessness charity; an initiative with the Vauxhall Festival offering online professional development sessions for local teachers alongside the online concerts; and a substantial development of content on The Studio, the online compositional resource for young people aged 14–19.

The Orchestra is committed to genuine 360-degree learning, continually developing our musicians' creative leadership skills and learning from all our participants – bringing the inspiration they give us back to the Orchestra.

Glyndebourne Festival Opera

The Orchestra was able to perform four operas at Glyndebourne: *Káťa Kabanová*, *Il turco in Italia*, *Luisa Miller* and *Tristan und Isolde*, in some of the first live public performances in the UK following the lockdown. Social distancing required reduced orchestrations for the first three operas, with only 32 musicians permitted in the orchestra pit. *Tristan und Isolde* was therefore performed on stage in a concert performance with the full Orchestra. COVID measures also impacted turnarounds, reducing the number of performances slightly from a traditional season, and creating some dark nights. The Orchestra was able to give three concert performances with Robin Ticciati on the non-opera nights, with major works such as Mahler's Symphony No. 4 and Dvořák's Symphony No. 8 being performed at Glyndebourne for the first time.

Other UK performances

The majority of UK venues were closed for most of the year, with no concerts possible in Brighton and Eastbourne. Saffron Hall creatively reset its auditorium in cabaret format, facilitating socially-distanced seating and enabling the Orchestra to make four visits and give eight performances there during the year. The Orchestra also made two visits to Snape Maltings and gave two performances at the BBC Proms. The July Prom was Vladimir Jurowski's final performance as LPO Principal Conductor, and at its conclusion he was presented with the Royal Philharmonic Society's prestigious Gold Medal.

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International Touring

The Orchestra's touring plans were similarly disrupted by COVID-19, with all international touring work cancelled.

Financial

Income for the year was £7.3m, compared to £8.98m in the prior year and £11.3m in the last non COVID-affected year – 2018/19. The Orchestra lost c.£3.8m worth of earned income during the year due to the pandemic through lost ticket sales, cancelled tours etc. Furthermore, it lost c.£480,000 in Orchestral Tax Relief. However, it was able to make savings of c.£3.9m, through both the smaller orchestrations required by social distancing, fewer performances during the London season, and through cancelled work including the *Ring* Cycle, touring, and Brighton and Eastbourne concerts.

The Orchestra recognised income of £1.026m from the Government's Culture Recovery Fund (with a further £49k to be recognised in 2021/22, bringing the total grant awarded to £1.075m), which enabled it to fund additional concerts during the summer period, creating income for its freelance musicians and reaching live audiences once permitted.

The Orchestra received donations of £97k towards continuing feasibility costs around a new capital project. Feasibility costs incurred during the year were £21k, with the balance in restricted funds in respect of capital standing at £902k at year end. It was a particularly challenging environment for London Philharmonic Orchestra Trading Ltd – for non-charitable trading – which incurred a deficit of £2,646. The trading company will continue to seek out corporate opportunities as the trading conditions hopefully improve in 2021/22 and 2022/23.

The Orchestra made a surplus this year before investment gains of £636,531, of which £76k is restricted to the capital campaign. Investment gains on fixed assets were £80k, and paper gains on the endowment investment portfolio were £441k, bring the total surplus for the year to £1,157k.

In the year, £325k was expended from the COVID Appeal funds, including £184k relating to cancelled concerts, allowing us to continue to support our membership, extras and artists; £77k on retainers required due to COVID restrictions limiting orchestra size; and £37k for COVID testing. Income received in the year was £362k, bringing the total in the fund to £824k which gives confidence to underpin future plans, especially regarding ongoing challenges related to foreign touring and greater uncertainty than usual over levels of ticket sales.

The Orchestra has established an Innovation Fund of £375k in order to trial new models across all of the Arts Council England Investment Principles. This will be to offer a defined budget specifically ring-fenced for some of the special new initiatives outlined in the 2022/23 Business Plan. The fund will in future be promoted to appropriate donors and provide opportunities for people with special interest in these areas to support the Orchestra to reach new audiences and trial new approaches.

This resulted in a surplus of £135k in the general (risk) reserve, which brings this fund to £1.042m, just slightly below the level of £1.1m set in the reserves policy.

The Orchestra received 43% of its operating income in public funding via Arts Council England (including £2.08m from its National Portfolio Agreement and £1.026m from the Culture Recovery Fund), which is 18% higher than the prior year, and 12% higher than budgeted due to successful application to the Arts Council England Culture Recovery Fund, and the continued curtailment of revenue-generating opportunities from charitable activities. Funding from the Culture Recovery Fund gave certainty that enabled the Orchestra to fund additional concerts during the summer period. The Orchestra's NPO funding primarily supports the Orchestra's work in London and the South East of England, and is critical to the Orchestra's business model. This is to be maintained at a standstill level in cash terms, which, whilst representing some success given pressures on Government spending, presents some inflationary problems going forward.

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

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Going Concern

The ongoing impact of COVID-19 has continued to impact the company's general activity significantly; however, the Orchestra has adapted its activities to enable continued operations within social distancing constraints, and will be able to do so in future should COVID restrictions return. The designated COVID Appeal funds and a successful application to the ACE Culture Recovery Fund have underpinned activity in 2020/21, with the COVID Appeal funds in particular, alongside the Special Projects Fund being utilised to cover a projected deficit in the 2021/22 budget. The Orchestra continues to model a number of possible future scenarios and to perform sensitivity analysis in key areas. The Orchestra considers there to be a reasonable expectation that a proportionate element of fundraising will continue, based on existing pledges, ongoing conversations and cautious expectations, and an assumption of funding from Arts Council England for an ongoing programme of activity that is as consistent with previously agreed activities as possible, and will be adapted to continue to reach orchestras should circumstances change and more significant restrictions on activity return. In the event that projected fundraising income is not received, the Orchestra is still confident it could cover its costs but this would be likely to impact planned activities. On this basis of ongoing receipt of Arts Council Grant, current reserves levels that can be appropriately utilised if required and ongoing activities (including an element of fundraising), the Trustees are confident that the company is a going concern.

Investment Policy

The establishment of the Sound Futures endowment is one of several strategies to support the Orchestra's longer-term ambition. The £3m endowment has been invested in a broad range of conservative investment options, with Rathbones appointed to help manage the funds alongside a highly experienced Investment Committee consisting of Trustees David Burke and Martin Höhmann, as well as Jamie Korner (charity investment specialist), and Bruno De Kegel (private wealth specialist). The investment objective of the portfolio had been so designed as to produce annual income in the range of £60–£80k on a long-term basis, and preserving the real value of the capital over the longer term is also of great importance. This year it produced income of £49k in what was a challenging year with markets impacted globally by the COVID-19 pandemic. The valuation of the portfolio increased by £441,171, recovering losses incurred in 2019/20 alongside further gains.

Development Income

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

In particular for this financial year we would like to thank the following for their generous support: The American Friends of the London Philharmonic Orchestra, Arts Council England, Steven M. Berzin, The Candide Trust, the CHANEL Fund for Women in the Arts and Culture, Dunard Fund, Mrs Aline Foriel-Destezet, The Foyle Foundation, JTI, Mr & Mrs Philip Kan, The Lambert Family Charitable Trust, The London Community Foundation and Cockayne – Grants for the Arts, The Adam Mickiewicz Institute, Sir Simon and Lady Robey, Neil Westreich, William and Alex de Winton and The Victoria Wood Foundation. The LPO would also like to thank all those who made donations to continue to support the Orchestra during the ongoing pandemic.

This year's Annual Gala, 'Expect the Unexpected' was held in person once again at Banqueting House. 100 guests came together, following Government restrictions regarding COVID-19, for a celebration of the LPO's adventurous spirit, resilience and creativity under the baton of Principal Conductor, Edward Gardner. The evening raised £188k to keep the LPO thriving. The American Friends of the London Philharmonic Orchestra held their first virtual fundraising event in 2021, raising over \$120k.

Donations and legacies for the year totalled £5.3m, which includes £3.1m from Arts Council England (£1.026m restricted), £0.02m from legacies that have been put into the endowment, and £2.1m raised in development income for activities, which was ahead of expectation and includes exceptional donations of £97k (restricted) towards feasibility work on a new capital campaign and £362k for the COVID Appeal (designated). A further £702k of unrestricted income was received and £975k restricted. Included in the restricted funds were £334k towards Education and Community work and £594k towards the London concert season.

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The comparative figure for the prior year was £5.5m total. Specifically, £3.2m was raised in development income in 2020, of which £1.14m was unrestricted and £1.25m restricted (£343k, £425k, £484k and £15k for Education, London concerts, capital and COVID Appeal respectively).

Fundraising

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

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

Reserves Policy

The London Philharmonic Orchestra requires reserves in order to provide for contingencies as they may arise. The nature of the London Philharmonic Orchestra's operations requires reliance on significant levels of income from sponsorship and donations that can show substantial variation due to changes in the economic climate or exceptional events after the Company's artistic plans are formulated. The Company aims to retain general (risk) reserves at a level the Trustees anticipate will be sufficient to provide security from such unexpected variations and other risks highlighted below. This has been set at £1.1m, following detailed analysis of the risks faced. The current value is £1.042m (2020: £906k), which is slightly below the level set, and it is expected to return to the £1.1m level next year. The designated COVID-19 fund established in 2019/20 has been an important factor in enabling the organisation to budget to carry out a range of activity in 2020/21, and will continue to be so in 2021/22.

The Company has designated reserves of £3.89m (2020: £3.43m) that have been set aside out of unrestricted funds by the Board. £348,988 of this, along with the revaluation reserve of £346,000, represents the value of the fixed assets. The revaluation reserve of £346,000 consists predominantly of the increased value of the Sanctus Seraphin violin, but also a historic revaluation of the music library. This value can also only be realised by disposing of tangible fixed assets.

A further £362k received in the year has been designated to the COVID Appeal fund, with £310k expended including £184k related to cancelled concerts, allowing us to continue to support our membership, extras and artists; £77k on retainers required due to COVID restrictions limiting orchestra size; and £37k for COVID testing. At year-end the fund stood at £824k, which gives confidence to underpin future plans, especially regarding ongoing challenges related to foreign touring and greater uncertainty than usual over levels of ticket sales.

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

The Orchestra has established an Innovation Fund of £375k in order to trial new models across all of the Arts Council England Investment Principles. This will be to offer a defined budget specifically ring-fenced for some of the special new initiatives outlined in the 2022/23 Business Plan. The fund will in future be promoted to appropriate donors and provide opportunities for people with special interest in these areas to support the Orchestra to reach new audiences and trial new approaches.

The Orchestra has established an endowment to allow deeper collaboration with the Southbank Centre and other venues on a long-term basis. When originally established, the endowment benefited from £1m match funding from Arts Council England. The value of the endowment at 31 August 2021 was £3,007k (2020: £2,549k), which is considered sufficient to meet the investment targets set. For clarity, the Orchestra has taken the decision to keep this endowment within the main charity rather than in a separate trust. Interest from the endowment is considered restricted for use towards strategic collaborations with key venues. The long-term aim is to maintain the capital

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value, whilst being able to draw down £60–£80k on an annual basis.

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

The Orchestra continues with preliminary steps towards an exciting capital project, receiving a further £97,222 in the year towards feasibility costs, of which it spent £21,340.

The Orchestra's trading subsidiary, London Philharmonic Orchestra Trading Ltd, incurred a deficit of £2,646 in what was a challenging year, with reserves of at year end of -£2,393.

The Orchestra's total reserves are therefore £9.09m, which is made up of designated reserves (£3.547m), revaluation reserves (£346k), restricted reserves (£1.15m, of which £902k relates to the capital campaign), the Orchestra's endowment (£3.007m), and general (risk) reserves of £1.042m. Prior Year respective figures were total reserves £7.9m, made up of designated reserves (£3.165m), revaluation reserves (£266k), restricted reserves (£1.044m with £827k relating to capital), Orchestra's endowment (£2.55m), and general (risk) reserves of £906k.

Risk Management

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

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

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

- The impact of the current economic environment on voluntary income, ticket and recording sales and other earned income, most notably international touring. The Orchestra prepares detailed budgets including sensitivity analysis and continues to seek to diversify income streams where possible.
- The impact of Brexit, particularly in relation to international touring in respect of increased transport and work visa/permit costs. The organisation is working closely with promoters, the ABO and relevant Government departments to address this.
- The continuing impact of COVID-19, which continues to bring a greater than usual uncertainty to future plans regarding performances, touring, availability of guest artists, musicians and venues (particular around future restrictions on capacity and social distancing measures). The Orchestra continues to model several scenarios and during this period there continues to be regular contact between senior management, the Chair of the Board and the Chair of the Audit Committee.
- In addition, the Trustees are aware of issues regarding National Insurance payments for freelance musicians that have potential implications for the Orchestra. See note 18 for further details.

Plans for future periods

COVID-19 continues to create significant uncertainty and make longer-term planning challenging, although the Orchestra's reserves put it in a position to be able to plan with more confidence than others. Autumn 2021 sees Edward Gardner begin his tenure as Principal Conductor, and the Orchestra plans to open with a series of major concerts including Tippett's *The Midsummer Marriage*, Berlioz's *Symphonie fantastique*, Bartók's *Bluebeard's Castle* and Sibelius's Symphony No. 2. The Orchestra will also welcome Karina Canellakis as Principal Guest Conductor with performances of music by Sibelius and Shostakovich.

The Orchestra began to explore hybrid filming of concerts, taking the lessons from 2020/21 and applying them to concerts with live audiences. The intention is to film a minimum of ten concerts per season to continue to engage the audiences it developed during 2020/21 through its partnership with Marquee TV.

London Philharmonic Orchestra Limited

Strategic Report

31 August 2021

The Orchestra also hopes to resume international touring in autumn 2021, with trips to Romania, Turkey, Spain and Germany all planned. Tours to Korea, Japan and China have unfortunately been postponed until future years given COVID uncertainty.

Elena Dubinets joins the Orchestra in September 2021 as its new Artistic Director. Elena joins from the USA, where over a period of 15 years she made an outstanding impact on the artistic direction and vision of the Seattle Symphony Orchestra as Vice President of Artistic Planning & Creative Projects. She has also held the position of Chief Artistic Officer at the Atlanta Symphony Orchestra. An artistic programmer and musicologist with vision, creative curiosity and true commitment to broadening community engagement, Elena is dedicated to exploring and embracing the opportunities and challenges of creating forward-facing artistic programming to engage the widest possible audiences.

Longer term, the Orchestra is building a more dynamic relationship with its local, national and international communities. It has plans to develop a physical home for the Orchestra including a significant Education and Community space, and to use this as a base to both explore and demonstrate the Orchestra's relevance to modern society and to broaden the expectations of how a symphonic orchestra can represent and support that society.

London Philharmonic Orchestra Limited

Trustees' Report

31 August 2021

Reference and administrative details

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

Our Advisors

Auditors Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW
Bankers Clydesdale Bank Plc, 2nd Floor, 35 Regent Street, Piccadilly Circus, London. SW1Y 4ND
Solicitors Charles Russell Speechlys LLP, 8/10 New Fetter Lane, London. EC4A IRS

Directors and Trustees

Henry Baldwin*Ø	(retired 4 December 2021, Vice-President, from 3 November 2020)
Roger Barron≠	(retired 20 May 2021)
Kate Birchall*	(appointed 20 May 2021)
David Buckley#	(Chair, Audit Committee)
David Burke#•≠	
Deborah Dolce	(appointed 17 June 2021)
Elena Dubinets	(appointed 1 September 2021)
Catherine Høgel•°≠	(Vice-Chairman)
Martin Höhmann*≠#•‡	(President)
Tanya Joseph	
Bruno De Kegel‡	
Hugh Kluger*	(appointed 20 May 2021)
Stewart McIlwham*Ø	
Alan MacCuish	
Tania Mazzetti*	(appointed 7 October 2020)
Jamie Njoku-Goodwin	(appointed 17 June 2021)
Gareth Newman*‡	(Vice-President, retired 7 October 2020)
Pei-Jee Ng*	(retired 20 May 2021)
Victoria Robey OBE°‡•≠	(Chairman)
Cristina Rocca•	(appointed 11 November 2020, retired 7 May 2021)
Andrew Tusa#	
Mark Vines*	(appointed 7 October 2020, Vice-President from 12 January 2022)
Neil Westreich	(retired 7 October 2020)
David Whitehouse*	(retired 20 May 2021)

* Player Director
Member of the Audit Committee
‡ Member of the Development Committee
° Members of the Events Committee
• Member of the Nominations Committee
‡ Member of the Investment Committee
≠ Member of the Premises Committee
Ø Member of the Diversity and Inclusion Steering Committee

Secretary

David Burke

London Philharmonic Orchestra Limited

Trustees' Report

31 August 2021

Key Management personnel

Chief Executive	David Burke
Artistic Director (Until June 2021)	Cristina Rocca
Artistic Director (From Sept 2021)	Elena Dubinets
Finance Director	Frances Slack
Campaigns and Projects Director	Nicholas Jackman
Concerts Director	Roanna Gibson
Development Director	Laura Willis
Education and Community Director (Until October 2021)	Isabella Kernot
Education and Community Director (Maternity Cover – until Sept 2021)	Lindsay Wilson
Acting Education & Community Director (from Oct 2021)	Talia Lash
Marketing & Communications Director	Kath Trout

Governing Document

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

Board of Directors / Trustees

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

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

Organisation

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

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

Governance code

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

London Philharmonic Orchestra Limited

Trustees' Report

31 August 2021

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

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

Advisory Council

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

Martin Höhmann (Chairman) *#•‡	Rob Adediran ø
Christopher Aldren	Manon Antoniazzi
Richard Brass†#	Helen Brocklebank
YolanDa Brown	David Burke
Simon Callow CBE	Desmond Cecil‡
Sir Alan Collins	Andrew Davenport†
Guillaume Descottes	Cameron Doley
Elena Dubinets	Christopher Fraser OBE
Lord Hall of Birkenhead CBE	Jonathan Harris CBE≠
Marianna Hay	Amanda Hill†
Rehmet Kassim-Lakha‡ø	Jamie Korner‡
Geoff Mann≠	Clive Marks OBE FCA
Stewart McIlwham* ø	Andrew Neill
Jamie Njoku Goodwin	Nadya Powellø
Sir Bernard Rix‡	Victoria Robey OBE °†‡
Baroness Shackleton of Belgravia	Thomas Sharpe QC
Julian Simmonds≠	Barry Smith
Martin Southgate	Chris Viney
Laurence Watt	Elizabeth Winter‡

* Player Director

Member of the Audit Committee

‡ Member of the Development Committee

° Members of the Events Committee

• Member of the Nominations Committee

† Member of the Marketing Committee

‡ Member of the Investment Committee

≠ Member of the Premises Committee

Ø Member of the Diversity and Inclusion Steering Committee

Recruitment and training of Trustees

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

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

London Philharmonic Orchestra Limited

Trustees' Report

31 August 2021

Related Parties and co-operation with other organisations

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

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

The Orchestra has a trading subsidiary, of which Victoria Robey, David Buckley, Martin Höhmann and David Burke are directors. All group transactions between the charity and its subsidiary are eliminated on consolidation. A management charge of £0 (2020: £276) was charged during the year representing LPO Trading Limited's share of group overheads and other passed on costs. Due to limited activity, the trading company generated a loss in 2020/21 of £2,646. At the year-end the outstanding balance of £1,254 (2020: £270) was due to the charity.

Stewart McIlwham is director of McIlwham Music Ltd, who provide musical service to the Orchestra receiving performance fees and expenses on the same scale as those paid to other playing members in respect of their performances with the Orchestra as per the MU collective agreement. The fees paid are included within note 6, Trustee emoluments on page 29. Stewart McIlwham and Kate Birchall are also trustees of London Philharmonic Orchestra Benevolent Fund, to whom the London Philharmonic Orchestra made contributions of £19,511 during the year.

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

Trustees

The Trustees who served throughout the year and subsequent to the year end and the beneficial interests of the Trustees in the Company's shares at 31 August 2021 and 1 September 2020 were:

		Ordinary shares of £1 each	
		31 August 2021	31 August 2020
Henry Baldwin	(Vice-President)	1	1
Kate Birchall		1	1
Martin Höhmann	(President)	9	15
Stewart McIlwham		1	1
Hugh Kluger		1	1
Tania Mazzetti		1	1
Pei-Jee Ng		1	1
Gareth Newman		1	1
Mark Vines		1	1
David Whitehouse		1	1

Employment Policy

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

Pay policy for senior staff

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

London Philharmonic Orchestra Limited

Statement of Trustees' Responsibilities

31 August 2021

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- * select suitable accounting policies and then apply them consistently;
- * observe the methods and principles in the Charities SORP;
- * make judgments and estimates that are reasonable and prudent;
- * state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

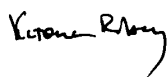
Auditors

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

Disclosure of Information to Auditors

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

The Trustees' Report and Strategic Report were approved by the Board of Trustees and signed on behalf of the Board on 3rd March 2022.



Victoria Robey OBE
Trustee (Chair)



Martin Höhmann
Trustee (President)

Independent Auditor's Report to the Members of the London Philharmonic Orchestra Limited

Opinion

We have audited the financial statements of the London Philharmonic Orchestra Limited ('the charitable company') and its subsidiaries ('the group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2021 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were health and safety legislation, taxation legislation, employment legislation, and General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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



Julia Poulter,
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London
3rd March 2022

London Philharmonic Orchestra Limited

Consolidated Statement of Financial Activities (incorporating an income and expenditure account) Year ended 31 August 2021

Statement of Financial Activities	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Endow- -ment 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income from						
Donations and legacies	2	3,142,888	2,098,398	23,150	5,264,436	5,535,985
Income from charitable activities	3	1,991,109	-	-	1,991,109	3,367,656
Other trading activities		-	-	-	-	2,902
Investments	4	54	49,775	-	49,829	70,734
LPO income		5,134,051	2,148,173	23,150	7,305,374	8,977,277
Expenditure on						
Raising funds	5	422,399	21,880	-	444,279	450,876
Charitable activities	5	4,194,025	2,023,972	6,567	6,224,564	7,285,216
Total expenditure		4,616,424	2,045,852	6,567	6,668,843	7,736,092
Net income for the year before investment gains		517,627	102,321	16,583	636,531	1,241,185
Gains on revaluation of Fixed Assets		80,000	-	-	80,000	-
Net gains/(losses) on investments		-	-	441,171	441,171	(56,287)
Net movement in funds		597,627	102,321	457,754	1,157,702	1,184,898
Reconciliation of funds						
Total funds brought forward at 1 September 2020		4,338,064	1,044,288	2,548,992	7,931,344	6,746,446
Total funds carried forward at 31 August 2021		4,935,691	1,146,609	3,006,746	9,089,046	7,931,344

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

London Philharmonic Orchestra Limited

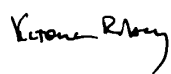
Consolidated and Charity Balance Sheet Year ending 31 August 2021

		Group	Group	Charity	Charity
	Note	2021	2020	2021	2020
		£	£	£	£
Fixed assets					
Tangible assets	11	694,988	659,398	694,988	659,398
Investments	12	5,571,373	4,971,000	5,571,373	4,971,000
		<u>6,266,361</u>	<u>5,630,398</u>	<u>6,266,361</u>	<u>5,630,398</u>
Current assets					
Stock and Work in progress	13	124,314	147,162	124,314	147,162
Debtors	14	2,027,551	1,811,075	2,028,804	1,811,345
Cash at bank and in hand		2,305,962	1,585,793	2,304,791	1,583,839
		<u>4,457,827</u>	<u>3,544,030</u>	<u>4,457,909</u>	<u>3,542,346</u>
Creditors: amounts falling due within one year	15	(1,456,742)	(1,120,434)	(1,454,431)	(1,119,004)
Net current assets		<u>3,001,085</u>	<u>2,423,596</u>	<u>3,003,478</u>	<u>2,423,342</u>
Creditors: amounts falling due in more than one year	16	(178,400)	(122,650)	(178,400)	(122,650)
Net assets		<u>9,089,046</u>	<u>7,931,344</u>	<u>9,091,439</u>	<u>7,931,090</u>
Capital and Funds					
<i>Unrestricted Funds</i>					
Called up share capital	17	80	80	80	80
Revaluation reserve	19	346,000	266,000	346,000	266,000
Designated fund (1) : Fixed Asset	19	348,988	393,399	348,988	393,399
Designated fund (2) : Special Projects	19	2,000,000	2,000,000	2,000,000	2,000,000
Designated fund (3) : Innovation	19	375,000	0	375,000	0
Designated fund (4) : COVID Appeal	19	823,701	772,099	823,701	772,099
General (Risk) reserve	19	1,041,922	906,486	1,044,315	906,232
<i>Restricted Funds</i>					
Endowment Fund interest	19	82,236	32,461	82,236	32,461
Capital Campaign		902,405	826,523	902,405	826,523
COVID Appeal		0	14,796	0	14,796
Education, touring and concert work		50,000	58,000	50,000	58,000
London Philharmonic Trust		111,968	112,508	111,968	112,508
<i>Endowment Funds</i>					
Endowment Funds - Catalyst	19	3,006,746	2,548,992	3,006,746	2,548,992
Total capital and funds		<u>9,089,046</u>	<u>7,931,344</u>	<u>9,091,439</u>	<u>7,931,090</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 2021, after gains on investments and transfer of profits from the trading company (nil) was £1,157,702 (2020: £1,184,645)

These financial statements were approved by the Board of Trustees on 3rd March 2022.

Signed on behalf of the Board of Trustees



V Robey OBE
Trustee (Chair)



M Höhmann
Trustee (President)

London Philharmonic Orchestra Limited

Consolidated Cash Flow Statement Year ending 31 August 2021

	2021 Group and charity £	2020 Group and charity £
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	848,155	1,756,850
Cash flows from investing activities		
Dividends, interest and rents from investments	49,829	70,734
Proceeds from the sale of property, plant and equipment	5,000	-
Purchase of property, plant and equipment	(23,613)	(245,041)
Proceeds from the sale of investments	122,611	660,589
Purchase of investments	(200,590)	(568,036)
Net cash provided by (used in) investing activities	(46,763)	(81,754)
Cash flows from financing activities		
Net cash provided by (used in) financing activities	-	-
Change in cash and cash equivalents in the reporting period	801,392	1,675,096
Cash and cash equivalents at the beginning of the reporting period	4,444,014	2,768,918
Change in cash and cash equivalents due to exchange rate movements	-	-
Cash and cash equivalents at the end of the reporting period	5,245,406	4,444,014
Cash held as cash	2,305,962	1,585,793
Cash held as investments	2,939,444	2,858,221
	2021	2020
	£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	1,157,702	1,184,898
Adjustments for:		
Depreciation charges	67,752	63,964
(Gains) / losses on investments	(441,171)	56,281
Dividends, interest and rents from investments	(49,829)	(70,734)
(Gain) on Revaluation of fixed assets	(80,000)	-
Loss/(profit) on the sale of fixed assets	(4,728)	-
(Increase) / decrease in stocks	22,848	(12,470)
(Increase) / decrease in debtors	(216,476)	786,556
Increase / (decrease) in creditors	392,057	(251,645)
Net cash provided by (used in) operating activities	848,155	1,756,850

London Philharmonic Orchestra Limited

Notes to the accounts

Year ending 31 August 2021

1. Company Information

London Philharmonic Orchestra Limited is a registered charity and as such is a non-profit making organisation, limited by shares. The number of members at 31 August 2021 is 72 and their liability on a liquidation is limited to £1 each.

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

Accounting policies

Critical accounting judgements and key areas of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

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

a) Basis of Preparation

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

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

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

b) Preparation of the accounts on a going concern basis

The Company's activities together with the factors likely to affect its future development, performance and position are set out in the Strategic and Trustees' Reports on pages 2 to 15.

The ongoing impact of COVID-19 has continued to impact the company's general activity significantly; however, the Orchestra has adapted its activities to enable continued operations within social distancing constraints, and will be able to do so in future, should COVID restrictions return. The designated COVID Appeal funds and a successful application to the ACE Culture Recovery Fund have underpinned activity in 2020/21, with the COVID Appeal funds in particular, alongside the Special Projects Fund being utilised to cover a projected deficit in the 2021/22 budget. The Orchestra continues to model a number of possible future scenarios and to perform sensitivity analysis in key areas. The Orchestra considers there to be a reasonable expectation that a proportionate element of fundraising will continue, based on existing pledges, ongoing

London Philharmonic Orchestra Limited

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conversations and cautious expectations, and an assumption of funding from Arts Council England for an ongoing programme of activity that is as consistent with previously agreed activities as possible, and will be adapted to continue to reach orchestras should circumstances change and more significant restrictions on activity return. In the event that projected fundraising income is not received, the Orchestra is still confident it could cover its costs but this would be likely to impact planned activities. On this basis of ongoing receipt of Arts Council Grant, current reserves levels that can be appropriately utilised if required and ongoing activities (including an element of fundraising), the Trustees are confident that the company is a going concern.

c) Accounting convention

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

d) Foreign currency

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

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

e) Fund accounting

Unrestricted funds:

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

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

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

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

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

f) Income

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

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

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

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

Investment income is recognised on a receivable basis.

London Philharmonic Orchestra Limited

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Year ending 31 August 2021

g) Donated services and facilities

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

h) Government Grants

Government grants are recognised on the performance model, when the organisation has complied with any conditions attaching to the grant and the grant will be received. The grant in connection to the Coronavirus Job Retention Scheme (CJRS) has been recognised in the period to which the underlying furloughed staff costs relate to.

i) Expenditure

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

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

j) Tangible fixed assets

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

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

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

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

k) Stocks and work in progress

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

l) Operating leases

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

m) Pensions

Pension costs are recognised in the accounts when they are paid. The Company does not operate its own pension scheme, but offers to make contributions into employees' private schemes or alternatively contributes

London Philharmonic Orchestra Limited

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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 2021. Gains and losses in the year are taken to the Statement of Financial Activities.

r) Cash

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

2. Income from Donations and Legacies

	Total Funds 2021 £	Total Funds 2020 £
Gifts and memberships	2,083,602	3,373,146
Donated goods and services	14,949	28,955
Grants from government and other public bodies (see note 8)	3,165,885	2,133,884
	5,264,436	5,535,985

Donations and legacies for the year totalled £5.3m, which includes £3.1m from Arts Council England (£1.026m restricted), £0.02m from legacies that have been put into the endowment and £2.1m raised in development income for activities, which was ahead of expectation and includes exceptional donations of £97k (restricted) towards feasibility work on a new capital campaign and £362k for the COVID Appeal (designated). A further £702k of unrestricted income was received and £975k restricted. Included in the restricted funds was £334k towards Education and Community and £594k towards the London concert season.

The comparative figure for the prior year was £5.5m total. Specifically, £3.2m was raised in development income in 2020, of which £1.14m was unrestricted and £1.25m restricted (£343k, £425k, £484k and £15k for Education, London concerts, capital and COVID Appeal respectively).

The charity is grateful for in-kind support from, among others, Lindt, Lidl and Gusborne. The total value of all in-kind support is estimated at £15,000 (2020: £29,000). The estimated value of these goods and services is recognised within unrestricted incoming resources as a donation, and an equivalent charge being included in unrestricted expenditure under charitable activities.

London Philharmonic Orchestra Limited
Notes to the accounts
Year ending 31 August 2021

3 Income from charitable activities

	Total Funds 2021 £	Total Funds 2020 £
Ticket and programme sales	72,842	1,355,219
Performance fees	1,369,562	1,246,429
Recording label & streaming	131,999	84,992
Other income	416,706	681,016
Total income from Charitable Activities	<u>1,991,109</u>	<u>3,367,656</u>

4 Investment income

	Total Funds 2021 £	Total Funds 2020 £
Dividend	49,081	65,202
Investment interest	-	1,356
Bank interest	748	4,176
	<u>49,829</u>	<u>70,734</u>

5. Analysis of Expenditure

Net income for the year is stated after charging

	2021 £	2020 £
Operating lease rental	119,642	40,999
Depreciation	67,753	63,964
Fees payable to the Company's auditors for taxation purposes	10,415	10,535
Fees payable to the Company's auditors for the audit of the Company's annual accounts	24,190	23,715

London Philharmonic Orchestra Limited
Notes to the accounts
Year ending 31 August 2021

5. (cont) Analysis of Expenditure

Charitable Activities

	Concert Promotions	Other UK and Tours	Education Activities	TOTAL 2021	TOTAL 2020
	£	£	£	£	£
Orchestra fees	1,460,829	936,559	94,089	2,491,476	3,069,562
Conductor, soloist & choir fees	362,880	2,275	62,124	427,279	895,047
Travel, hire, subsistence and accommodation	318,749	219,980	38,578	577,307	512,298
Presentation, marketing and programme costs	483,935	78	1,157	485,170	662,255
House rentals and promoter commissions	660,976	-	29,979	690,955	488,111
LPO recording label	102,733	-	-	102,733	102,733
Subscriptions and professional assistance	-	-	44,583	44,583	56,067
Other direct costs	476,592	123,849	174,641	775,082	839,043
Support	274,778	274,778	80,423	629,979	659,522
Total	4,141,472	1,557,518	525,574	6,224,564	7,285,216

Expenditure on charitable activities was £6,224,564 (2020: £7,285,216) of which £4,194,025 was unrestricted (2020: £6,499,501) and £2,023,972 was restricted (2020: £780,001).

Ex-gratia payments of £8,570 (2020 £472,938) were paid to 6 (2020 over 185) freelance musicians in the year. These were agreed by the Board to support the musicians and sustain the quality of the Orchestra through the COVID-19 pandemic.

Cost of raising funds

	2021 £	2020 £
Direct costs	375,772	384,117
Support	68,507	66,759
Total	444,279	450,876

Allocation of Support costs

	Charitable Activities	Cost of Raising Funds	2021	2020
	£	£	£	£
Apportioned staff costs	318,146	-	318,146	352,451
Rent and rates	98,389	24,133	122,522	117,971
Office overhead costs	67,072	16,452	83,524	94,446
Legal and other professional fees	6,941	1,702	8,643	9,443
Audit and tax advice	34,734	-	34,734	34,900
Finance charges	30,063	7,914	37,977	57,832
Depreciation	52,155	12,793	64,948	28,527
Travel, expenses etc.	22,478	5,513	27,991	30,711
Total	629,978	68,507	698,485	726,281

London Philharmonic Orchestra Limited

Notes to the accounts

Year ending 31 August 2021

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

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

	2021 No.	2020 No.
Administration	5	5
Concert management	13	13
Education	4	4
Marketing	9	8
Development	8	8
Other	1	1
	<u>40</u>	<u>39</u>

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

	2021 £	2020 £
Wages and salaries	1,398,139	1,428,149
Social security costs	135,780	135,487
Other pension costs	<u>87,286</u>	<u>87,831</u>
	<u>1,621,205</u>	<u>1,651,467</u>

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

	2021 No.	2020 No.
£60,001 to £70,000	2	1
£70,001 to £80,000	1	-
£90,001 to £100,000	0	1
£100,000 to £110,000	1	1
£160,001 to £170,000	0	1

The pension contributions for the provision of money purchase schemes in respect of the higher-paid employees above totalled £41,279 (2020: £22,419).

The Key Management personnel of the Charity comprises the President, Chief Executive, Artistic Director (also trustees), Finance Director, Campaigns and Projects Director, Concerts Director, Development Director, Education and Community Director and Marketing & Communications Director. Total remuneration paid to key management personnel was £611,847 (2020: £657,925).

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

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

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	2021	2021	2020	2020
Trustees' emoluments	£	£	£	£
	Salary	Pension	Salary	Pension
Cristina Rocca (Artistic Director Nov 20 – Jun 21)	74,462	4,468	-	-
Martin Höhmann (President)	18,000	1,080	14,469	630
David Burke (Chief Executive)	120,000	7,200	29,090	2,238
Performance fees and expenses to (seven) Player Directors	241,825	-	214,157	-

This note is not compliant with the SORP, which requires remuneration to all musicians on the board (Player Directors) to be presented alongside the format used above for the President and Chief Executive. The Trustees feel that to do so will have an adverse effect on the effective operation of the charity as musicians are reluctant to act as Trustees if that role requires disclosure of fees received as this can result in comparison of remuneration with their peers. This would result in reducing the pool of available Trustees required to successfully govern the Orchestra. These Player Directors are not remunerated for their services as Trustees. The total amount of donations received from the Trustees directly associated with the Charity and their related parties is £664,039 (2020: £796,144)

7. Related Parties

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

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

The Orchestra has a trading subsidiary, of which Victoria Robey, David Buckley, Martin Höhmann and David Burke are directors. All group transactions between the charity and its subsidiary are eliminated on consolidation. A management charge of £0 (2020: £276) was charged during the year representing LPO Trading Limited's share of group overheads and other passed on costs. Due to limited activity, the trading company generated a loss in 2020/21 of £2,646. At the year-end the outstanding balance of £1,254 (2020: £270) was due to the Charity.

Stewart McIlwham is director of McIlwham Music Ltd, who provide musical service to the Orchestra receiving performance fees and expenses on the same scale as those paid to other playing members in respect of their performances with the Orchestra as per the MU collective agreement. The fees paid are included within note 6, Trustee emoluments on page 29. Stewart McIlwham and Kate Birchall are also trustees of London Philharmonic Orchestra Benevolent Fund, to whom London Philharmonic Orchestra made contributions of £19,511 during the year.

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

8. Grants receivable from government and other public bodies

Grant Income	2021	2020
	£	£
Arts Council of England	2,079,799	2,057,879
Southbank Centre Residency subsidy	59,961	76,005
Arts Council of England Culture Recovery Fund (Restricted)	1,026,125	-
	<u>3,165,885</u>	<u>2,133,884</u>

*In addition, the Orchestra received £2,173 (2020 £35,341) from CJRS.

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9. Changes in grants deferred

	Balance 31 August 2020	Grants received	Utilised in year	Balance 31 August 2021
	£	£	£	£
Arts Council of England		2,057,879	(2,057,879)	-
Southbank Centre Residency subsidy	-	59,961	(59,961)	-
Total balance	-	2,117,840	(2,117,840)	-

10. Taxation

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

11. Tangible fixed assets – Group and Charity

	Leasehold improve- ments	Vehicle	Music library	Computer equipment	Furniture, fixtures, fittings and office equipment	Musical instru- ments	Sanctus Seraphin violin	Total
	£	£	£	£	£	£	£	£
Cost or valuation								
At 31 August 2020	55,380	347,315	267,211	150,076	313,278	220,486	320,000	1,673,746
Additions	-	-	-	23,138	475	-	-	23,613
Revaluations							80,000	80,000
Disposals	-	(113,637)	-	-	-	-	-	(113,637)
At 31 August 2021	55,380	233,678	267,211	173,214	313,753	220,486	400,000	1,663,722
Accumulated Depreciation								
At 31 August 2020	41,503	148,420	261,883	112,234	299,488	150,820	-	1,014,348
Charges for the year	2,651	35,055	350	19,762	2,252	7,682	-	67,752
Disposals	-	(113,365)	-	-	-	-	-	(113,365)
At 31 August 2021	44,154	70,110	262,233	131,996	301,740	158,502	-	968,735
Net book value								
At 31 August 2021	11,226	163,568	4,978	41,218	12,013	61,984	400,000	694,988
At 31 August 2020	13,877	198,895	5,328	37,842	13,790	69,666	320,000	659,398

Musical instruments are generally contemporary, low-value instruments whose value is fairly represented by the written down cost of such instruments. The Sanctus Seraphin violin is used during performances and has aesthetic and musical qualities, but also intrinsic value. Consequently, this violin was valued at a current market value of £400,000 at 31 August 2021 by J&A Beare, London, Members of the British Antique Dealers Association; Dealers,

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restorers and makers of fine violins, violas, cellos and bows. The original historic cost of the violin was £35,000. The Trustees are not aware of any material changes since the last valuation.

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

12. Investments –Group and Charity

	Cash	Traded Investments	Total
	£	£	£
Valuation at 1 September 2020	2,858,221	2,112,779	4,971,000
Additions at cost	-	200,590	200,590
Disposals at carrying value	-	(122,611)	(122,611)
Net increase in cash	81,223	-	81,223
Net gains	-	441,171	441,171
Valuation at 31 August 2021	2,939,444	2,631,929	5,571,373

Valuation at 1 September 2021 are both actual and historic costs. Historic costs of investments as at 1 September 2021 are £2,555,751

Investments by investment type

	2021	2020
UK Govt Bond	£ 245,475	252,545
UK Equity	£ 951,881	716,909
International Equity	£ 987,132	711,971
Infrastructure	£ 78,526	81,830
Property	£ 227,502	221,301
Actively Managed Strategies	£ 141,413	128,223
Cash	£ 2,939,444	2,858,221
Total	£ 5,571,373	4,971,000

The Charity also has a 100% holding of 1 ordinary shares of £1 each in London Philharmonic Orchestra Trading Limited, a limited company incorporated and registered in England and Wales, company registration number 09979254. The subsidiary had income of £0 and expenditure of £2,646.84. Capital and reserves as at 31 August 2021 totalled -£2,393.

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13. Stocks and work in progress – Group and Charity

	2021	2020
	£	£
Stocks of own-label recorded CDs	35,365	33,333
Work in progress of own-label CDs not released	88,949	113,829
	124,314	147,162

14. Debtors

	2021	2020	2021	2020
	£	£	£	£
	Group	Group	Charity	Charity
Trade debtors	408,168	176,878	408,168	176,878
Intercompany debtors	-	-	1254	270
Other debtors	4,473	26,263	4,473	26,263
Prepayments	205,399	106,088	205,399	106,088
Accrued income	1,409,511	1,501,846	1,409,510	1,501,846
	2,027,551	1,811,075	2,028,804	1,811,345

At 31 August 2021, legacies which had been notified but not recognised as incoming resources in the Statement of Financial Activities had an estimated value of £128,000 (2020: £13,000) which had not been accrued.

15. Creditors: amounts falling due within one year

	2021	2020	2021	2020
	£	£	£	£
	Group	Group	Charity	Charity
Trade creditors	419,568	176,630	417,768	176,330
Value Added Tax	86,730	55,422	87,290	55,392
Other taxes and social security	38,218	32,660	38,218	32,660
Other creditors	153,996	456,101	153,996	456,101
Accrued expenditure	403,015	207,035	401,944	205,935
Deferred income and income in advance due within one year	355,215	192,586	355,215	192,586
	1,456,742	1,120,434	1,454,431	1,119,004

£98,110 of the income brought forward (total of £315,236) was recognised during the year.

At the year end the charity held £8,936 in respect of funds received in memory of a former LPO Co-Principal Cellist. These funds are being held on behalf of Susanne Beer Cello Foundation, registered charity number 1195303. The funds were transferred after year end to the Foundation. These funds have been excluded from the assets of the charity.

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

	2021	2020
	£	£
Deferred income and income in advance due in more than one year	178,400	122,650

London Philharmonic Orchestra Limited
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17. Called up share capital

	2021	2020
	£	£
Authorised		
200 ordinary shares of £1 each	200	200
Allotted, called up and fully paid		
80 ordinary shares of £1 each	80	80

18. Contingent Liability

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

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

London Philharmonic Orchestra Limited

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19. Reserves –Group	Balance at 1 September 2020	Income	Expenditure	Transfer of amount	Balance at 31st August 2021
<i>Unrestricted Funds</i>	£	£	£	£	£
Called up share capital	80	-	-	-	80
Revaluation reserve	266,000	80,000	-	-	346,000
<i>Designated Funds</i>					
Designated fund (1) Fixed Asset	393,399	23,613	(68,024)	-	348,988
Designated fund (2) Special Project	2,000,000	-	-	-	2,000,000
Designated fund (3) Innovation	-	375,000	-	-	375,000
Designated fund (4) COVID Appeal	772,099	361,602	(310,000)	-	823,701
General (risk) reserve	906,486	4,373,836	(4,238,400)	-	1,041,922
	4,338,064	5,214,051	(4,616,424)	-	4,935,691
<i>Restricted Funds</i>					
London, Touring and Education	58,000	2,001,176	(2,009,176)	-	50,000
Catalyst interest	32,461	49,775	-	-	82,236
Capital Campaign	826,523	97,222	(21,340)	-	902,405
COVID Appeal	14,796	-	(14,796)	-	-
London Philharmonic Trust	112,508	-	(540)	-	111,968
	1,044,288	2,148,173	(2,045,852)	-	1,146,609
<i>Endowment Fund</i>					
Catalyst	2,548,992	464,321	(6,567)	-	3,006,746
Total Funds	7,931,344	7,826,545	(6,668,843)	-	9,089,046

The above funds carried forward as at 31 August 2021 represent:

	Tangible Fixed assets	Investment Fixed assets	Net current assets	Total
<i>Unrestricted Funds</i>	£	£	£	£
Called up share capital	-	-	80	80
Revaluation reserve	346,000	-	-	346,000
<i>Designated Funds</i>				
Designated fund (1) Fixed Asset	348,988	-	-	348,988
Designated fund (2) Special Project	-	1,468,018	531,982	2,000,000
Designated fund (3) Innovation	-	-	375,000	375,000
Designated fund (4) COVID Appeal	-	-	823,701	823,701
General (risk) reserve	-	-	1,041,922	1,041,922
	694,988	1,468,018	2,772,685	4,935,691
<i>Restricted Funds</i>				
London, Touring and Education	-	-	50,000	50,000
Catalyst interest	-	82,236	-	82,236
Capital Campaign	-	902,405	-	902,405
COVID Appeal	-	-	-	-
London Philharmonic Trust	-	111,968	-	111,968
	-	1,096,609	50,000	1,146,609
<i>Endowment Fund</i>				
Catalyst	-	3,006,746	-	3,006,746
Total Funds	694,988	5,571,373	2,822,685	9,089,046

London Philharmonic Orchestra Limited

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19a. Prior Year Comparison	Balance at 1 September 2019	Income	Expenditure	Transfer of amount	Balance at 31st August 2020
<i>Unrestricted Funds</i>	£	£	£	£	£
Called up share capital	80	-	-	-	80
Revaluation reserve	266,000	-	-	-	266,000
<i>Designated Funds</i>					
Designated fund (1) Fixed Asset	212,322	45,041	(63,964)	200,000	393,399
Designated fund (2) Special Project	2,000,000	-	(300,000)	300,000	2,000,000
Designated fund (3) Truck	200,000	-	-	(200,000)	0
Designated fund (4) COVID Appeal	-	772,099	-	0	772,099
General (risk) reserve	1,072,776	6,595,848	(6,462,138)	(300,000)	906,486
	3,751,178	7,412,988	(6,826,102)	0	4,338,064
<i>Restricted Funds</i>					
London, Touring and Education	-	768,001	(710,001)	-	58,000
Catalyst interest	36,870	65,591	(70,000)	-	32,461
Capital Campaign	466,597	484,201	(124,275)	-	826,523
COVID Appeal	-	14,796	-	-	14,796
London Philharmonic Trust	112,508	-	-	-	112,508
	615,975	1,332,589	(904,276)	-	1,044,288
<i>Endowment Fund</i>					
Catalyst	2,379,293	231,700	(62,001)	-	2,548,992
Total Funds	6,746,446	8,977,277	(7,792,379)	-	7,931,344

The above funds carried forward as at 31 August 2020 represent:

	Tangible Fixed assets	Investment Fixed assets	Net current assets	Total
<i>Unrestricted Funds</i>	£	£	£	£
Called up share capital	-	-	80	80
Revaluation reserve	266,000	-	-	266,000
<i>Designated Funds</i>				
Designated fund (1) Fixed Asset	393,399	-	-	393,399
Designated fund (2) Special Project	-	1,450,516	549,484	2,000,000
Designated fund (3) Truck	-	-	-	-
Designated fund (4) COVID Appeal	-	-	772,099	772,099
General (risk) reserve	-	-	906,486	906,486
	659,399	1,450,516	2,228,149	4,338,064
<i>Restricted Funds</i>				
London, Touring and Education	-	-	58,000	58,000
Catalyst interest	-	32,461	-	32,461
Capital Campaign	-	826,523	-	826,523
COVID Appeal	-	-	14,796	14,796
London Philharmonic Trust	-	112,508	-	112,508
	-	971,492	72,796	1,044,288
<i>Endowment Fund</i>				
Catalyst	-	2,548,992	-	2,548,992
Total Funds	659,399	4,971,000	2,300,945	7,931,344

London Philharmonic Orchestra Limited

Notes to the accounts

Year ending 31 August 2021

19. Reserves (continued)

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

Designated fund: Designated funds are funds that have been set aside out of unrestricted funds by the Board for a specific purpose. £348,988 of this, along with the revaluation reserve of £346,000, represents the value of the fixed assets.

During the year £310,000 was allocated from the COVID designated Appeal funds to continue to support our members, extras and artists and to cover specific COVID-related costs. Further funds of £361,602 were received in the year, with the balance of £823,701 which gives confidence to underpin future plans, especially regards ongoing challenges related to foreign touring and greater uncertainty than usual over levels of ticket sales.

An Innovation Reserve has been established in order to trial new models across all of the Arts Council England Investment Principles. This will be to offer a defined budget specifically ring-fenced for some of the special new initiatives outlined in the 2022/23 business plan. The fund will in future be promoted to appropriate donors and provide opportunities for people with special interest in these areas to support the Orchestra to reach new audiences and trial new approaches. The remaining amount of £2,000,000 has been set aside to a Special Projects Fund to enable commitments made with regard to programming at the Royal Festival Hall, and strategically important tours and commissions to be upheld.

Restricted income of £2,148,173 was raised during the year and £2,045,852 was spent during the year. Included in the restricted funds was £333,912 towards Education and Community and £594,239 towards the London concert season, alongside interest from the Catalyst Endowment (£49,775).

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

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

The Charity is also linked to the London Philharmonic Trust, whose assets of £111,968 (2020: £112,508) are also shown in these accounts.

20. Operating lease commitments

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

	Land and Buildings 2021	Land and Buildings 2020
Expiry date:	£	£
Within one year	99,260	40,999
Between two and five years	257,260	-
	<u>356,520</u>	<u>40,999</u>

London Philharmonic Orchestra Limited
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21. Prior Year comparative Statement of Financial Activity

Statement of Financial Activities	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Endow- -ment 2020 £	Total Funds 2020 £
Income from					
Donations and legacies	2	4,038,254	1,266,031	231,700	5,535,985
Income from charitable activities	3	3,367,656	-	-	3,367,656
Other trading activities		2,902	-	-	2,902
Investments	4	4,176	66,558	-	70,734
LPO income		7,412,988	1,332,589	231,700	8,977,277
Expenditure on					
Raising funds	5	326,601	124,275	-	450,876
Charitable activities	5	6,499,501	780,001	5,714	7,285,216
Total expenditure		6,826,102	904,276	5,714	7,736,092
Net income for the year before investment gains		586,886	428,313	225,986	1,241,185
Gains on revaluation of Fixed Assets		-	-	-	-
Net gains/(losses) on investments		-	-	(56,287)	(56,287)
Net movement in funds		586,886	428,313	169,699	1,184,898
Reconciliation of funds					
Total funds brought forward at 1 September 2019		3,751,178	615,975	2,379,293	6,746,446
Total funds carried forward at 31 August 2020		4,338,064	1,044,288	2,548,992	7,931,344

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

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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 2021	Year ended 31 August 2020
Turnover	-	2,902
Less: Cost of sales	<u>2,646</u>	<u>2,372</u>
Gross Profit	(2,646)	530
Operating profit	(2,646)	254
Less: Donation to parent charity	<u>(-)</u>	<u>(-)</u>
Retained Profit for the year	<u>(2,646)</u>	<u>254</u>
Assets	1,731	1,955
Liabilities	<u>4,124</u>	<u>1,701</u>
Net Funds	<u>(2,393)</u>	<u>254</u>