



Consolidated Report and Financial Statements

31 August 2023

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Executive Summary



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

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

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

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

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

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

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

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

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

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

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

David Burke
Chief Executive

Elena Dubinets
Artistic Director

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



Strategic Report – 31 August 2023



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

Our Purpose and Activity

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

In doing so we aim to:

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

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

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

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

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

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

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

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

The Chevalier at Snape Maltings, 19 March 2023





Achievement & performance

1 Performances

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

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

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

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

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



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

Geoff Brown, The Times

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

Richard Morrison, The Times

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

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

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

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



2 Communities

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

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

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

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

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

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

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

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

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

Open Sound Ensemble spring 2023 course at Woolwich Works





3 Equality, Diversity, Inclusion and Belonging

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

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

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

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

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

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

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

LPO Junior Artists





4 Rising Talent

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

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

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

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

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

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

Foyle Future Firsts



5 Sustainability

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

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

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

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



6 Digital

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

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

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

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

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

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

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

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

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



Rob & Romesh © Adam Lawrence

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



Genshin Impact © HoYoverse



Financial

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

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

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

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

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

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

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

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

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

Going Concern

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

Investment Policy

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



Financial *cont.*

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

Development Income

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

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

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

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

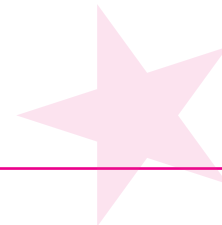
Development income for the year was £3.2m, alongside £8k from legacies that have been put into the endowment and £2m from Arts Council England. £1.2m of development income was restricted towards capital. A further £946k of unrestricted income was received and £1.1m restricted. Included in the restricted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

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

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



© Photographer London



Financial *cont.*

Fundraising

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

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

Reserves Policy

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

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

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

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

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

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

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

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

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



Financial *cont.*

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

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

Risk Management

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

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

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

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

Plans for future periods

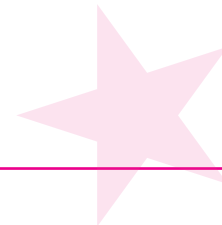
The 2023/24 London season launches with a performance of Mahler's Symphony No. 2 conducted by Edward Gardner. The performance and whole rehearsal period will be captured by Sky Arts for a four-part documentary about the Orchestra which will broadcast in spring 2024. The London season features *The Music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

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

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

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

Trustees' Report



Reference and administrative details

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

Our Advisors

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

Directors and Trustees

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

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

Secretary
David Burke



Key Management personnel

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

Governing Document

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

Board of Directors/Trustees

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

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

Organisation

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

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

Governance code

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

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

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



Advisory Council

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

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

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

Recruitment and training of Trustees

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

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

Related Parties and co-operation with other organisations

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

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

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

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



Trustees

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

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

Employment Policy

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

Pay policy for senior staff

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

Statement of Trustees' Responsibilities



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

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

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

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

Auditors

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

Disclosure of Information to Auditors

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

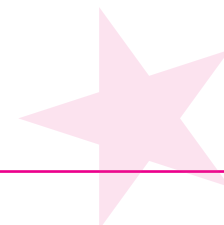
The Trustees' Report and Strategic Report were approved by the Board of Trustees and signed on behalf of the Board on 23 January 2024.

A handwritten signature in black ink, reading 'Catherine Høgel'.

Catherine Høgel
Trustee (Chair)

A handwritten signature in black ink, reading 'Martin Höhmann'.

Martin Höhmann
Trustee (President)



Independent Auditor's Report

To the Members of the London Philharmonic Orchestra Limited

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2023 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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



Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

Independent Auditor's Report *cont.*



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

Use of our report

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

Jayne Rowe

Senior Statutory Auditor

For and on behalf of
Crowe UK LLP

Statutory Auditor

London

Date: 27 March 2024

Consolidated Statement of Financial Activities

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

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

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

Consolidated and Charity Balance Sheet

Year ended 31 August 2023

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

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

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

Signed on behalf of the Board of Trustees



Catherine Högel
Trustee (Chair)



Martin Höhmann
Trustee (President)

Consolidated Cash Flow Statement

Year ended 31 August 2023

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



Notes to the accounts

1 Company Information

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

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

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

Accounting policies

Critical accounting judgements and key areas of estimation uncertainty

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

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

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

a) Basis of Preparation

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

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

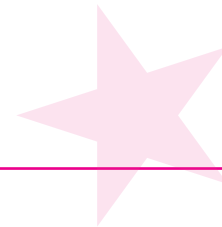
The London Philharmonic Orchestra meets the definition of a Public Benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Preparation of the accounts on a going concern basis

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

c) Accounting convention

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



d) Foreign currency

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

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

e) Fund accounting

Unrestricted funds:

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

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

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

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

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

f) Income

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

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

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

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

Investment income is recognised on a receivable basis.

g) Donated services and facilities

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

h) Government Grants

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

i) Expenditure

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

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



j) Tangible fixed assets

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

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

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

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

k) Stocks and work in progress

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

l) Operating leases

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

m) Pensions

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

n) Financial instruments

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

o) Debtors

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

p) Creditors

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

q) Investments

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

r) Cash

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

Notes to the accounts *cont.*

2 Income from Donations and Legacies

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

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

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

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

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

3 Income from charitable activities

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

4 Investment income

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

Notes to the accounts *cont.*

5 Analysis of Expenditure

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

Charitable Activities

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

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

Cost of raising funds

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

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

Notes to the accounts *cont.*

Allocation of Support costs

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



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

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

	2023	2022
	No.	No.
Average No	42	41

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

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

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

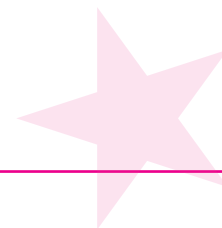
	2023	2022
	£	£
Wages and salaries	1,584,919	1,496,186
Social security costs	161,891	158,262
Other pension costs	98,324	92,712
	1,845,134	1,747,160

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

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

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

Notes to the accounts *cont.*



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

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

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

Trustees' emoluments

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

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

7 Related Parties

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

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

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



8 Grants receivable from government and other public bodies

Grant income

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

9 Changes in grants deferred

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

10 Taxation

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

Notes to the accounts *cont.*

11 Tangible fixed assets – Group and Charity

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

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

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

Notes to the accounts *cont.*

12 Investments – Group and Charity

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

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

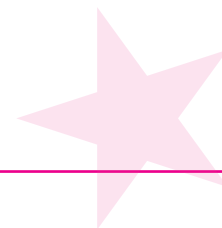
Investments by investment type

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

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

13 Stocks and work in progress – Group and Charity

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



14 Debtors

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

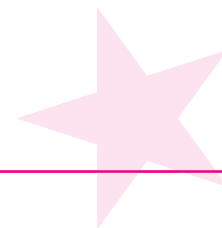
15 Creditors: amounts falling due within one year

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

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

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

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



17 Called up share capital

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

18 Reserves – Group

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

Notes to the accounts *cont.*

18 Reserves – Group *cont.*

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

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

Notes to the accounts *cont.*

18a Prior Year Comparison

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

Notes to the accounts *cont.*

18a Prior Year Comparison *cont.*

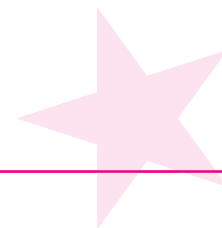
The above funds carried forward as at 31 August 2022 represent:

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

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

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

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



18a Prior Year Comparison *cont.*

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

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

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

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

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

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

19 Operating lease commitments

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

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



20 Prior Year comparative Statement of Financial Activity

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

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



21 Trading Subsidiary

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

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