

PHILHARMONIA LTD

England & Wales · Charity number 250277

Details

Other names PHILHARMONIA ORCHESTRA, THE PHILHARMONIA

Status Registered

Legal form Charitable company

Company number [00799297](#)

Registered 1966-11-28

Register [View on the Charity Commission register](#)

Contact

Address 6 Chancel Street
London
SE1 0UX

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Email finance@philharmonia.co.uk

Website www.philharmonia.co.uk

Activities

Objects: 2.1 THE OBJECTS OF THE CHARITY ARE THE ADVANCEMENT OF PUBLIC EDUCATION THROUGH THE PROMOTION AND SUPPORT OF THE ART OF MUSIC (INCLUDING OPERA, MUSIC, DRAMA, BALLET AND ALL ART FORMS CONSISTING IN WHOLE OR IN PART OF MUSIC) PARTICULARLY BY THE PROMOTION AND ENCOURAGEMENT OF ORCHESTRAL MUSIC ("THE OBJECTS"). 2.2 THE RELIEF OF POVERTY AND DISTRESS AMONGST PLAYING MEMBERS OF ANY SYMPHONY ORCHESTRA FOR THE TIME BEING MAINTAINED BY THE CHARITY AND THE DEPENDENTS OF SUCH PERSONS.

Activities: The charitable objectives are the advancement of public education through the promotion and support of the art of music, particularly by the promotion and encouragement of orchestral music and the relief of poverty and distress amongst playing members of any symphony orchestra for the time being maintained by the Charity. We achieve this by maintaining a symphony orchestra of the highest quality.

Classification

- **How:** Makes Grants To Individuals, Provides Services, Other Charitable Activities
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People, People With Disabilities, The General Public/mankind

Geography

- Australia
- Austria
- Belgium
- Brazil
- China
- Colombia
- Finland
- France
- Germany
- Greece
- Iceland
- Isle Of Man
- Italy
- Japan
- Kazakhstan
- Luxembourg
- Mexico
- Netherlands
- Peru
- Poland
- Romania
- Scotland
- Slovenia
- South Korea
- Spain
- Switzerland
- United Arab Emirates
- United States
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£11,083,033	£10,737,998	£8,797,836	40
2024-08-31	£10,233,752	£10,336,789	£8,256,384	40
2023-08-31	£8,804,771	£9,147,659	£8,056,610	44
2022-08-31	£8,697,741	£8,413,352	£8,468,528	38
2021-08-31	£12,932,227	£7,763,813	£8,416,760	36

Trustees

Name	Role	Appointed
DAVID KEITH PICKARD		2025-04-10
David Charles Aitman		2025-04-10
Emma Lisney		2026-03-12
Fiona Margaret Cornall		2025-03-20
Howard Davies		2026-01-01
James Samuel Buckle		2021-02-09
Johanne Hudson		2024-01-25
Laurence Alexander Rolton		2025-03-20
Luke Whitehead		2024-01-25
Nick Bishop		2024-02-15
Paul Stoneman		2024-01-25
Robert Looman		2026-03-12
Soong Choo		2024-01-25
Susan Hedger		2024-01-25
Terence Rhodes Sinclair		2025-04-10

PHILHARMONIA LTD

England & Wales - Charity number 250277

Accounts

Company registered number: 00799297
Charity registered number: 250277

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

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PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2025**

Trustees

Sir Howard Davies, Chair (appointed 1 January 2026)
Lord Mervyn King, Chair (resigned 1 January 2026)
Saul Nathan, Deputy Chair (resigned 10 April 2025)
James Buckle, Vice President until 19 March 2025, President from 20 March 2025¹
Cheremie Hamilton-Miller, President (resigned 20 March 2025)¹
Soong Choo, Joint Vice President from 20 March 2025¹
Alexander Rolton, Joint Vice President (appointed 20 March 2025)¹
David Aitman (appointed 10 April 2025)
Nick Bishop
Fiona Cornall (appointed 20 March 2025)¹
Susan Hedger¹
Johanne Hudson-Lett
David Pickard (appointed 10 April 2025)
Terry Sinclair (appointed 10 April 2025)
Paul Stoneman¹
Luke Whitehead¹
Nuno Carapina (resigned 20 March 2025)¹
Charlotte Hogg (resigned 31 August 2025)
Julian Milone (resigned 27 November 2025)¹
Lorenzo Modiano (resigned 10 April 2025)
Julia Zilberman (resigned 10 April 2025)

¹ Player member

**Company registered
number**

00799297

**Charity registered
number**

250277

Registered office

6 Chancel Street
London, United Kingdom
SE1 0UX

Company secretary

David Stacey (appointed 20 March 2025)

**Independent Finance
Committee member**

Ben Davies (appointed 20 February 2025)
Katherine Collis
Rupert Darbyshire

Independent auditors

MHA
6th Floor
2 London Wall Place
London
United Kingdom
EC2Y 5AU

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Bankers

Barclays Bank
1 Churchill Place
London
E14 5HP

NatWest Bank
10 Marylebone High Street
London
W1U 4BT

Legal advisers

McDermott Will and Emery LLP
Heron Tower
110 Bishopsgate
London, United Kingdom
EC2N 4AY

Stone King LLP
Boundary House
91 Charterhouse Street
London, United Kingdom
EC1M 6HR

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025

LETTER FROM THE CHAIR AND PRESIDENT

2024/25 has been a year of rich creativity, renewed momentum, and preparation for the Philharmonia's 80th anniversary in 2025. With bold programming, inspiring residencies, and revitalised international engagement, the Orchestra has once again demonstrated its commitment to artistic excellence, innovation, and the audiences we serve.

Our autumn series, *Nordic Soundscapes: Music Crafted from Nature*, explored the connection between music, the natural world, and the climate crisis through a Nordic lens. Across VR experiences, talks, workshops, and eight concerts at the Royal Festival Hall and our residencies, audiences were invited to reflect on how nature shapes artistic expression.

Led by our Finnish Principal Conductor Santtu-Matias Rouvali, the series showcased masterpieces by Sibelius, Grieg, and Nielsen alongside new commissions and specially created films. Nordic Soundscapes exemplified the Philharmonia's mission to shape the orchestral experience of the future, using our platform to address urgent contemporary issues with powerful artistic impact.

The season was marked by numerous artistic high points. We welcomed back some of the world's most revered conductors, whose performances filled concert halls to capacity and reached millions more online. Riccardo Muti brought electrifying force to Verdi's Requiem, while Herbert Blomstedt offered a radiant interpretation of Mahler's Symphony No. 9. We were proud to take part in the Southbank Centre's inaugural Multitudes Festival, where Marin Alsop led a compelling performance of Shostakovich's Symphony No. 10, paired with William Kentridge's powerful film *Oh to Believe in Another World*. Our Featured Artist, Nemanja Radulović, further captivated audiences throughout the season with his remarkable versatility and charismatic stage presence.

Internationally, the Philharmonia strengthened its reputation as a world-class orchestra, touring across Europe and to Japan, while laying the groundwork for major engagements in the United States, South Korea and Mauritius in 2025/26. Closer to home, our residencies at Garsington Opera, the Three Choirs Festival, and venues across the UK flourished. Our Learning & Engagement work reached thousands of participants of all ages and backgrounds, underscoring our belief that the Philharmonia's music should inspire and connect as widely as possible.

We remain mindful of the economic challenges facing the cultural sector. Through careful financial planning, investment in new systems, and the generosity of our donors and partners, the Philharmonia has strengthened its operational foundations while continuing to deliver ambitious artistic programmes. This work is essential to securing the Orchestra's long-term sustainability, enabling us to serve audiences for another 80 years.

This year also marks a change in governance. As we write our first joint letter as Chair and President of the Philharmonia, we want to record our deep gratitude to outgoing Chair, Lord King of Lothbury, and President Cheremie Hamilton-Miller for their wisdom, generosity, and steadfast commitment during their respective tenures. Outstanding leadership has guided the Orchestra through a period of renewal, strengthening our governance and positioning the Philharmonia for the future. It is an honour for us to continue this work, together with our colleagues, as we lead the Orchestra into its 80th anniversary year and beyond.

As we reflect on our extraordinary heritage and look forward to the opportunities ahead, we are united by a shared belief in the transformative power of music. None of our achievements would be possible without the dedication of our players, the hard work of our staff and trustees, and the support of our audiences, donors, and partners, including Arts Council England. To all who sustain and champion the Philharmonia, we extend our heartfelt thanks.

Sir Howard Davies and James Buckle

February 2026

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025

OBJECTIVES AND ACTIVITIES

The charitable objectives of the Company are:

- the advancement of public education through the promotion and support of the art of music (including opera, music, drama, ballet and all art forms consisting in whole or in part of music), particularly by the promotion and encouragement of orchestral music; and
- the relief of poverty and distress amongst playing members of any symphony orchestra for the time being maintained by the Charity and the dependents of such persons.

The Philharmonia pursues these objectives by maintaining a symphony orchestra of the highest international quality. Through performance, commissioning, education, and innovation, the Orchestra creates opportunities for people of all ages and backgrounds to engage with orchestral music.

Our aim is to raise the public appreciation of music by sustaining and developing the Orchestra's position as one of the world's leading ensembles. We achieve this through artistic excellence on stage, creative and imaginative programming, the commissioning and championing of new work, an ambitious Learning & Engagement programme, and the use of digital platforms to reach the broadest and most diverse audiences in the UK and worldwide.

The Philharmonia's vision is to see orchestral music at the beating heart of cultural life, with the power to contribute to a more equitable, sustainable, and thriving society. Its mission is to create the orchestral experience of the future. In support of this, the Board and Chief Executive have undertaken a review of the business model to ensure that our activities not only strengthen the Orchestra's artistic standing but also secure a resilient and sustainable financial foundation.

Our work is underpinned by the Investment Principles of Arts Council England's Let's Create strategy: Ambition & Quality, Dynamism, Inclusivity & Relevance, and Environmental Responsibility. These principles, together with our new mission and vision, provide the framework for the Philharmonia's future development and will elevate our performance, off-platform activity, and reach over the coming years.

The activities through which the Philharmonia achieves its objectives include:

- The provision of "Own Promotion" concerts at the Southbank Centre
- Residencies in Bedford, Leicester, Basingstoke, Canterbury, at the Three Choirs Festival and Garsington Opera
- Engagements by third party promoters in the UK and internationally
- Learning and engagement programmes
- Recorded performances of the highest standard, including via Philharmonia Records, the Company's own label
- Innovative digital content and projects

PUBLIC BENEFIT

In reviewing the Company's objectives and activities, and in planning future programmes, the Board of Trustees confirms that it has had due regard to the Charity Commission's general guidance on public benefit and has complied with its duty under the Charities Act 2011.

The Orchestra's aims and objectives are directed at the widest possible public: concertgoers across the UK and internationally; audiences who access our work through broadcasts, recordings, and digital platforms; local communities where the Orchestra is resident; and participants in our varied Learning & Engagement programmes.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025

The Philharmonia's Own Promotion concerts at Southbank Centre are open to the public without restriction. To ensure affordability and accessibility, discounted tickets are offered for disabled audiences, those on income support, students, and under-18s. Beyond the main concert platform, the Orchestra provides a rich programme of chamber music, contemporary music projects, pre-concert debates and talks, and foyer events, many of which are free to attend. Performances across our UK residencies take place in public venues that adopt similarly inclusive policies.

We are committed to broadening both the numbers and the diversity of our audiences and participants. This is achieved through targeted audience engagement strategies, including the Orchestra's world-leading digital work, online content available free through the company website and other platforms, and its work with and in local communities.

The Philharmonia also invests in the future of music-making. Our Learning & Engagement projects inspire thousands of participants of all ages each year, while our recordings and digital content create a legacy for generations to come. In addition, we are committed to nurturing and training the next generation of orchestral musicians, ensuring that the Orchestra's skills, standards, and impact continue to benefit society long into the future.

STRATEGIC REPORT

A ACHIEVEMENTS AND PERFORMANCE

The Philharmonia Orchestra continued to demonstrate its excellence as one of the world's leading symphony orchestras through its performances at the Southbank Centre, across its permanent residencies in Bedford, Leicester, Canterbury and Basingstoke, at the Three Choirs Festival and Garsington Opera, and on international stages. The Orchestra maintained a balance between core repertoire and innovative programming, working with many of the world's most distinguished conductors and soloists.

In the 2024/25 season, the Orchestra delivered:

- 95 concerts or performances in the UK, including across residencies in London, Leicester, Bedford, Canterbury, Basingstoke, Three Choirs Festival and Garsington
- 37 international concerts in 10 locations: Austria, Estonia, Finland, Germany, Italy, Japan, Jersey, Romania, Spain and Switzerland.

CONCERTS & PROJECTS

Throughout the autumn, *Nordic Soundscapes: Music Crafted from Nature* explored the relationship between music, nature and the climate crisis – from a new Sibelius VR experience to talks, debates, workshops, and eight major concerts at the Royal Festival Hall and the Bedford and Canterbury residencies. Together, these activities offered audiences multiple pathways into the series' central theme.

Deeply connected to Finnish Principal Conductor Santtu-Matias Rouvali, the series united leading Nordic composers and artists. Iconic works by Sibelius, Grieg, and Nielsen were set alongside bold new commissions and evocative underwater films. In its scope and ambition, *Nordic Soundscapes* exemplified the Philharmonia's commitment to redefining the orchestral experience, using the artistic platform to explore the climate crisis in ways that resonated powerfully with audiences.

Other highlights of the season of residency concerts included:

- Riccardo Muti made a long-awaited return to conduct Verdi's Requiem – the Orchestra's highest-grossing concert on record
- Herbert Blomstedt conducted Mahler to a packed Royal Festival Hall, radiating joyful energy at the age of 97, and producing what the Guardian described as "...the collective performance of a lifetime."

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025

- Marin Alsop's Multitudes concert, pairing a programme of Bernstein's Chichester Psalms with Shostakovich No. 10 set to William Kentridge's animated film 'Oh to Believe in Another World'
- Conductor Laureate, Esa-Pekka Salonen, made a guest appearance in a programme of Sibelius and Lindberg
- Nemanja Radulović stepped into the post of Featured Artist, captivating audiences with his virtuosity across several projects, including a directed programme combining baroque music with Serbian folk sounds
- A season spotlight on diverse and dynamic artists of the next generation — including young violinist María Dueñas, pianist Nobuyuki Tsujii and accordionist Ksenija Sidorova
- The orchestra ended the season with a sold-out performance of Rachmaninov Piano Concerto No.3 with pianist Nikolai Lugansky

The Philharmonia continued to strengthen its relationships with audiences and communities across its UK residencies. The Orchestra performed to near-capacity crowds in Bedford and Canterbury, growing audiences in both locations year on year, while sustaining a strong artistic presence at both the Three Choirs Festival and Garsington Opera. At Garsington, the season featured acclaimed performances of *Donizetti's Elisir d'amore* and *Tchaikovsky's Queen of Spades*, while our partnership with the Three Choirs Festival included powerful renditions of Matthias's *The Worlde's Joye* and Coleridge-Taylor's *The Atonement*.

Beyond the traditional concert, the Philharmonia delivered broad and adventurous programmes and projects with key partners. Highlights included a concert at the inaugural Roundhouse360 Festival, featuring korah-player and composer Sonah Jobarteh performances at the Multi-storey car park in Peckham for Bold Tendencies, a packed Classic FM Live concert at the Royal Albert Hall, and a live collaboration with the podcast *The Rest is History*.

International touring remained a vital part of the Philharmonia's work, with a particular focus on Europe. Highlights included performances at the Concertgebouw Amsterdam, Musikverein Wien, and Elbphilharmonie Hamburg, reinforcing the Orchestra's standing as one of the UK's most active and highly regarded ensembles on the world stage.

In the digital sphere, the season saw the return of the *Virtual Orchestra* with the launch of the Sibelius VR experience. This immersive project brought audiences across the UK directly into the sound world of Sibelius, enabling users to step inside the orchestra and experience his music from striking new vantage points.

AUDIENCE DEVELOPMENT

The Philharmonia welcomed approximately 125,000 audience members at live concerts and events across its UK residencies, London performances, and wider engagements, with a further 40,000 attending overseas. At the Royal Festival Hall, audience numbers remained close to a ten-year high, supported by record income achieved through dynamic pricing but underpinned by a continued commitment to accessibility. The Orchestra also issued more than 10,000 tickets for free concerts – a 13% increase on the previous year.

Learning & Engagement programmes continued to nurture future and diverse audiences, with Orchestra Unwrapped introducing more than 5,000 primary school children across London, Bedford, Leicester and Basingstoke to orchestral music, and our award-winning Hear and Now project – uniting young musicians with people living with dementia and their carers – celebrating its 15th anniversary.

The Guest List initiative, designed to support audiences facing barriers to attending orchestral concerts, introduced nearly 200 first-time attendees to Philharmonia performances across Bedford, Leicester and London. A new three-concert pilot of this project in London delivered striking results: 73% of participants had never attended a classical concert before, and 96% said they were likely to return. Feedback highlighted the welcoming atmosphere and the value of the pre-concert talks.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025

With a focus on improving the online user experience, a new purchase pathway was introduced on the Orchestra's website. The chosen product, Viadukt (developed by Substrakt), is designed to streamline the customer journey and enhance accessibility. Its simplified, user-friendly booking flow reduces complexity and technical barriers, offering a smoother experience for all users, including those with cognitive or dexterity impairments.

Online, the Philharmonia's reach remained exceptional, with over 160 million streams across more than 180 countries, and more than 22 million people engaging with the Orchestra's music digitally. The introduction of a new social media and content role supported a refreshed content strategy, driving growth across all channels and delivering particularly strong engagement on Instagram and TikTok.

LEARNING AND ENGAGEMENT

Across the 2024/25 season, the Orchestra's community and education initiatives reached 15,360 people through workshops, concerts, and engagement projects. Although slightly lower than last year's total, this reflects a deliberate focus on deeper engagement with smaller groups, including older students in music hubs

The Philharmonia's talent development programmes continued to expand in 2024/25. The Instrumental Fellowship appointed 11 new Fellows for 2025/26 from a field of 160 applicants, with recruitment underway for two additional violin places. This year's cohort completed 11 patches of orchestral work and 36 hours of coaching, while Conservatoire Sit-Ins offered hands-on experience to students from the Royal Academy of Music and the Royal College of Music. The Composers' Academy also saw significant success. The June concert attracted an audience of more than 900 and received strong critical acclaim. Under the mentorship of Christian Mason, winner of the 2025 Grawemeyer Award, the 2024/25 cohort developed new works to high artistic standards. For 2025/26, ten applicants were shortlisted, from a pool of 95; from which three Fellows have been selected.

The 2024/25 Artist in Residence, Vidya Patel, presented the culmination of her residency, *A Bride's Woven Plea* in Leicester to an audience of nearly 300, exploring themes of migration and identity. Planning is now underway with the 2025/26 Artists in Residence, *Thick & Tight*, whose work will celebrate the Orchestra's 80th anniversary and explore the season theme of identity.

The Philharmonia's Insights programme hosted 22 events, attracting over 2,250 attendees. Highlights included a pre-concert interview with Jess Gillam (315 attendees) and a post-concert discussion with Marin Alsop and Mark Ball (450 attendees). The *Notes on Nature* discussion series and wraparound activity drew over 300 participants, with 90% rating the events as engaging and relevant. Building on this success, similar sessions will accompany the Orchestra's forthcoming concerts, exploring identity.

Across other programmes, Hear & Now marked its 15th anniversary with a major celebration at Battersea Arts Centre involving more than 150 participants from Bedford, Leicester and London, alongside ongoing local activity – including the first London-based partnership with Arts for Dementia and the Purcell School, which engaged 60 participants. The flagship Orchestra Unwrapped programme welcomed 4,414 pupils and 512 teachers, with a further 1,500 on waiting lists. Teacher training supported 56 educators, who rated sessions between 4.0 and 4.9 out of 5. The Nordic-themed curriculum, aligned with the Philharmonia's *Nordic Soundscapes* series, inspired over 880 pupils to express interest in learning an instrument, while 92% of teachers reported that the programme raised the profile of music in their schools. Work with the Bullfrog Orchestra continued to support young people in care across Leicestershire, building confidence and trust through collaborative music-making. A final performance for policymakers and sector leaders highlighted the programme's powerful impact on participants' wellbeing and self-expression.

Partnerships with UK music hubs and international collaborators continued to flourish. A new Young Composers Project with Sutton Music Trust reached 150 students, culminating in performances of their works by Philharmonia players. Side-by-side and coaching opportunities supported youth orchestras in Sutton and Leicestershire, leading to joint performances including *Finlandia* by Sibelius. A London brass project concluded with a performance at the US Embassy. Although a planned summer collaboration with youth orchestras in China was postponed, the Orchestra delivered youth workshops in Mikkeli and relaxed performances for community charities such as Strictly Hoxton.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025

The Philharmonia's Community Boards continue to grow, expanding by more than 35 organisations across all residency areas. In Canterbury, the newly named *Music Voice* Board is developing plans with The *Marlowe* and *Kent Music Hub* for 2025/26. In Basingstoke, the new board has already co-created a series of pop-up performances, reaching 1,500 attendees, while in Bedford and Leicester partnerships with councils, universities, and local hubs have continued to deepen.

ORGANISATION

The Board of the Philharmonia, under Lord King of Lothbury as Chair, met regularly to provide strategic leadership and oversight of the Orchestra's activities. After the year-end, on 1 January 2026, Sir Howard Davies succeeded Lord King as Chair, following Lord King's retirement after five years in the role. The Philharmonia warmly thanks Lord King for his outstanding leadership and long-standing commitment to the Orchestra.

During the year, there were several changes to the Board. James Buckle succeeded Cheremie Hamilton-Miller as President in March 2025, following her retirement at the end of her term. Alexander Rolton and Soong Choo were appointed as Joint Vice Presidents, both serving as player members of the Board. The Orchestra also welcomed several other new Trustees: David Aitman, David Pickard, Fiona Cornall, and Terry Sinclair, each bringing extensive experience and expertise to the organisation.

The Philharmonia also records its thanks to Trustees who stepped down during the year for their generous service and contribution: Cheremie Hamilton-Miller, Julia Zilberman, Lorenzo Modiano, Nuno Carapina, and Saul Nathan, whose guidance and support have been deeply valued.

The Philharmonia remains proud to be a National Portfolio Organisation (NPO) supported by Arts Council England for the period 2023–2026. The Orchestra plays an active role as a sector leader, working collaboratively with colleagues across the orchestral profession, including the Association of British Orchestras, the Musicians' Union, and other national partners, to champion the value and sustainability of orchestral music in the UK.

B FINANCIAL REVIEW

REVIEW OF THE FINANCIAL YEAR

The year to 31 August 2025 saw a consolidated net surplus of £541,452 (2024: £199,774). The standalone charity result for Philharmonia Limited was a surplus of £597,347 (2024: £278,698).

Underlying net operating surplus was £345,035 (2024: deficit of £103,037). The Orchestra continues to benefit from public funding, including membership of Arts Council England's National Portfolio Organisation, and through Orchestra Tax Relief. This has enabled greater investment in concerts and activity to be planned for the current and future seasons.

Support costs were £3,053,329 (2024: £2,877,069).

The Martin Musical Scholarship Fund (MMSF), whose financial results are consolidated 100% in these financial statements, made a deficit of £55,895 (2024: £87,126). Rite Digital Limited, Philharmonia Limited's fully owned trading subsidiary Company, made an operating surplus of £NIL (2024: £8,202).

FINANCIAL MANAGEMENT POLICY

The Orchestra aims to budget two to three years in advance, balancing the cost of orchestral concerts and other core work with grants and sponsorship income, as well as income directly generated by the work itself. If further activity is taken on once the budget has been set for the year ahead, it is only accepted if the work can be funded or if there is any remaining subsidy to be used. Regular communication with Arts Council England is also key to this advance budgeting.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025

RESERVES POLICY

The Philharmonia Orchestra aims to have accessible free reserves to cover at least 3 months of overhead costs at any one time and no less than £750,000. This level is prudent to cover any potential short-term disruptions or unexpected expenses, while ensuring funds are utilised efficiently to deliver the charity's objectives.

Free reserves are calculated by taking the brought forward unrestricted reserves balance adjusted for the movement in the year, but excluding the net book value of fixed assets, less the property, which is allocated to a designated fixed asset fund. The free reserves balance is maintained through cash reserves and investments that can be readily converted to cash as required, any excess being used for designated projects and strategic investments.

As at 31 August 2025 the total value of reserves was £8,797,836 (2024: £8,256,384). A breakdown of this is shown on the balance sheet and in the statement of funds note (note 21). Restricted and Endowment Funds are £4,145,618 of this amount (2024: £6,468,652) including £100,929 (2024: £156,824) of MMSF reserves.

Free reserves in the general fund at 31 August 2024 were £2,315,969 (2024: £1,467,692).

INVESTMENT POLICY

The Orchestra has a policy of investing surplus funds prudently to support its mission and long-term financial sustainability. The principal objectives are:

- To protect the real (inflation-adjusted) value of the Orchestra's investments over the long term;
- To generate a sustainable and stable return to support the Orchestra's operational and strategic priorities;
- To ensure that all investments align with the Orchestra's charitable status, values, and legal responsibilities; and
- To maintain sufficient liquidity to meet foreseeable cash flow needs.

The trustees delegate day-to-day management of the Orchestra's investment portfolio to professional investment managers under formal agreements. The agreed investment strategy is based on a long-term horizon and a moderate risk tolerance, with a diversified allocation across global equities, high-quality bonds, and other suitable asset classes. Sufficient liquidity will be maintained to meet shorter-term funding needs.

Oversight of investment activities rests with the Finance & Resources Committee, which receives performance reports from the investment managers and monitors compliance with the Orchestra's objectives and Charity Commission guidance. Cash forecasts are reviewed regularly to ensure sufficient working capital and to identify significant fluctuations in advance.

During the year, funds were managed in line with this policy and achieved performance consistent with objectives, while retaining flexibility to provide liquidity for operational needs.

Following the year end, and after a competitive tender process, the trustees appointed CCLA to manage the Orchestra's long-term reserves. The appointment followed detailed evaluation of proposals, interviews with shortlisted firms, and consideration of performance, risk, ESG credentials, client service, and value for money. The Board is confident that this new partnership will strengthen the stewardship of reserves and support the long-term resilience of the charity.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025

C FUTURE PLANS

The Philharmonia's 80th-anniversary season in 2025/26 will centre on the theme of music and identity. Framed by the motto 'Music is not what we do. It's what we are,' the season will explore the profound connection between music and identity through artistic collaborations, debates and landmark performances of some of the most iconic symphonic works ever written. Throughout the year, the Orchestra will also celebrate and reflect on eight decades of artistic excellence, innovation and impact, while looking ahead to the future of the orchestral experience and the Philharmonia's role in contemporary society.

Highlights will include 25 concerts at the Royal Festival Hall, alongside five concerts in each of the residencies in Bedford, Leicester, Canterbury and Basingstoke. Major international touring will take the Orchestra to South Korea and on a ten-date US tour, culminating in two celebratory concerts at Carnegie Hall marking the Orchestra's birthday. Collaborations with leading artists, including Featured Artist Víkingur Ólafsson, together with a series of new commissions, will continue the Philharmonia's long tradition of pairing the great orchestral repertoire with contemporary creativity.

Alongside this, the Orchestra will deepen its partnerships with a range of venues, artists, and collaborators, developing new cross-artform programmes designed to attract new audiences and push the boundaries of orchestral programming and presentation. Collaborations with Gilbert & George, composer Laura Karpman, and a new partnership with Soho Theatre, Walthamstow, will signal the Philharmonia's ambitious commitment to creating the orchestral experience of the future.

The Orchestra continues to strengthen its Learning & Engagement programme, bringing orchestral music to more people across the UK and beyond. During the 80th-anniversary season, the Philharmonia will begin developing new educational virtual reality content. Inspired by the ABO's *An Orchestra in Every School* campaign, this work will draw on the Orchestra's digital expertise to broaden access to orchestral music for classroom learners nationally and internationally. The Orchestra Unwrapped programme will also expand to additional residency locations, deepening partnerships with schools. Within the wider community, the Philharmonia will create 80 pop-up activities and celebratory residency events to mark the anniversary year.

All this activity contributes to a renewed commitment to engaging and developing audiences. The Philharmonia will launch a new initiative, *Philharmonia Social*, inviting both new and longstanding concertgoers to connect more closely with the Orchestra through direct interaction. Offering 80 free tickets for first-time attendees, a programme of interactive debates, a concert club, and introductions from our players, the initiative aims to break down barriers and enrich the traditional concert experience. These activities will be supported by a newly recruited cohort of 80 volunteers, dedicated to enhancing the welcome and fostering meaningful connections. Alongside this, the Philharmonia will unveil a refreshed brand identity, designed to create greater distinction within the sector.

D PRINCIPAL RISKS AND UNCERTAINTIES

The Philharmonia operates in a complex environment where economic, geopolitical, and sector-specific challenges create uncertainty for long-term planning and delivery of our mission. Trustees recognise their responsibility to monitor these risks carefully and to ensure that appropriate mitigations are in place.

During 2024/25, inflationary pressures continued to affect the Orchestra's cost base and to shape the financial environment in which promoters, venues, and funders operate. While audience levels at home and abroad have broadly stabilised in a post-pandemic environment, there remains uncertainty around fundraising income, investment returns, and the longer-term sustainability of international touring.

In response, the Board approved a comprehensive review of the risk register, aligning with best practice and introducing clearer categorisation, scoring, and escalation processes, helping provide greater clarity in distinguishing risks that require ongoing Board or Committee oversight.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025

KEY RISKS AND UNCERTAINTIES

At the date of approval, the most significant risks facing the Orchestra are:

Structural Deficit and Financial Sustainability

Ongoing pressure on the business model risks deficits over the medium term. A refreshed business model and three-year business plan are in development, supported by ACE's Transform fund, to strengthen resilience and clarify the treatment of reserves.

Fundraising Income Shortfall

Failure to maintain or grow contributed income would constrain the artistic programme and reduce flexibility. A new Development Board has been established and a strengthened case for support is being implemented.

Arts Council England Funding

NPO funding remains a cornerstone of income (£1.83m annually to 2026, extended to 2028 but with levels to be confirmed). Strategic shifts at ACE or reductions in future funding would significantly affect financial stability.

Orchestra Tax Relief

Reduction, withdrawal, or challenge to OTR would materially impact income. The Orchestra continues to work with sector bodies and advisors to advocate for and safeguard this relief

Health & Safety (including noise)

Inadequate controls could result in accidents, legal claims, or reputational harm. Policies and assessments are being updated to ensure compliance with best practice

Brand and Political Sensitivities

Repertoire choices or artist associations have the potential to attract criticism or donor withdrawal. Due diligence and communications protocols are in place to mitigate such risks.

RISK MANAGEMENT METHODOLOGY

The Orchestra employs a bottom-up approach to risk management. The Executive team maintains the risk register, identifying new risks and assigning responsibility for mitigation. The Finance & Resources Committee reviews the register quarterly, with escalation of medium-high and high residual risks to the Board for oversight. The Trustees' aim is to maintain an overall low-to-medium risk profile while ensuring the Orchestra continues to deliver its artistic, strategic, and charitable objectives.

E GOING CONCERN

The Trustees have assessed the appropriateness of preparing the financial statements on a going concern basis, taking into account the Orchestra's financial position, forecasts and principal risks over a period of at least twelve months from the date of approval of these financial statements.

In forming this assessment, the Trustees have considered the Orchestra's latest management accounts, the approved budget for FY 2025/26, the emerging assumptions for FY 2026/27 and the three-year business plan. They have also considered the Strategic Risk Register, which has been comprehensively reviewed and restructured during the year to reflect best practice in risk identification, mitigation and assurance.

The most relevant risks to the going concern assessment are those relating to financial sustainability, income volatility and cashflow resilience. In particular, the Trustees considered the risk of an ongoing structural deficit, the potential for fundraising income shortfall, continued reliance on Orchestra Tax Relief (OTR), and wider inflationary and cost pressures affecting the sector. These risks are actively monitored through the Finance & Resources Committee and are subject to defined mitigating actions.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025

The Trustees note that the Orchestra has delivered surpluses in FY 2023/24 and FY 2024/25, and that cashflow at year end was materially stronger than at the start of the year. The organisation maintains detailed rolling cashflow forecasts and has access to short-term liquidity facilities, which provide additional flexibility in managing timing differences between income and expenditure. In addition, the Orchestra holds investment assets which, subject to their legal status and the Trustees' fiduciary duties, could be realised or drawn upon on a temporary or permanent basis if required, providing further resilience in the event of short-term cashflow pressures or more severe adverse scenarios.

In assessing the availability of reserves, the Trustees have taken into account the clarification and realignment of the Orchestra's reserves structure reflected in these financial statements. This has improved transparency over the distinction between unrestricted, designated and endowment funds and provides greater clarity over the level of resources that could be accessed in exceptional circumstances.

The Trustees have also considered downside scenarios, including lower-than-anticipated earned income, delays to touring activity and adverse changes to OTR. Mitigations available in such circumstances include discretionary control over certain categories of expenditure, the ability to defer or re-scope activity, active fundraising interventions and, where appropriate, the use of available reserves in line with their legal status.

F INVESTMENT PRINCIPLES

During the year the Orchestra continued its strong action plans related to the ACE investment principles of Ambition and Quality, Environmental Responsibility, Dynamism, and Inclusivity and Relevance. Initiatives being undertaken speak directly to the priorities identified by Arts Council England as being germane to the Creative Case for Diversity and the 'Let's Create' strategy and are supported by data and evaluation methodology throughout.

WORKFORCE, GOVERNANCE AND MEMBERSHIP

Philharmonia commits to achieving a more diverse workforce, Board of Trustees, and Membership of the Orchestra, ensuring the Orchestra is representative of the UK's diversity. It is essential to create and maintain an inclusive environment to ensure everyone is safe and comfortable in their workplace, can work to the best of their abilities, and can utilise this diversity to co-create a sustainable, relevant, and forward-thinking organisation.

ARTISTS, PROGRAMME AND PARTNERSHIPS

Philharmonia will programme performances, artistic series, artists and form partnerships that are relevant to and representative of the Orchestra's diverse residency communities.

AUDIENCE AND PARTICIPANTS

Audiences, participants and those engaging with Philharmonia, both digitally and live, will be representative of the diversity of the communities that are served.

DYNAMISM

Philharmonia continues to invest in data analysis and strategic planning, utilising its digital expertise to adapt music in new formats.

ARTISTIC PLANNING

Philharmonia continues to support the widest range of programming, promoting and supporting emerging artists, and bringing classical music to new audiences.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025

G EQUITY, DIVERSITY AND INCLUSION

The Philharmonia is committed to fostering a culture of equity, diversity and inclusion (EDI) across all areas of its work, ensuring that fairness, accessibility, and representation remain at the heart of the organisation.

Throughout 2024/25, the Orchestra maintained an active Equality Steering Group, which coordinates activities and monitors progress on EDI priorities. The Group expanded its approach to ensure that the views of players and staff are heard widely and consistently. Alongside its quarterly Town Hall meetings, it has introduced bespoke discussion sessions, regular updates in the internal newsletter, and focused briefings on single-issue topics. These channels have strengthened transparency and dialogue across the organisation, ensuring that EDI remains an open and ongoing conversation.

The Philharmonia also continued its commitment to the Inclusive Practice in Recruitment programme, led by the Association of British Orchestras (ABO), Musicians' Union (MU), and Black Lives in Music (BLiM). Now in its second full year, the Orchestra has adopted two further actions from the programme's ten-point plan, which promotes inclusive recruitment across the UK's classical music sector. As a result, the Philharmonia has undertaken a comprehensive review of its recruitment procedures, including audition, advertising, and selection processes, and is assessing how the revised approach can be applied more broadly across its employment practices.

In parallel, the Philharmonia carried out a wide-ranging review of accessibility for audiences, reflecting its belief that inclusion extends beyond the stage. This work included an audit of the Orchestra's website and printed materials, and a commissioned study by a charity partner examining the experience of disabled audience members, from ticket booking through to post-concert activities. The Orchestra is now implementing many of the report's recommendations and has shared venue-related suggestions with its partners to encourage a coordinated and consistent approach to accessibility across all Philharmonia performances.

H SUSTAINABILITY

The Orchestra is committed to minimising the environmental impact of its activities and embedding sustainable practice across the organisation. As a touring orchestra, the majority of the Orchestra's environmental footprint arises from domestic and international touring — including artist and orchestra travel, freight and instrument transport, and the energy use of venues where it rehearses and performs.

Bringing together players and staff, the Environmental Working Group meets quarterly, overseeing delivery of the Philharmonia's Environmental Policy and action plan, and ensuring alignment with the investment principles of ACE's *Let's Create* strategy. Trustees receive an annual update from the group and review of progress.

The Environmental Policy, which was developed in partnership with *Julie's Bicycle* and *Reboot the Future*, was updated in 2024/25 and approved by the Board. It sets out six core principles covering how the Philharmonia acts on tour, travels, trucks, programmes, partners, and tracks progress. A key priority in 2024/25 has been to establish accurate baseline data, mapping the environmental policies of partners and suppliers and reviewing where the greatest impact can be achieved. This data will inform measurable targets and future initiatives across the Orchestra's operations, touring, and supply chain.

In line with its Policy commitments, the Philharmonia continues to seek practical ways to reduce its carbon footprint. When planning touring routes, train and coach travel are prioritised wherever feasible, and direct flights are used to reduce emissions. Players and staff are encouraged to adopt environmentally responsible practices while touring, including reducing single-use plastics, limiting laundry cycles in hotels, and reusing materials.

The Philharmonia's artistic and operational programmes also reflect its environmental ethos. Recent projects have included repertoire and collaborations that engage with themes of nature and climate, notably in 2024/25 the *Nordic Soundscapes* series and the associated engagement programme, as well as efforts to reduce material waste through digital programmes.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025

Through this combination of policy, data, and action, the Philharmonia continues to integrate sustainability as a core part of its organisational ethos and to play its part in addressing climate priorities, both on and off the concert platform.

I FUNDRAISING STATEMENT

The Philharmonia is profoundly grateful for the continued and generous support of its many benefactors and partners.

In the 2024/25 season, special thanks are due to the Laurence Modiano Charitable Trust (LMCT), the Lloyd E. Rigler–Lawrence E. Deutsch Foundation, and the Modiano and Weinstock families for their support of a major concert conducted by Maestro Riccardo Muti in March 2025, which marked the beginning of the countdown to the Orchestra's 80th anniversary season.

A leading gift from NJA Ltd. fully funded the *Orchestra Unwrapped* project for the year. Beyond financial support, NJA Ltd. played an active role in encouraging the project's expansion for the Orchestra's 80th anniversary, and has committed substantial match funding to *Orchestra Unwrapped* for the 2025/26 and 2026/27 seasons. The Philharmonia is deeply grateful for this enlightened and sustained commitment.

The Orchestra also acknowledges with deep gratitude its leading donors: the Laurence Modiano Charitable Trust, the David and Elaine Potter Foundation, the Sidney Perry Foundation, the Fernside Trust, the Art Mentor Foundation Lucerne, Latifa Kosta, and Lady Lipworth CBE, together with her late husband Sir Sydney Lipworth KC. Sir Sydney's passing this year marked the conclusion of more than 30 years of close association and leadership with the Philharmonia, to which the Orchestra will pay tribute during the 2025/26 season.

The Philharmonia was honoured to perform at Winfield House in January 2025 for the farewell event of US Ambassador Jane Hartley, marking the Orchestra's second appearance at this historic venue in as many years. Support from Southwark and Lambeth Councils enabled the continuation of schools and community programmes, including *Hear & Now*, which bring the Philharmonia's work to a wider and more diverse public.

The Orchestra also extends its thanks to its closely affiliated organisations for their ongoing support during 2024/25: the Philharmonia Orchestra in Bedford Trust, and the Philharmonia Foundation Inc. in New York, which has raised over \$800,000 in support of the forthcoming 2025/26 80th Anniversary Tour to the United States.

All voluntary fundraising at the Philharmonia is carried out by the internally managed Development Department. Philharmonia Ltd. is committed to ensuring that all fundraising activities are undertaken with integrity and in full compliance with the Charity Commission's Code of Fundraising Practice. The organisation is registered with the Fundraising Regulator and adheres to its standards to ensure that all fundraising is legal, open, honest, and respectful. The Philharmonia is transparent in its dealings with donors and accountable to the public for the funds it raises. There were no fundraising complaints recorded during the current or previous financial periods.

J STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

Philharmonia Limited is a charity registered with the Charity Commission. It is a charitable Company limited by guarantee, governed by its Memorandum and Articles of Association as per the Charity Commission register. At 31 August 2025, there were 64 members (2024: 66).

APPOINTMENT OF THE BOARD OF TRUSTEES

The Board of trustees comprises eight playing members of the Orchestra, plus seven non-playing members.

PHILHARMONIA LIMITED
(a company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025

The members of the Board of Trustees are appointed by the members of the Company. A vote is conducted at each Annual General Meeting to elect nominated members to fill vacancies created by the retirement of existing members of the Board. Exceptionally, a member may be elected at an Extraordinary General Meeting. The non-playing members of the Board are co-opted at each Annual General Meeting.

The Board sets and reviews orchestral policy, financial policy and strategy. It reviews agreements with Arts Council England and other major funders. The Board makes major decisions, including the appointment of titled conductors, and the Chief Executive Officer. The Board approves the financial budgets and accounts and appoints the auditor. It receives and monitors reports from the Orchestra Committee, Artistic Committee, Development Board, Finance Committee, and Nominations Committee, and regularly reviews the skills available on sub-committees.

To facilitate effective operations, the CEO has delegated authority, within terms of delegation approved by the Board, for operational matters including finance, employment and artistic performance-related activity.

INDUCTION AND TRAINING OF THE BOARD OF TRUSTEES

New members of the Board of Trustees receive a formal induction session from the Chair, the CEO, key employees and other members of the Board. Training and briefing for new and existing Board members is undertaken to ensure Trustees are kept abreast of the latest standards and guidance.

ORGANISATION

The Board is supported by five sub-committees: the Orchestra Committee, the Finance Committee, the Artistic Committee, the Nominations Committee, and, established post year-end, the Development Board.

- The Orchestra Committee consists of the player members of the Board (currently eight), chaired by the President of the Orchestra. Meeting approximately every two weeks, it is responsible for day-to-day orchestra matters, reporting to the Board on the management of orchestral and musical issues in line with Board policy.
- The Finance Committee comprises five non-player members (four of whom are Trustees), together with the President and Vice President of the Orchestra. Chaired by a non-player Trustee, it meets at least four times a year ahead of Board meetings. It recommends budgets, reviews performance against plan, and oversees financial issues in accordance with Board policy. Non-player members also approve player fee increases recommended by the Executive.
- The Artistic Committee comprises five players elected by the members of the Charity at the AGM and one additional player appointed by the Orchestra Committee from among its members. Meeting at least three times per season, and with the CEO (or delegate) in attendance, the Committee has an advisory role to the Board and CEO. It is the primary forum for collating and presenting Orchestra members' views in relation to the artistic plans and long-term artistic strategy.
- The Nominations Committee advises the Board on Trustee and senior appointment matters, including succession planning and remuneration oversight.
- The Development Board, created after the year end, brings together individuals with the capacity, networks, and advocacy to support the Philharmonia's fundraising ambitions. Its purpose is to help achieve budgeted fundraising targets, extend the Orchestra's reach and influence, and act as champions and advocates for its work. The Development Board works closely with the CEO, Director of Development, and the Development Team, and its Chair will provide regular updates to the Philharmonia Board.

SENIOR STAFF

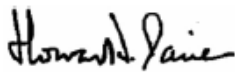
Day-to-day operating decisions are delegated to the Executive Team, comprising the Chief Executive, Director of Concerts, Director of Development, Director of Finance and Resources, Director of Learning & Engagement, and Director of Marketing & Communications.

PHILHARMONIA LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025

Pay for senior staff, including members of the Executive Team, is benchmarked against industry norms and overseen by the Nominations Committee. The remuneration of the Chief Executive Officer is subject to approval by the Board of Trustees.

This report was approved and authorised for issue by the Trustees and signed on its behalf by:



Sir Howard Davies
Chair

11 February 2026

PHILHARMONIA LIMITED
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2025

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

Company law requires the Trustees to prepare financial statements for each financial . 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 Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

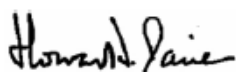
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the members of the Board of Trustee and signed on its behalf by:



Sir Howard Davies
Chair

11 February 2026

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PHILHARMONIA LIMITED

Opinion

We have audited the financial statements of Philharmonia Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 August 2025 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

PHILHARMONIA LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PHILHARMONIA LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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 course of 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the parent charitable company has not kept sufficient accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; 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 Trustee's Responsibilities, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PHILHARMONIA LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

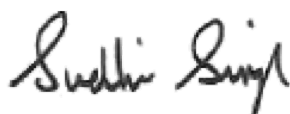
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PHILHARMONIA LIMITED (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Sudhir Singh FCA (Senior Statutory Auditor)

MHA

Statutory Auditor

Date: 16 February 2026

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

MHA are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

PHILHARMONIA LIMITED
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2025**

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income and endowments from:						
Donations and legacies	4	2,395,054	600,869	-	2,995,923	3,080,294
Charitable activities	5	5,876,310	-	-	5,876,310	5,269,817
Other trading activities	6	141,472	-	-	141,472	8,457
Investments	7	4,915	3,885	93,111	101,911	113,320
Other income	8	1,967,417	-	-	1,967,417	1,761,864
Total income and endowments		10,385,168	604,754	93,111	11,083,033	10,233,752
Expenditure on:						
Raising funds	9,10	594,936	22,942	21,737	639,615	674,022
Charitable activities	11	9,447,214	651,169	-	10,098,383	9,662,767
Total expenditure		10,042,150	674,111	21,737	10,737,998	10,336,789
Net (expenditure)/ income before net gains/(losses) on investments		343,018	(69,357)	71,374	345,035	(103,037)
Net gains on investments		-	-	220,102	220,102	302,811
Net (expenditure)/ income		343,018	(69,357)	291,476	565,137	199,774
Transfers between funds	21	2,545,153	55,255	(2,600,408)	-	-
Net movement in funds before other recognised gains/(losses)		2,888,171	(14,102)	(2,308,932)	565,137	199,774
Other recognised gains/(losses):						
Impairment of fixed assets		(23,685)	-	-	(23,685)	-
Net movement in funds		2,864,486	(14,102)	(2,308,932)	541,452	199,774

PHILHARMONIA LIMITED
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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

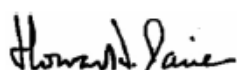
Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Reconciliation of funds:					
Total funds brought forward	1,787,732	447,153	6,021,499	8,256,384	8,056,610
Net movement in funds	2,864,486	(14,102)	(2,308,932)	541,452	199,774
Total funds carried forward	<u><u>4,652,218</u></u>	<u><u>433,051</u></u>	<u><u>3,712,567</u></u>	<u><u>8,797,836</u></u>	<u><u>8,256,384</u></u>

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00799297

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2025

	Note	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	16		3,719,454		3,727,717
Investments	17		3,707,556		3,996,710
			<u>7,427,010</u>		<u>7,724,427</u>
Current assets					
Debtors: Amounts falling due within one year	18	2,855,637		2,490,869	
Cash at bank and in hand		1,542,884		633,026	
		<u>4,398,521</u>		<u>3,123,895</u>	
Creditors: Amounts falling due within one year	19	(1,769,803)		(1,255,931)	
			<u>2,628,718</u>		<u>1,867,964</u>
Total assets less current liabilities			<u>10,055,728</u>		<u>9,592,391</u>
Creditors: Amounts falling due after more than one year	20		(1,257,892)		(1,336,007)
Total net assets			<u><u>8,797,836</u></u>		<u><u>8,256,384</u></u>
Charity funds					
Endowment funds	21		3,712,567		6,021,499
Restricted funds	21		433,051		447,153
Unrestricted funds	21		4,652,218		1,787,732
Total funds			<u><u>8,797,836</u></u>		<u><u>8,256,384</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Sir Howard Davies
Chair

11 February 2026

The notes on pages 28 to 58 form part of these financial statements.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00799297

CHARITY BALANCE SHEET
AS AT 31 AUGUST 2025

	Note	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	16		3,710,147		3,718,090
Investments	17		3,707,656		3,996,810
			<u>7,417,803</u>		<u>7,714,900</u>
Current assets					
Debtors: Amounts falling due after more than one year	18	2,987,030		2,590,488	
Cash at bank and in hand		1,318,435		381,776	
		<u>4,305,465</u>		<u>2,972,264</u>	
Creditors: Amounts falling due within one year	19	(1,763,816)		(1,246,944)	
Net current assets			<u>2,541,649</u>		<u>1,725,320</u>
Total assets less current liabilities			<u>9,959,452</u>		<u>9,440,220</u>
Creditors: Amounts falling due after more than one year	20		(1,257,892)		(1,336,007)
Total net assets			<u><u>8,701,560</u></u>		<u><u>8,104,213</u></u>
Charity funds					
Endowment funds	21		3,707,656		5,961,333
Restricted funds	21		337,033		350,495
Unrestricted funds	21		4,656,871		1,792,385
Total funds			<u><u>8,701,560</u></u>		<u><u>8,104,213</u></u>

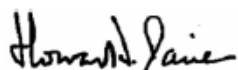
The Charity's net movement in funds for the year was £597,347 (2024 - £278,698).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00799297

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2025

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Sir Howard Davies
Chair

11 February 2026

The notes on pages 28 to 58 form part of these financial statements.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash used in operating activities	23	461,813	<i>(884,016)</i>
Cash flows from investing activities			
Dividends, interests and rents from investments	7	101,911	<i>113,320</i>
Purchase of tangible fixed assets	16	(129,884)	<i>(92,915)</i>
Proceeds from sale of investments	17	631,146	<i>964,460</i>
Purchase of investments	17	(721,890)	<i>(1,049,265)</i>
Mortgage interest	12	(33,238)	<i>(37,822)</i>
Drawdown of investments	17	600,000	<i>500,000</i>
Net cash provided by investing activities		448,045	397,778
Change in cash and cash equivalents in the year		909,858	(486,238)
Cash and cash equivalents at the beginning of the year		633,026	<i>1,119,264</i>
Cash and cash equivalents at the end of the year	24	1,542,884	<i>633,026</i>

The notes on pages 28 to 58 form part of these financial statements.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

1. General information

Philharmonia Limited is a charitable company limited by guarantee and is registered with the Charity Commission (Charity Registered Number 250277) and the Registrar of Companies (Company Registration Number 00799297) in England and Wales.

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per Member of the Charity.

The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are as shown in the Trustees Report.

A summary of the principal accounting policies for the year ended 31 August 2025, all of which have been applied consistently throughout the year and the preceding year is set out as below.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Philharmonia Limited 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.

The group financial statements consolidate on a line by line basis the financial statements of: the charitable company Philharmonia Limited; its fully owned trading subsidiary Rite Digital Limited; Philharmonia Trust, which transferred its assets to Philharmonia Limited on the 1st April 2020, Philharmonia Limited is the sole corporate member of this company limited by guarantee; The Martin Musical Scholarship Fund, whose sole Trustee is the charitable company. Excluded from the consolidation is the Philharmonia Foundation Inc, registered in the US, the Philharmonia Orchestra in Bedford Trust, and the Philharmonia Benevolent Fund, all of which are independently governed charities.

The financial statements have been presented in pound sterling, which is also the functional currency of the Company, and are rounded to the nearest pound.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

2. Accounting policies (continued)

2.2 Going concern

The Trustees have assessed the appropriateness of preparing the financial statements on a going concern basis for a period of at least 12 months from the date of authorisation. In doing so, they have considered known future events and uncertainties and do not consider these to give rise to any material uncertainty that would cast significant doubt on the Charity's ability to continue as a going concern.

In making this assessment, the Trustees have reviewed the level of funds held and the forecast income and expenditure over the same period. They have taken into account the Orchestra's reliance on Arts Council England (ACE) funding for its ongoing activities and the confirmation of continued National Portfolio Organisation (NPO) funding through to 31 March 2027.

The Orchestra operates within a funding and operating environment that is subject to ongoing uncertainty, including in relation to the level and security of future public funding. This risk is mitigated by a detailed annual budgeting process, robust financial management and oversight, and a strong asset and reserves position, including its freehold property and endowment holdings. Together, these factors provide the Trustees with confidence that the Orchestra is able to manage financial risk and meet its obligations as they fall due.

On the basis of this assessment, the Trustees consider it appropriate to prepare the financial statements of Philharmonia Limited on a going concern basis.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Voluntary income, including donations, gifts and legacies, as well as grants that provide core funding or are of a general nature are recognised where there is entitlement, receipt is probable, and the amount can be measured with sufficient reliability. Such income is only deferred if the donor has requested the amount to be allocated to specific concerts, engagements or projects, in which case it is allocated to the financial year in which the work takes place, or the donor has imposed conditions which must be met before the Charity has unconditional entitlement.

Other categories of income are recognised on an accruals basis, (excluding value added tax), with income relating to advanced ticket sales being held as deferred income and released only when the concert takes place. Engagement and Touring fees are recognised when the activity has taken place. Rite Digital Limited transfers its surplus to Philharmonia Limited under the terms of Gift Aid at year end or carries forward any deficit to future years.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated Statement of Financial Activities as the related expenditure is incurred.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised unless for security reasons they need to be recorded (e.g. laptop computers) and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Fixed assets include musical instruments which have been valued at deemed cost at the transition date of FRS102. Long leasehold property is also recognised at deemed cost, being its fair value at the date it was gifted to the Charity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method, unless the asset is considered to have a high residual value where the annual depreciation charge would therefore be immaterial.

Depreciation is provided on the following bases:

Motor vehicles	- 5 years
Music library	- 50 years
Fixtures and fittings	- 5 years
Musical Instruments	- 10 years
Property improvements	- 20 years
Computer equipment	- 3 years
Property	- 50 years

The element of Long leasehold property which represents land is not depreciated

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

2.8 Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are continuously measured at fair value with changes recognised in 'net gains/(losses) on investments' in the Statement of Financial Activities. As investments are continuously revalued there are no realised gains or losses recorded.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 Debtors

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

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

2. Accounting policies (continued)

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.12 Financial instruments

The Company only holds basic Financial Instruments. The financial assets and financial liabilities of the Company are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 18. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 19 and 20. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is simply an obligation to deliver services rather than cash or another financial instrument.

2.13 Foreign exchange transactions

Transactions in foreign currencies are translated at the actual rate at the time of the transaction. Assets and liabilities held on the Balance Sheet in foreign currencies are translated at the closing rate at the Balance Sheet date. All differences are taken to the Statement of Financial Activities.

2.14 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the lease term.

2.15 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

2. Accounting policies (continued)

2.16 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Permanent endowments are funds which are restricted to the extent the Charity cannot draw down the capital but the income is used to provide an income to fund activities, in accordance with the donors' respective wishes.

Expendable endowments are funds where the capital can be disbursed in addition to income generated if the Trustees resolve to do so.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.17 Connected Charities

Philharmonia Foundation Inc is based in the United States and is connected to Philharmonia Limited as some of the Trustees of Philharmonia Limited are also on the Board of the US entity. The Philharmonia Orchestra in Bedford Trust (registered Charity number 1170495) is connected to Philharmonia Limited but has no Trustees in common. The Philharmonia Benevolent Fund (registered Charity number 280370) is connected to Philharmonia Limited but also has no Trustees in common.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Valuation of music library

The only significant judgement was to maintain the value of the music library at its existing net book value on transfer from the Philharmonia Trust Limited. The Trustees decided not to increase the value, due to the uncertainty of the valuation.

Orchestral Tax Relief

Orchestra tax relief (OTR) is elected on an annual basis in advance, with any subsequent, standalone event elections taking place during the year. The existence of an associated asset can therefore only be confirmed upon the finalisation and submission of the company tax return and subsequent review and agreement by HMRC. In this way OTR relating to any financial year is likely to be received up to 18 months after the initial event(s) recorded in any claim. At the date of the signing of these accounts, the Charity was in the process of finalising a significant OTR claim in relation to activities performed during the year. Included within these financial statements is the Charity's current best estimate of the value that will be received from HMRC. However, as there are a number of variables associated with the claim which are subject to HMRC review, this amount could materially differ from the value ultimately agreed by and received from HMRC.

Long leasehold property

The trustees have been required, in the absence of a split of deemed cost, to estimate the allocation of the cost of this property between the relative elements attributable to land, which is not depreciated, and buildings, which are depreciated. Having consulted with property professionals, considered statutory provisions, and researched market factors, the trustees consider 40% of the deemed cost to represent land and 60% to present buildings. As such, 40% of the deemed cost is not depreciated.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

4. Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Arts Council - core grant	1,842,501	-	1,842,501
Arts Council - transform	-	139,500	139,500
Donations from charitable foundations	-	109,660	109,660
Other donations and legacies	522,553	198,564	721,117
Sponsorship donations	-	153,145	153,145
Grants	30,000	-	30,000
Total 2025	2,395,054	600,869	2,995,923
	<i>Unrestricted funds 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Arts Council - core grant	1,830,223	-	1,830,223
Arts Council - transform	-	214,469	214,469
Donations from charitable foundations	202,533	278,505	481,038
Other donations and legacies	335,257	27,023	362,280
Sponsorship donations	-	145,284	145,284
Grants	47,000	-	47,000
Total 2024	2,415,013	665,281	3,080,294

In both the current and prior year, the Charity received government grants during the year. The Arts Council funding is the only such grant and there were no unfulfilled conditions at the year-end.

The Charity gained entitlement to a legacy in 2024 and received during the year distributions amounting to £68k, which has been recognised within unrestricted other donations and legacies.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

5. Income from charitable activities

	Unrestricted funds 2025 £	Total funds 2025 £
Income from charitable activities	5,876,310	5,876,310

	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Income from charitable activities	5,269,817	5,269,817

6. Income from other trading activities

	Unrestricted funds 2025 £	Total funds 2025 £
Other trading activities	141,472	141,472

	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Other trading activities	8,457	8,457

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

7. Investment income

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £
Investment income	-	-	93,111	93,111
Interest on deposits	4,915	3,885	-	8,800
Total 2025	4,915	3,885	93,111	101,911
		<i>Restricted funds 2024 £</i>	<i>Endowment funds 2024 £</i>	<i>Total funds 2024 £</i>
Investment income		-	108,302	108,302
Interest on deposits		5,018	-	5,018
<i>Total 2024</i>		5,018	108,302	113,320

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

8. Other income

	Unrestricted funds 2025 £	Total funds 2025 £
Orchestral tax relief	1,932,832	1,932,832
Royalties	34,585	34,585
Total 2025	1,967,417	1,967,417

	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Orchestral tax relief	1,761,832	1,761,832
Royalties received	32	32
<i>Total 2024</i>	<i>1,761,864</i>	<i>1,761,864</i>

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

9. Expenditure on raising funds

	Unrestricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £
Costs of raising funds	594,936	21,737	616,673

Included within cost of raising funds are direct costs of £31,294 (2024 - £50,682) and support costs of £585,379 (2024 - £599,843). These are outlined below.

	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Costs of raising funds	650,525	650,525

Raising funds - Support costs

	2025 £	2024 £
Employment costs	403,318	391,734
Travel, subsistence and entertaining	5,817	11,055
Occupation and office costs	100,223	107,830
Bank interest and charges	4,304	4,575
Other costs	59,465	70,825
Governance costs	12,252	13,824
	585,379	599,843

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

10. Investment management costs

	Restricted funds 2025 £	Total funds 2025 £
Investment management fees	22,942	22,942

	<i>Restricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Investment management fees	23,497	23,497

11. Analysis of expenditure on charitable activities - by fund

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
Charitable activities	9,447,214	651,169	10,098,383

	<i>Unrestricted funds 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Total 2024 £</i>
Charitable activities	9,054,332	608,435	9,662,767

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

12. Analysis of expenditure on charitable activities - by type

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £
Direct costs	7,630,433	2,467,950	10,098,383

	<i>Activities undertaken directly 2024 £</i>	<i>Support costs 2024 £</i>	<i>Total funds 2024 £</i>
Direct costs	7,385,541	2,277,226	9,662,767

Analysis of direct costs

	Total funds 2025 £	Total funds 2024 £
Concert, relay fees and player support	5,719,676	5,811,272
Travel and transport of instruments	370,002	325,468
Music and instrument hire	110,367	111,029
Hall hire and box office commission	661,597	497,584
Programme expenditure	201,256	261,936
Grants payable	59,870	92,144
Other expenditure	474,427	248,286
Interest payable on mortgage loan	33,238	37,822
	7,630,433	7,385,541

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

12. Analysis of expenditure on charitable activities - by type (continued)

Analysis of support costs

	Total funds 2025 £	<i>Total funds 2024 £</i>
Staff costs	1,693,272	1,506,937
Depreciation	91,290	87,740
Travel, subsistence and entertaining	23,267	44,220
Occupation and office costs	400,894	416,433
Bank interest and charges	17,220	18,300
Governance costs	49,008	55,296
Other costs	192,999	148,300
	<u>2,467,950</u>	<u>2,277,226</u>

13. Governance costs

	2025 £	<i>2024 £</i>
Auditor's remuneration - Audit of the financial statements	51,900	49,920
Auditor's remuneration - Accountancy fees	7,440	7,140
Auditor's remuneration - Other fees	1,920	12,060
	<u>61,260</u>	<u>69,120</u>

The table above discloses the Group's total governance costs. This total is made up of the Charity's governance costs, as detailed in Notes 9 and 12 above.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

14. Staff costs

	Group 2025	<i>Group 2024</i>	Charity 2025	<i>Charity 2024</i>
	£	£	£	£
Wages and salaries	1,834,306	<i>1,653,347</i>	1,834,306	<i>1,653,347</i>
Social security costs	174,184	<i>159,056</i>	174,184	<i>159,056</i>
Pension costs	88,100	<i>86,268</i>	88,100	<i>86,268</i>
	<u>2,096,590</u>	<i><u>1,898,671</u></i>	<u>2,096,590</u>	<i><u>1,898,671</u></i>

The average number of persons employed by the Charity during the year was as follows:

	Group 2025	<i>Group 2024</i>
Library	1	<i>-</i>
Finance	-	<i>5</i>
Sales and Marketing	8	<i>7</i>
Education	5	<i>4</i>
Concerts	7	<i>10</i>
New Media	-	<i>2</i>
Development	7	<i>7</i>
Management	-	<i>3</i>
Artistic	-	<i>2</i>
Orchestra Operations Team	3	<i>-</i>
Administration	8	<i>-</i>
Media	1	<i>-</i>
	<u>40</u>	<i><u>40</u></i>

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

14. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2025 No.	<i>Group 2024 No.</i>
In the band £60,001 - £70,000	1	6
In the band £70,001 - £80,000	3	-
In the band £80,001 - £90,000	1	-
In the band £170,001 - £180,000	1	1

Key Management Personnel are considered to be the Trustees and Senior Management team, being the Chief Executive Officer, Director of Artistic Events, Director of Development, Director of Marketing & Communications, Director of Learning & Engagement, Concerts Director, Finance Director and Chief Operating Officer.

The total cost of employment of the Key Management Personnel was £635,212 (2024 - £674,297).

The total cost of termination payments in the year was £NIL (2024 - £9,375).

15. Trustees' remuneration and expenses

During the year, one or more Trustees has been paid remuneration or has received other benefits from an employment with the Charity. No emoluments were paid for services as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2025	<i>2024</i>
		£	<i>£</i>
Kira Doherty	Remuneration	-	5,396
	Pension contributions paid	-	324
Cheremie Hamilton-Miller	Remuneration	9,197	11,229
	Pension contributions paid	518	674
James Buckle	Remuneration	11,487	5,833
	Pension contributions paid	759	350
Soong Choo	Remuneration	1,667	-
Alexander Rolton	Remuneration	1,667	-

During the year ended 31 August 2025, no Trustee expenses have been incurred (2024 - £NIL).

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

16. Tangible fixed assets

Group

	Long leasehold property £	Musical instruments £	Music library £	Computer equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation							
At 1 September 2024	3,819,440	208,926	220,648	70,775	14,410	-	4,334,199
Additions	-	-	-	23,884	-	106,000	129,884
At 31 August 2025	<u>3,819,440</u>	<u>208,926</u>	<u>220,648</u>	<u>94,659</u>	<u>14,410</u>	<u>106,000</u>	<u>4,464,083</u>
Depreciation							
At 1 September 2024	416,416	79,046	64,058	43,506	3,456	-	606,482
Charge for the year	42,852	18,086	13,848	18,703	2,684	18,289	114,462
Impairment charge	-	7,782	-	7,633	8,270	-	23,685
At 31 August 2025	<u>459,268</u>	<u>104,914</u>	<u>77,906</u>	<u>69,842</u>	<u>14,410</u>	<u>18,289</u>	<u>744,629</u>
Net book value							
At 31 August 2025	<u>3,360,172</u>	<u>104,012</u>	<u>142,742</u>	<u>24,817</u>	<u>-</u>	<u>87,711</u>	<u>3,719,454</u>
At 31 August 2024	<u>3,403,024</u>	<u>129,880</u>	<u>156,590</u>	<u>27,269</u>	<u>10,954</u>	<u>-</u>	<u>3,727,717</u>

PHILHARMONIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

16. Tangible fixed assets (continued)

Charity

	Long leasehold property £	Musical instruments £	Music library £	Computer equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation							
At 1 September 2024	3,819,440	192,926	220,648	64,339	14,410	-	4,311,763
Additions	-	-	-	23,884	-	106,000	129,884
At 31 August 2025	<u>3,819,440</u>	<u>192,926</u>	<u>220,648</u>	<u>88,223</u>	<u>14,410</u>	<u>106,000</u>	<u>4,441,647</u>
Depreciation							
At 1 September 2024	416,416	72,673	64,058	37,070	3,456	-	593,673
Charge for the year	42,852	17,766	13,848	18,703	2,684	18,289	114,142
Impairment charge	-	7,782	-	7,633	8,270	-	23,685
At 31 August 2025	<u>459,268</u>	<u>98,221</u>	<u>77,906</u>	<u>63,406</u>	<u>14,410</u>	<u>18,289</u>	<u>731,500</u>
Net book value							
At 31 August 2025	<u><u>3,360,172</u></u>	<u><u>94,705</u></u>	<u><u>142,742</u></u>	<u><u>24,817</u></u>	<u><u>-</u></u>	<u><u>87,711</u></u>	<u><u>3,710,147</u></u>
At 31 August 2024	<u><u>3,403,024</u></u>	<u><u>120,253</u></u>	<u><u>156,590</u></u>	<u><u>27,269</u></u>	<u><u>10,954</u></u>	<u><u>-</u></u>	<u><u>3,718,090</u></u>

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

17. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 September 2024	3,996,710
Additions	721,890
Disposals	(631,146)
Revaluations	220,102
Drawdown	(600,000)
At 31 August 2025	<u>3,707,556</u>

The historic cost of the Group's listed investments is £2,774,978 (2024 - £3,204,649).

Charity	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 September 2024	100	3,996,710	3,996,810
Additions	-	721,890	721,890
Disposals	-	(631,146)	(631,146)
Revaluations	-	220,102	220,102
Drawdown	-	(600,000)	(600,000)
At 31 August 2025	<u>100</u>	<u>3,707,556</u>	<u>3,707,656</u>

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

17. Fixed asset investments (continued)

Principal subsidiaries

The following were subsidiary undertakings of the Charity:

Names	Company number	Charity registration number	Holding/ control	Included in consolidation
Rite Digital Limited	07565292		100%	Yes
The Martin Musical Scholarship Fund		313937	100%	Yes
Philharmonia Trust Limited	913665	254191	100%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Rite Digital Limited	141,472	(141,472)	-	4,553
The Martin Musical Scholarship Fund	3,975	(59,870)	(55,895)	100,929

Philharmonia Trust Limited was dormant during the year.

18. Debtors

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Trade debtors	602,212	645,770	602,112	645,670
Amounts owed by group undertakings	-	-	131,493	99,719
Other debtors	134,341	141,454	134,341	141,454
Prepayments and accrued income	364,084	218,645	364,084	218,645
Tax recoverable	1,755,000	1,485,000	1,755,000	1,485,000
	2,855,637	2,490,869	2,987,030	2,590,488

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

19. Creditors: Amounts falling due within one year

	Group 2025 £	<i>Group 2024 £</i>	Charity 2025 £	<i>Charity 2024 £</i>
Other loans	111,352	<i>111,352</i>	111,352	<i>111,352</i>
Trade creditors	162,738	<i>278,105</i>	162,738	<i>278,105</i>
Amounts owed to group undertakings	-	<i>528</i>	-	<i>528</i>
Other taxation and social security	47,253	<i>48,015</i>	47,253	<i>48,015</i>
Other creditors	82,889	<i>69,938</i>	80,002	<i>67,051</i>
Accruals and deferred income	1,365,571	<i>747,993</i>	1,362,471	<i>741,893</i>
	1,769,803	<i>1,255,931</i>	1,763,816	<i>1,246,944</i>
	Group 2025 £	<i>Group 2024 £</i>	Charity 2025 £	<i>Charity 2024 £</i>
Deferred income				
Deferred income at 1 September	269,611	<i>333,518</i>	269,611	<i>333,518</i>
Resources deferred during the year	475,821	<i>269,611</i>	475,821	<i>269,611</i>
Amounts released from previous periods	(269,611)	<i>(333,518)</i>	(269,611)	<i>(333,518)</i>
Deferred income at 31 August	475,821	<i>269,611</i>	475,821	<i>269,611</i>

Deferred income relates to ticket sales in advance and various sponsorship agreements where the project or concert has not yet been delivered.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

20. Creditors: Amounts falling due after more than one year

	Group 2025 £	<i>Group 2024 £</i>	Charity 2025 £	<i>Charity 2024 £</i>
Other loans	<u>1,257,892</u>	<u><i>1,336,007</i></u>	<u>1,257,892</u>	<u><i>1,336,007</i></u>

Included within the above are amounts falling due as follows:

	Group 2025 £	<i>Group 2024 £</i>	Charity 2025 £	<i>Charity 2024 £</i>
Between one and two years				
Other loans	<u>111,352</u>	<u><i>111,352</i></u>	<u>111,352</u>	<u><i>111,352</i></u>
Between two and five years				
Other loans	<u>445,409</u>	<u><i>445,409</i></u>	<u>445,409</u>	<u><i>445,409</i></u>
Over five years				
Other loans	<u>701,131</u>	<u><i>779,246</i></u>	<u>701,131</u>	<u><i>779,246</i></u>

The amounts repayable relate to a mortgage loan from Barclays Bank on the property at 6 Chancel Street. At the year-end the outstanding balance was £1,369,244 (2024 - £1,447,359). The loan rate is 2.49% per annum (fixed for 10 years) repayable over the loan term of 23 years from March 2017.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

21. Consolidated statement of funds

Statement of funds - current year

	Balance at 1 September 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2025 £
Unrestricted funds						
Designated funds						
Designated Funds - Fixed Assets	324,693	-	(94,975)	2,111,184	-	2,340,902
Designated Funds - Special Projects	-	-	-	-	-	-
	<u>324,693</u>	<u>-</u>	<u>(94,975)</u>	<u>2,111,184</u>	<u>-</u>	<u>2,340,902</u>
General funds						
Rite Digital	(4,653)	141,472	(141,472)	-	-	(4,653)
Philharmonia General Fund	1,467,692	10,243,696	(9,805,703)	433,969	(23,685)	2,315,969
	<u>1,463,039</u>	<u>10,385,168</u>	<u>(9,947,175)</u>	<u>433,969</u>	<u>(23,685)</u>	<u>2,311,316</u>
Total Unrestricted funds	<u>1,787,732</u>	<u>10,385,168</u>	<u>(10,042,150)</u>	<u>2,545,153</u>	<u>(23,685)</u>	<u>4,652,218</u>
Endowment funds						
Permanent endowment fund						
MMSF Endowment Funds	60,166	-	-	(55,255)	-	4,911
Endowment 2005 Funds	-	-	-	-	-	-
Catalyst Endowment Funds	3,010,916	28,344	-	67,973	56,461	3,163,694
Expendable endowment funds						
Endowment 2005 Funds	2,950,417	64,767	(21,737)	2,613,126	163,641	543,962
Catalyst Endowment Funds	-	-	-	-	-	-
	<u>6,021,499</u>	<u>93,111</u>	<u>(21,737)</u>	<u>2,600,408</u>	<u>220,102</u>	<u>3,712,567</u>

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

21. Statement of funds (continued)

	Balance at 1 September 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2025 £
Restricted funds						
Instrument Loans Fund	117,338	-	-	-	-	117,338
Martin Musical Scholarship Grant Fund	13,499	-	-	-	-	13,499
MMSF General Fund	73,532	3,975	(61,700)	55,255	-	71,062
MMSF Donated Assets	9,627	-	(320)	-	-	9,307
Philharmonia Restricted	233,157	600,779	(612,091)	-	-	221,845
	<u>447,153</u>	<u>604,754</u>	<u>(674,111)</u>	<u>55,255</u>	<u>-</u>	<u>433,051</u>
Total of funds	<u><u>8,256,384</u></u>	<u><u>11,083,033</u></u>	<u><u>(10,737,998)</u></u>	<u><u>-</u></u>	<u><u>196,417</u></u>	<u><u>8,797,836</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

21. Statement of funds (continued)

Restricted Funds:

Martin Musical Scholarship Fund and MMSF General Fund

Martin Musical Scholarship Fund (MMSF) is a subsidiary charity of Philharmonia Ltd, which supports young musicians. Funds are split between restricted and endowment funds according to their nature.

MMSF Donated Assets

This relates to a donated piano.

Instrument Loans Fund

This relates to funds given for the loaning out of instruments.

Endowments:

Endowment – Catalyst Fund

The Fund includes investments previously within the restricted Catalyst Endowment Fund as set out in the Funds note. The fund will be utilised to support orchestra activity.

Endowment 2005 Fund

The fund includes investments previously held within the Philharmonia Trust Limited, as a result of the Philharmonia Orchestra's Endowment Fund Appeal in 2003.

MMSF Endowment Funds

The endowment funds represent assets held by MMSF, principally representing a capital donation given by the Mortimer Foundation. Income arising from the Endowment related investments is taken to the MMSF General fund.

Unrestricted Funds:

Designated Fund – Fixed Assets

The fixed asset reserve comprises the net book value of all fixed assets including the property.

Rite Digital

Digital and technological income and expenditure.

The Trustees have been undertaking a review of the Group's Endowment and Restricted Funds over last few years. As part of this process, legal advice was obtained to confirm the appropriate classification of the Group's two principal endowment funds.

In the prior year's financial statements, following this advice, the 2005 Endowment Fund was reclassified as an expendable endowment fund, and the Catalyst Endowment Fund was reclassified as a permanent endowment fund.

During the current year, the review has focused on ensuring that the carrying values of the endowment funds are aligned with the underlying investment assets as reported in the investment managers' reports. This alignment has resulted in a significant transfer between funds in the current year's financial statements.

The review also encompassed designated funds. As a result, the Chancel Street property has been transferred into designated funds, to ensure that the presentation of funds more appropriately reflects the Group's free reserves.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

21. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2024 £</i>
Unrestricted funds						
Designated funds						
Designated Funds - Fixed Assets	400,076	-	-	(75,383)	-	324,693
Designated Funds - Special Projects	1,000,000	-	-	(1,000,000)	-	-
	<u>1,400,076</u>	<u>-</u>	<u>-</u>	<u>(1,075,383)</u>	<u>-</u>	<u>324,693</u>
General funds						
Rite Digital	(12,855)	8,457	(255)	-	-	(4,653)
Philharmonia General Fund	650,217	9,446,694	(9,704,602)	1,075,383	-	1,467,692
	<u>637,362</u>	<u>9,455,151</u>	<u>(9,704,857)</u>	<u>1,075,383</u>	<u>-</u>	<u>1,463,039</u>
Total Unrestricted funds	<u>2,037,438</u>	<u>9,455,151</u>	<u>(9,704,857)</u>	<u>-</u>	<u>-</u>	<u>1,787,732</u>
Endowment funds						
Permanent endowment fund						
MMSF Endowment Funds	147,292	-	-	(87,126)	-	60,166
Endowment 2005 Funds	2,715,921	-	-	(2,715,921)	-	-
Catalyst Endowment Funds	-	48,650	(10,843)	2,857,796	115,313	3,010,916
Expendable endowment funds						
Endowment 2005 Funds	-	59,652	(12,654)	2,715,921	187,498	2,950,417
Catalyst Endowment Funds	2,857,796	-	-	(2,857,796)	-	-
	<u>5,721,009</u>	<u>108,302</u>	<u>(23,497)</u>	<u>(87,126)</u>	<u>302,811</u>	<u>6,021,499</u>

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

21. Statement of funds (continued)

	<i>Balance at 1 September 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2024 £</i>
Restricted funds						
Instrument Loans Fund	117,338	-	-	-	-	117,338
Martin Musical Scholarship Grant Fund	13,499	-	-	-	-	13,499
MMSF General Fund	73,212	5,018	(91,824)	87,126	-	73,532
MMSF Donated Assets	9,947	-	(320)	-	-	9,627
Philharmonia Restricted	84,167	665,281	(516,291)	-	-	233,157
	<u>298,163</u>	<u>670,299</u>	<u>(608,435)</u>	<u>87,126</u>	<u>-</u>	<u>447,153</u>
Total of funds	<u><u>8,056,610</u></u>	<u><u>10,233,752</u></u>	<u><u>(10,336,789)</u></u>	<u><u>-</u></u>	<u><u>302,811</u></u>	<u><u>8,256,384</u></u>

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £
Tangible fixed assets	3,710,147	9,307	-	3,719,454
Fixed asset investments	(100)	-	3,707,656	3,707,556
Current assets	3,969,866	423,744	4,911	4,398,521
Creditors due within one year	(1,769,803)	-	-	(1,769,803)
Creditors due in more than one year	(1,257,892)	-	-	(1,257,892)
Total	<u><u>4,652,218</u></u>	<u><u>433,051</u></u>	<u><u>3,712,567</u></u>	<u><u>8,797,836</u></u>

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Endowment funds 2024 £</i>	<i>Total funds 2024 £</i>
Tangible fixed assets	3,727,717	-	-	3,727,717
Fixed asset investments	3,996,710	-	-	3,996,710
Current assets	(3,344,757)	447,153	6,021,499	3,123,895
Creditors due within one year	(1,255,931)	-	-	(1,255,931)
Creditors due in more than one year	(1,336,007)	-	-	(1,336,007)
Total	1,787,732	447,153	6,021,499	8,256,384

23. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2025 £	Group 2024 £
Net expenditure for the year (as per Statement of Financial Activities)	565,137	199,774
Adjustments for:		
Depreciation charges	16 114,462	109,675
Movements on investments	17 (220,102)	(302,811)
Investment income	7 (101,911)	(113,320)
Loss on the sale of fixed assets	16 -	108,732
Increase in debtors	18 (364,768)	(858,578)
Increase/(decrease) in creditors	19,20 435,757	(65,310)
Mortgage loan interest	33,238	37,822
Net cash provided by/(used in) operating activities	461,813	(884,016)

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

24. Analysis of cash and cash equivalents

	Group 2025 £	<i>Group 2024 £</i>
Cash in hand	1,542,884	633,026
Total cash and cash equivalents	1,542,884	<i>633,026</i>

25. Analysis of changes in net debt

	At 1 September 2024 £	Cash flows £	At 31 August 2025 £
Cash at bank and in hand	633,026	909,858	1,542,884
Debt due within 1 year	(111,352)	-	(111,352)
Debt due after 1 year	(1,336,007)	78,115	(1,257,892)
	(814,333)	987,973	173,640

26. Operating lease commitments

At 31 August 2025 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2025 £	<i>Group 2024 £</i>	Charity 2025 £	<i>Charity 2024 £</i>
Not later than 1 year	6,760	5,084	6,760	5,084
Later than 1 year and not later than 5 years	20,912	11,376	20,912	11,376
	27,672	<i>16,460</i>	27,672	<i>16,460</i>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	Group 2025 £	<i>Group 2024 £</i>	Charity 2025 £	<i>Charity 2024 £</i>
Operating lease rentals	6,760	14,523	6,760	14,523

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

27. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member. There were 64 members at 31 August 2025 (2024 - 66).

28. Related party transactions

Payments were made to all playing members of the Board, including the President and Vice President, in respect of the work they have carried out with the Orchestra. During the year, playing members of the Board were paid no additional income for duties.

Rite Digital Limited gifts its profits to the charity making a nil gain nil loss each year. At the year-end Rite Digital owed Philharmonia Limited £68,952 (2024 - £8,395).

The Company had a related party relationship with MMSF by virtue of its trustees. At the year-end MMSF owed Philharmonia Limited £80,850 (2024 – £91,324).

The Charity has a related party relationship with the Philharmonia Foundation Inc, registered in the US, by virtue of having two Trustees in common. During the year Philharmonia Foundation made payments totalling £NIL (31 August 2024 - £NIL). At the year-end Philharmonia Limited owed Philharmonia Foundation £528 (2024 – £528).

The Charity received donations in the year from 7 (2024 - 5) Trustees for the value of £120,755 (2024 - £157,860).

PHILHARMONIA LTD

England & Wales - Charity number 250277

Accounts

Company registered number: 00799297
Charity registered number: 250277

PHILHARMONIA LIMITED
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TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

PHILHARMONIA LIMITED
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PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2024**

Trustees

Lord Mervyn King, Chair
Saul Nathan, Deputy Chair
Cheremie Hamilton-Miller, Vice President until 24 January 2024, President from 25 January 2024¹
Kira Doherty, President until 25 January 2024 (resigned 25 January 2024)¹
James Buckle, Vice President from 25 January 2024¹
Charlotte Hogg
Johanne Hudson-Lett
Julia Zilberman
Julian Milone (appointed 25 January 2024)¹
Lorenzo Modiano
Luke Whitehead (appointed 25 January 2024)¹
Nick Bishop (appointed 15 February 2024)
Nuno Carapina¹
Paul Stoneman (appointed 25 January 2024)¹
Soong Choo (appointed 25 January 2024)¹
Susan Hedger (appointed 25 January 2024)¹
Antoine Sigure (resigned 25 January 2024)¹
Eunsley Park (resigned 25 January 2024)¹
Heidi Krutzen (resigned 25 January 2024)¹
Lawrence Rolton (resigned 25 January 2024)¹
Rupert Darbyshire (resigned 25 January 2024)

¹ Player member

**Company registered
number**

00799297

**Charity registered
number**

250277

Registered office

6 Chancel Street
London, United Kingdom
SE1 0UX

Company secretary

Katherine Collis (resigned 25 January 2024)
Rob Williams (appointed 25 January 2024, resigned 31 March 2024)

**Independent Finance
Committee member**

Nick Bishop
Katherine Collis (from 25 January 2024)
Rupert Darbyshire (from 25 January 2024)

Independent auditors

MHA
6th Floor
2 London Wall Place
London
United Kingdom
EC2Y 5AU

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Bankers	Barclays Bank 1 Churchill Place London E14 5HP
	NatWest Bank 10 Marylebone High Street London W1U 4BT
Legal advisers	McDermott Will and Emery LLP Heron Tower 110 Bishopsgate London, United Kingdom EC2N 4AY
	Stone King LLP Boundary House 91 Charterhouse Street London, United Kingdom EC1M 6HR

**LETTER FROM THE CHAIR AND PRESIDENT
FOR THE YEAR ENDED 31 AUGUST 2024**

LETTER FROM THE CHAIR AND PRESIDENT

2023/24 saw the first full season following the inauguration of the Philharmonia's renewed mission: to create the orchestral experience of the future. Through concert series, impacts of our Learning & Engagement projects, and key improvements to the Orchestra's operations, the Philharmonia continues to uphold its commitment to artistic excellence and innovation.

The 2023/24 season resonated deeply with audiences both at home and abroad, welcoming some of the largest and most diverse audiences in our history. With record attendance at the Royal Festival Hall and vibrant engagement across our UK residencies, the Philharmonia's work reached over 80,000 people in concert halls and millions more online.

International touring returned to strength this season, ending one of the last remaining effects of COVID. The Orchestra was the first major western orchestra to return to China, and additional tours were undertaken to Greece, Spain and mainland Europe, including invitations to the Royal Concertgebouw and Musikverein. The mark of success is that return invitations are already in place, and plans are secure for major tours to America, Korea and Japan in 2025.

Our residency model continued to thrive, with success at the Edinburgh International Festival and BBC Proms, and the generosity of a major supporter facilitated the pilot of an international music development project in Mauritius.

These achievements were made possible by the artistic excellence and innovative programming led by Santtu-Matias Rouvali, in his third season as Principal Conductor, and Marin Alsop, our Principal Guest Conductor, along with Featured Artists, Nicola Benedetti (violin) and Julia Bullock (soprano). Projects in the year like the Let Freedom Ring series, featuring all the above-named artists, amongst others, reflects the Orchestra's unwavering commitment to excellence on the concert platform, and in our work to inspire the next generation of artists and audiences.

We remain mindful of the financial headwinds facing arts organisations. Support from the Arts Council England's Transform programme has enabled fundamental systems upgrades this year with the impact of streamlining workflows. We commenced a comprehensive review of our business model with the goal of securing a sustainable future for another 80 years. This work is essential to ensuring that our orchestra thrives and continues to serve as a leader in the global orchestral music landscape

Looking ahead, 2025 marks a significant milestone as we celebrate the Philharmonia's 80th anniversary. This anniversary invites us to reflect on our rich heritage while embracing the promise of the future.

None of this would be possible without the dedication of our player members, the hard work of our staff and trustees, and the unwavering support of our audiences, donors, and partners. To all of you who share our belief in the transformative power of music, we extend our heartfelt gratitude.

Lord King of Lothbury and Cheremie Hamilton-Miller
March 2025

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

OBJECTIVES AND ACTIVITIES

The charitable objectives of the Company are as follows: the advancement of public education through the promotion and support of the art of music (including opera, music, drama, ballet and all art forms consisting in whole or in part of music), particularly by the promotion and encouragement of orchestral music; and the relief of poverty and distress amongst playing members of any symphony orchestra for the time being maintained by the Charity and the dependents of such persons. The Company achieves these objectives by maintaining a symphony orchestra of the highest quality (the "Orchestra").

The Orchestra aims to raise the public appreciation of music by maintaining and developing its position as one of the world's leading symphony orchestras, through the quality of its playing, its creative programming, the commissioning of new music, the provision of its learning and engagement programme, and the use of digital technologies to bring its performances to the largest and most diverse audience possible.

The 23/24 season saw the first application of the renewed vision and mission in actual programming and activity. The Orchestra's **vision** is to see orchestral music at the beating heart of cultural life, with the strength to help create a more equitable, sustainable, and thriving society, and its **mission** is to create the orchestral experience of the future. The Board also commenced a review of the Business Model with the Chief Executive, which is expected to lead to an adjustment of activity and financial model over the coming five years in order to move away from a deficit position.

The Philharmonia's work continues to be underpinned by the Investment Principles of Arts Council England's "Lets Create" Strategy, namely Ambition and Quality, Dynamism, Inclusivity and Relevance and Environmental Sustainability. The application of new mission and vision will further elevate performance, off-platform work and reach to a new level over the next five years.

The activities employed to achieve the company's objectives are:

- The provision of "Own Promotion" concerts at the Southbank Centre
- Residencies in Bedford, Leicester, Basingstoke, Canterbury, at the Three Choirs Festival and Garsington Opera
- Engagements by third party promoters in the UK and internationally
- Learning and engagement programmes
- Recorded performances of the highest standard, including via Philharmonia Records, the Company's new own label
- Outreach via the website and other digital media.

PUBLIC BENEFIT

When reviewing the charitable Company's objectives and activities and devising the future programme of the charitable Company for the next period, the Board of Trustees confirms that it has referred to the Charity Commission's general guidance on public benefit and complied with its duty under the Charities Act 2011.

The Company's aims and objectives stated above are directed at the public at large: the Orchestra's concertgoers throughout the UK and abroad; visitors to its website; those who listen to its recordings; those in the local communities where the Orchestra works, and the wider communities the Orchestra serves; and those who participate in the Orchestra's various learning and engagement work.

The Orchestra's Own Promotion concerts at Southbank Centre are open to the public without restriction. Discounted tickets are available for disabled concertgoers, those on income support, students and under-18s. The Orchestra also offers an extensive programme of chamber concerts, contemporary music, talks and foyer events with free entry. The Orchestra performs throughout the UK in public venues that have similarly inclusive policies.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

The Orchestra aims to increase the numbers and diversity of its audiences and participants through sophisticated audience engagement strategies including its world-leading digital programme, online content available free through its website and other platforms, and its work with communities. The Orchestra will also benefit future generations through its learning and engagement programmes, its recordings and through its dedication to training the next generation of orchestral musicians.

STRATEGIC REPORT

A ACHIEVEMENTS AND PERFORMANCE

The Philharmonia Orchestra maintained its reputation as a world-class symphony orchestra through its performances at the Southbank Centre, its permanent regional residencies in Bedford, Leicester, Canterbury, Basingstoke, festival residencies at the Three Choirs Festival and Garsington Opera, and internationally in Europe and Asia. The Orchestra presented a broad range of music from mainstream core repertory to new commissions, and collaborated with an array of distinguished conductors and soloists.

In the 2023/24 performance season, the Orchestra delivered:

- 92 concerts or performances across residencies in London, Leicester, Bedford, Canterbury, Basingstoke, Three Choirs Festival and Garsington Opera, including 6 free performances at Southbank Centre
- 27 non-residency concerts in the UK
- 33 international concerts in 10 countries: China, Mauritius, Germany, Netherlands, Belgium, Switzerland, Austria, Spain, Greece and Finland.

CONCERTS & PROJECTS

Principal Conductor, Santtu-Matias Rouvali, and Featured Artist, Nicola Benedetti, performed in all the Orchestra's UK residencies. Marin Alsop conducted the Philharmonia in her first concert since being appointed Principal Guest Conductor.

The thematic concert series for the 2024/25 season was *Let Freedom Ring*, celebrating the diversity of American music in the 20th Century and spotlighting forgotten voices. The series featured concerts in all four residencies, free Chamber Player concerts at the Royal Festival Hall (RFH), an Insights Day and performances by both Featured Artists, Nicola Benedetti and Julia Bullock.

The series exemplified on stage and in its ancillary activities and reach into the residencies how innovative programming can create resonance and relevance beyond the reach of the concert hall, allowing for issues of wider societal concern, such as social justice and equality, to be thematically explored by an orchestra through its programming, offering context for lesser known composers voices to be featured and their fascinating live stories brought to new recognition, while engaging audiences beyond traditional orchestral music lovers. The series also uniquely evoked the combination of excellence and innovation the Philharmonia is striving for in all its work. Composers featured included Gershwin, Dvorak, Copland, Ellington, James P Johnson, Barber, Joan Towers Bernstein and a violin concerto by Wynton Marsalis. Both Marin Alsop and Santtu-Matias Rouvali conducted in the series. The Marcus Roberts Trio accompanied the Orchestra in Gershwin's *Rhapsody in Blue* (a part usually taken by a solo piano); Nicola Benedetti was the soloist in the Violin Concerto by legendary jazz trumpeter and composer, Wynton Marsalis; and Santtu led the debut of the Philharmonia Big Band, from the drum-kit, in a late-night 30-minute post-concert set, with music from Dizzy Gillespie to Glenn Miller. An audience of over 1,000 were dancing in the aisles.

Other highlights from the Orchestra's 2023/24 London season included performances by artists such as Mitsuko Uchida, Paavo Jarvi, Leonidas Kavakos, James Ehnes, Sol Gabetta, Jakub Hrusa, Bruce Liu and Manfred Honeck.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

In the Residency season, across Basingstoke, Bedford, Canterbury and Leicester, the Orchestra's titled artists appeared as well as Bruce Liu and Steven Osborne. Outside the M25, the 23/24 season also saw the Orchestra perform in UK cities beyond its regular residencies, including Manchester, Safron Walden and Nottingham.

The Orchestra's 2020-24 Equality Action Plan aims to increase representation of protected characteristics on the concert platform. The Philharmonia made it a priority to seek out and engage a diverse range of conductors, soloists and composers. Artists featured included conductors Marin Alsop, Jordan de Souza, Tabita Berglund, Elim Chan, Eun Sun Kim and Ryan Bancroft, soloists Julia Bullock, Alice Sara Ott, Mitsuko Uchida, Esperanza Spalding and The Marcus Roberts' Trio; and composers Jocelyn Morlock, Ana Sokolovic, Joan Tower, Caroline Shaw, Wynton Marsalis, Margaret Bonds, Louise Farrenc and Texu Kim.

In 2023/24, key achievements included the renewal of five-year partnership agreements with both Three Choirs Festival and Garsington Opera, starting in the 2024/25 season. The return of overseas touring, with the Philharmonia being the first orchestra to return to China for a full tour post-pandemic, both signals a return to pre-pandemic levels of activity and is a vital factor to create greater financial stability. At Garsington Opera, the Orchestra undertook twelve performances of Mozart's *Le Nozze di Figaro*, nine performances of Verdi's *Giorno di Regno* and seven of Britten's *A Midsummer Night's Dream*. The Orchestra then immediately travelled to Gloucester, where players gave three concerts at the Three Choirs Festival, where we begin the first of our renewed 6-year partnership, which included a performance of Elgar's *The Kingdom*.

The Orchestra performed at the Edinburgh International Festival in a six-night residency. The week was incredibly successful where the Orchestra gave performances with Marin Alsop and collaborated with the National Youth Choir of Scotland in Julia Wolfe's *Fire in my Mouth*, Santtu revived his 2023/24 London season opener Verdi's *Requiem*, and the residency concluded with a concert performance of Strauss' *Capriccio* conducted by Alexander Soddy (stepping in for the late Sir Andrew Davis). The project embodied the Philharmonia's residency model, incorporating a greater depth of audience and community engagement, developed over more than 30 years in the Bedford and Leicester residencies. This included a Philharmonia Virtual Orchestra installation, a family concert with 2023/24 Featured Artist and EIF Director, Nicola Benedetti, and a pop-up concert in a community hub on the outskirts of the city, featuring a quintet of Philharmonia musicians. The build up to the residency also encompassed Philharmonia musicians travelling to Edinburgh in advance of the Festival to participate in "NHS Fridays" – bringing music-making to those who are unable to access concert halls.

The Orchestra took part in over twenty other engagements including performances at the Royal Albert Hall and Barbican and in the recording studios for several classical BPI sessions. Highlights include a video game music festival weekend – all concerts were sold-out and was a chance to broaden audiences. One of the programmes included the music from *Baldur's Gate 3* which swept-up awards at the 2024 BAFTAs. There have also been two successful visits to Abbey Road – collaborating for the first time with Alexandre Desplat in a French animation film about the Holocaust entitled *The Most Precious of Cargoes* and a second visit with up-and-coming composer Dan Deacon.

Internationally, overseas touring significantly increased in the 2023/24 season compared to the previous year, as the long-tail effects of the pandemic on planning and programming cycles came to an end. The Philharmonia maintained a strong international presence – returning to China for the first time since pre-pandemic which included concerts in Shenzhen, Guangzhou, Shanghai and Beijing, with conductor Lan Shui. The Orchestra performed the first public performance in Beijing's new Performing Arts Centre.

A major European tour included the long-awaited and critically acclaimed returns to the greatest concert halls in Europe, including the Royal Concertgebouw, Amsterdam, Elbphilharmonie, Hamburg and the Musikverein, Vienna, conducted by Santtu and with pianists Bruce Liu and Rudolf Buchbinder. Other European destinations in the season included Dortmund, Brussels, Cologne, Munich, Stuttgart, Rolle, Basel, Barcelona, Madrid, Oviedo, Valencia, Alicante, Dresden and the Epidaurus Festival, Athens.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

In new markets, the Philharmonia launched *Philharmonia Festival: Mauritius* in January 2024, an own-promoted international music development project. The three sold-out concerts, educational activities and Virtual Orchestra showcase was a pilot project with a nimble group of twenty player members delivering a vibrant and community-based residency. The primary venue was the Caudan Arts Centre, Port Louis (two concerts, a schools' concert, and masterclasses and side-by-sides for local ensembles), plus a performance at the Mahatma Gandhi Institute, and the Virtual Orchestra at 10 House of Digital Art. Concertmaster Zsolt-Tihamér Visontay play-directed the concerts as well as performing *Spring* from Vivaldi's *Four Seasons*. Cellist, Steven Isserlis performed Haydn's Second Cello Concerto and violinist Irène Duval performed *Méditation* from *Thaïs* by Massenet. The third and final concert featured a collaboration at the MGI alongside two local artists - Arvind C. Bhujun on sitar, and Neriyan Veerlapin on tabla, in an arrangement of a piece by the Orchestra's Artist in Residence, Soumik Datta. In addition, for the last concert the Orchestra was joined local choirs: Choir of the Conservatoire National de Musique François-Mitterrand and Island Voices Choir, for *Va Pensiero* (Verdi) and the Hallelujah Chorus from *Messiah* (Handel).

August 2024 marked the second year of the Philharmonia's four-year partnership with the Mikkeli Festival in Finland, giving orchestral concerts, chamber concerts, as well as education and outreach work. The Orchestra performed four orchestral concerts, including two under Santtu-Matias Rouvali. In addition, the residency also featured a Virtual Orchestra and chamber concert pop-ups in the local community.

AUDIENCE DEVELOPMENT

In the 2023/24 season, the Orchestra welcomed some of its largest audiences on record. Over 80,000 people heard the Philharmonia play live in London, Bedford, Leicester, Canterbury, and Basingstoke. The Orchestra's audiences are thriving, and the average attendance is the highest that Philharmonia has achieved in the Royal Festival Hall (RFH) for over more than a decade.

Online, over 22 million people played more than 163 million tracks across 183 countries on the Philharmonia's online music streaming channels. The Philharmonia produced 23 films for online channels, including filmed interviews with Marin Alsop, Artist in Residence and sarod player Soumik Datta, composer Bryce Dessner, and pianist Bruce Liu.

The 2023/24 season included a new approach to ticketing and audience development. A new pricing strategy, introduced in the second half of 2022/23 season, came into full effect. This delivered substantial growth in average yields and income. Alongside this, there was an increase in promotional offers and ticketing initiatives, resulting in the high audience turnout at RFH in 2023/24, which at 71% capacity is 7% higher than pre-pandemic levels. These initiatives form the backbone of a strategy named 'Project 2,000 Tickets', which is expanding each season to welcome more first timers and diversify audiences.

At the Marlowe, our residency venue in Canterbury, the Orchestra played to almost 100% of capacity, as student and family audiences returned to Philharmonia concerts at the highest levels. The Guest List initiative continued in Bedford, with further expansion plans in 2024/25. Tracking and reporting for residency activities were improved with feedback forms and promo codes for the pop-up series of 'Music in Unexpected Places' in Bedford.

Audience engagement continued to be tracked through post-concert surveys, and the Impact and Insights toolkit. The results of this were shared at an all-staff 'Lunch and Learn', and changes are tracked year on year. The brand perception tracker was also re-run at the end of the season, enabling changes in audience views of the Philharmonia to be measured. This will be repeated at the end of 2024/25, with the same base, to track annual changes.

A project was launched in May 2024 to audit the Philharmonia's CRM and Tessitura data, and to create five new customer journeys which will be rolled out in spring 2025. This will support 'Project 2,000 Tickets' but also create deeper engagement and customer loyalty. This also supports the new approach to marketing – which will lean more heavily on online channels and CRM campaigns. Connected to this is the launch of a new purchase pathway, results of which will be shared in the next Annual Report.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

A cross-organisation accessibility working group was formed, to prioritise work to improve access for all audiences – this is informed by the research into core audiences with age related disabilities. A range of activities have been created, which will be implemented across the 2024/25 season. The data strategy working group continues to prioritise the collation and analysis of data, with representatives in each department. And there has been continued progress in reporting and insight sharing.

LEARNING AND ENGAGEMENT

The Philharmonia's Learning and Engagement (L&E) work reached over 16,000 people in the UK in the 2023/24 season in a range of settings and places.

Eight wind, brass, piano, and percussion Instrumental Fellows graduated the scheme having taken part in dozens of orchestral concerts and taking on work throughout projects in L&E. Five string fellows and one harp fellow continued into their second year having made excellent progress throughout their first, with two fellows having been appointed to positions for the RLPO. The programme has been renamed from MMSF to the Philharmonia Instrumental Fellowship.

The Instrumental Fellowship received 128 applications for the 2024/25 cohort, consistent with previous years without strings, from which seven new Fellows were recruited and onboarded, who span a wide range of ages and backgrounds, reflecting our commitment to diversity. A consultation with a panel of principal players and OC members was undertaken to discuss changes to be implemented in the programme. These related to logistical questions, questions of policy, and to bring the programme in line with the 10-point plan from ABO/BLIM/MU and the programme's public purpose. Applications for the 2024/25 cohort opened on the 29th of April and three places were offered in each of the woodwind and brass sections. Timpani, harp, and piano this year were not offered, although these will be returning for the 25/26 cohort. A partnership for Fellows to perform at Leicester Cathedral as part of their Lunchtime recital series is now in place, with St Paul's in Bedford, as well as expanding the opportunities in London.

The Conservatoire Sit In programme saw 60 undergraduate students participate in rehearsals with the Orchestra, improving their confidence to play at a professional level and supporting the next generation of Instrumental Fellowship applicants, and ultimately the orchestral players of the future.

Composers in the Composers' Academy explored their approach to music making through a series of 12 workshops, masterclasses, and rehearsals, working with a range of industry professionals, the conductor, and an ensemble of 12 players. Composers showcased their pieces with a full ensemble of 12 players. Even with slightly higher ticket sales of 987, actual attendance was between 858, a fantastic result for a free event. The show was again recorded by the Philharmonia's partners at NMC, and the album of this year's compositions was released in November.

Recruitment for the 2024/25 cohort drew 79 applicants, down from over 100 last year, partly attributed to clearer guidance for applicants, reducing the number of undergraduates and ineligible candidates applying. Three new composers have been appointed.

2023/24 Artist in Residence, Soumik Datta, completed his residency with a show at the Queen Elizabeth Hall in May to an audience of 560 people. The show yielded fantastic feedback from audience members, including from ACE and the British Council. With the theme of migration and the commonality of musicians experiencing travel, the event drew 560 attendees, more than double last year's audience. Feedback from the after-show event and written comments highlighted the high artistic standards and successful execution of the production. The music within the performance was later recorded for a 2025 album release.

Two further Artists in Residence were appointed for the next two season. For 2024/25, Vidya Patel, an Indian Dance specialist and multi-art form producer, and for 25/26, the collective, Thick and Tight, who will concentrate their artistic creativity into exploring and celebrating the Philharmonia's 80th anniversary with eight short pieces, one for each decade.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

Orchestra Unwrapped (a schools' concert series for Key Stage 2 pupils) took place in London, Leicester, and Bedford. Each Orchestra Unwrapped concert was accompanied by an in-person inset (teacher training) session. Over the year this was delivered to 31 schools. The repertoire matched the theme of the main concert season *Let Freedom Ring*, and included Copland, Fanfare for the Common Man), Price, Symphony in E minor, mvmt 3 Juba Dance, and Walker, Lyric for Strings. The audience participation piece for 2023/24 was written by singer, composer, and workshop leader, Aga Serugo-Lugo, it was called 'Home's within my Heart'. Aga took inspiration from several pieces in the Orchestra Unwrapped repertoire. The piece was then orchestrated by Julian Milone (member of the 2nd violin section).

Three conductors led a concert each: Kellen Gray, Matthew Lynch, and Olivia Clarke. The concerts played to 3,328 students (200 more than last year) and supported over 350 teachers and staff. A further 19 schools were on the waiting list, with a clear and present audience who would attend if we were able to expand our capacity and resource.

As part of our work with Music Hubs, the Young Composer's Project in partnership with Bedford Music Hub, culminated in a remarkable event where five Philharmonia musicians performed the GCSE and A-Level compositions of eight Bedford secondary school students. The students received valuable feedback from Composer's Academy Fellows. The feedback from both seasons has been overwhelmingly positive, with students valuing the expert insights and the unique opportunity to hear their work performed live.

In May, the Sutton Music Trust delivered a pre-concert performance on the Clore Ballroom. Conducted by Chris Kimber and supported by Philharmonia Instrumental Fellows, the ensemble featured 30 young musicians. Additionally, the first Future Brass! Booster Session, led by Phil White (No. 2 Trombone), targeted beginner brass musicians, enhancing their skills and enthusiasm for music. The Philharmonia worked with both Kent Music and Hampshire Music Hubs as they performed incredibly well received openers for Philharmonia Christmas Brass Performances in December.

The Featured Artist programme (L&E section) for 2023/24 culminated in March with 81 young musicians joining the Philharmonia and the Benedetti Foundation in the Queen Elizabeth Hall Foyer for a signature strings day. Seven Philharmonia members also took part in the afternoon, supporting the workshop. This day was the culmination of three months of workshops delivered by Philharmonia musicians across the Orchestra's partner music hubs including Leicestershire Music, Sutton Music Trust, Wandsworth Music, Southwark Music, and Salem Academy. Participants in Leicester also attended an Open Rehearsal at De Montfort Hall.

A major highlight for our education work was the London Summer Music Academy in August, where 18 students from the Beijing Philharmonia Youth Orchestra participated in a week-long program at the Voces8 Centre, culminating in a performance at the Royal Academy of Music, led by Robin O'Neill. It was well-received, with initial discussions about future collaborations involving youth orchestras from Shanghai and Taiwan.

Our Community Boards' activities have been expanded, most notably in the co-creation and co-production of our participation in community festivals like the Bedford River Festival in July, the Leicester Pop Up at Highcross Shopping Centre, and the education programme of Three Choirs Festival.

One co-produced activity in Bedford culminated in three days of Music in Unexpected Places including performances in libraries, the museum, a gym, the Harpur Shopping centre, and even a barbershop.

Hear and Now celebrations in Bedford and Leicester concluded in June and May, respectively. In Leicester, the project culminated in a sharing at The Curve Theatre with almost 40 participants who shared songs, personal stories spoken in multiple languages, instrumental jams, and dance on the theme 'Lasting Connections'. This meant doubling last year's audience size and it was attended by The Lord Mayor of Leicester.

In Bedford, the project ended with a sharing event to 138 audience members at King's House, with feedback praising it as our most inclusive show yet. Hear & Now directly engaged 135 participants, surpassing the ACE target set of 100. For the first time, tickets were purchased through the Philharmonia website using Tessitura, achieving the ACE target of establishing a new, accessible online purchase path for L&E Performances.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

The Bullfrog Orchestra project, supporting young people in the looked after system in Leicestershire, began its creative workshops in February and culminated in July. Fusing Taiko Drumming and orchestral music, the performance was well received by the audience, and the local council team responsible for those in the care system, who praised the project for its effect on the young people. The multi-academy trust in which the Orchestra works has now said it wants to expand the work to cover more vulnerable children.

19 pre- or post-concert insights events in the form of interviews, lectures, and panel discussions, attracting 1,655 people at the various events (an increase from the previous year from 1,470) took place throughout the 2023/24 season. Additionally, an all-day seminar that explored the main themes of *Let Freedom Ring* formed part of that series, which allowed audiences to engage in a deep dive into American music across the whole season.

Two events (the post-concert talk with Nicola Benedetti and post-concert talk with Marin Alsop and Marcus Roberts) accounted for about 40% of the total audience. On average all post-concert insights had much higher attendance than pre-concert events and analysis of the number of attendees against the number of tickets sold saw an increase from 5% in 2022/23 to 8% in 2023/24.

ORGANISATION

The Board of the Philharmonia under Lord King of Lothbury as Chair, met regularly through the period, leading the strategic direction of the Orchestra.

During the year, the Orchestra appointed a new President, existing Trustee Cheremie Hamilton-Miller, following the retirement of Kira Doherty at the end of her term. Other Board members who retired in the year included Heidi Krutzen, Eunsley Park, Alexander Rolton and Antoine Siguré. These four and Kira remain players with the Orchestra. Rupert Darbyshire retired from the Board in 2023/24 but remains as an independent Finance Committee member. The Philharmonia would like to thank all departing Trustees for their voluntary service over many years and to welcome Cheremie to her new role. The Orchestra also welcomes several new Trustees who were appointed to the Board in the year, namely Nick Bishop (non-Player), Soong Choo, Susan Hedger, Julian Milone, Paul Stoneman and Luke Whitehead (all players).

There were changes to senior management during the period, with Director of Artistic Planning, Ben Larpent, and Chief Operating Officer, Kate Collis, leaving the organisation. Kate has joined the Finance Committee as an independent member. The management team has reorganised activities and, post year-end, David Stacey has joined as Director of Finance and Resources.

The Orchestra is proud to continue in its status as a National Portfolio Organisation (NPO) with Arts Council England (ACE) for April 2023-March 2026, and plays a strong role as a sector representative, working closely with colleagues at the Association of British Orchestra, the Musicians Union, as well as with ACE.

PHILHARMONIA LIMITED
(a company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

B FINANCIAL REVIEW

REVIEW OF THE FINANCIAL YEAR

The year to 31 August 2024 saw a consolidated net profit of £199,774 (2023: deficit of £411,918). The standalone charity result for Philharmonia Limited was a profit of £278,698 (2023: deficit of £390,152).

Underlying net operating deficit was £103,037 (2023: £342,888). The Orchestra has benefited from the extension of the higher rates of Orchestra Tax Relief in both this and the comparative year, which has enabled greater investment in concerts and activity to be planned for the current and future seasons.

Support costs were £2,277,226 (2023: £2,412,990).

The Martin Musical Scholarship Fund (MMSF), whose financial results are consolidated 100% in these financial statements, made a deficit of £87,126 (2023: £22,144). Rite Digital Limited, Philharmonia Limited's fully owned trading subsidiary Company, made an operating surplus of £8,202 (2023: surplus of £378).

FINANCIAL MANAGEMENT POLICY

The Orchestra aims to budget two to three years in advance, balancing the cost of orchestral concerts and other core work with grants and sponsorship income, as well as income directly generated by the work itself. If further activity is taken on once the budget has been set for the year ahead, it is only accepted if the work can be funded or if there is any remaining subsidy to be used. Regular communication with Arts Council England is also key to this advance budgeting.

RESERVES POLICY

The Philharmonia Orchestra currently aims to have accessible free reserves to cover at least 3 months of overhead costs at any one time and no less than £750,000. This level has been considered prudent to cover any potential short-term disruptions or unexpected expenses, while ensuring funds are utilised efficiently to deliver the charity's objectives. The policy is in the process of being reviewed by the senior management team and trustees.

Free reserves are calculated by taking the brought forward unrestricted reserves balance adjusted for the movement in the year, but excluding the net book value of fixed assets, less the property, which is allocated to a designated fixed asset fund. The free reserves balance is maintained through cash reserves and investments that can be readily converted to cash as required, any excess being used for designated projects and strategic investments.

As at 31 August 2024 the total value of reserves was £8,256,384 (2023: £8,056,610). A breakdown of this is shown on the balance sheet and in the statement of funds note (note 21). Restricted and Endowment Funds are £6,468,652 of this amount (2023: £6,019,172) including £156,824 (2023: £243,950) of MMSF reserves.

Free reserves in the general fund at 31 August 2024 were £1,467,692 (2023: £650,217 including £1,000,000 of additional support in designated reserves to maintain activities).

INVESTMENT POLICY

The Orchestra has a policy of investing any surplus cash in investment vehicles that are low risk, are considered mainstream and allow for flexibility. The trustees have delegated the management of its investments to third party professional investment managers under formal agreements which establish clear responsibilities. The trustees have agreed with the investment managers that the objective for the investment portfolios is capital preservation against inflation combined with the generation of a steady income and an element of real capital growth. This is done through an asset class allocation principally to corporate bonds, listed equities and property funds.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

The Finance Committee obtains quarterly reports from its investment managers to have oversight of investment performance, which is reviewed against the investment objectives. In doing so, the committee reviews cash forecasts on a regular basis to identify in advance significant cash fluctuations and cash flow issues, and to ensure that reasonable returns are achieved, without risk to the capital, and to ensure that there is sufficient working capital for the organisation.

The funds have been invested in this period in accordance with the Orchestra's policy of investing in low risk, mainstream and flexible investments, and are managed in accordance with the Charity Commission guidance on responsible investment. The investment portfolios have achieved their objectives by performing well against the benchmarks set for them whilst retaining the ability to raise cash as needed for withdrawal for operational use.

C FUTURE PLANS

The thematic focus in 2024/25 will be on the environment and the climate crisis, with a headline concert series investigating an artistic response, especially from the Nordic Countries, home of the Principal Conductor Santtu-Matias Rouvali. The ancillary programme will be substantially expanded into a series of debates, enabling audiences to take part in the vital discussions with artists and community leaders to explore one of the most challenging issues of our time. A major tour of Japan will be the second major overseas tour for the Orchestra since the pandemic.

Planning in the meantime will continue for the Orchestra's 80th birthday season in 2025/26 which will see tours to the United States, Korea and China, alongside European touring. With the continued support of the ACE Transform Programme, the Philharmonia will continue its investment in and upgrades to key business processes and systems to increase efficiency and ROI and drive commercial opportunities. This work will run in parallel with work by the Chief Executive and Board to further embed the organisation's new mission in a new business model.

In the 2024/25 year the Philharmonia will plan, write and submit its application for continued NPO funding by ACE.

Fundraising remains at the core of the Philharmonia, in support of the organisation's financial resilience and ability to plan for the long term. Fundability continues to be an essential part of project research and development to ensure relevance to funders' interests. This will be achieved through main programming and connected wrap-around activity being programmed concurrently with Learning and Engagement projects, enhanced by high-profile Featured Artists, Featured Composers, Composers' Academy, new commissions, and a broad range of world-renowned and up-and-coming soloists and conductors.

D PRINCIPAL RISKS AND UNCERTAINTIES

The environment in which the Orchestra operates continues to present a range of economic, geopolitical, and artistic challenges that impact its ability to deliver its mission effectively.

During the year, risks related to ongoing inflationary pressures have remained significant, affecting ticket sales, audience attendance, and the Orchestra's cost base. Partners and venues continue to face financial constraints, adding pressure to maintain existing fee structures. While audience levels have largely returned to pre-pandemic norms, uncertainty persists around securing additional funds through donations and grants, achieving expected investment returns, and mitigating price pressures.

To address rising costs and support accessibility, the Orchestra has implemented a flexible ticket pricing structure for its own-promotion concerts, offering tickets starting at £10. Fee levels for players and staff were also increased in the period, demonstrating a commitment to supporting the workforce and players amid challenging economic conditions.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

A growing concern is the risk that ongoing financial deficits will worsen the Orchestra's long-term financial sustainability. In response, Trustees and senior management have committed to reviewing and refreshing the business model. This initiative, supported in part by funding from ACE's Transform programme, aims to drive increased commercial and development income while managing costs effectively to secure the Orchestra's future.

Trustees continue to monitor financial scenarios closely, ensuring investment in the artistic programme is maintained and committing reserves where necessary to support the Orchestra's strategic objectives.

KEY RISKS AND UNCERTAINTIES

At the date of signing, the principal risks facing the Orchestra include:

Financial Sustainability

The Orchestra faces the risk of worsening financial sustainability due to deficit budgets over the next three years. The Trustees are addressing this through a review and refresh of the business model, supported by Arts Council England's Transform fund. Efforts focus on increasing commercial and development income while ensuring cost management is robust and sustainable.

Dependence on Arts Council England Funding

Arts Council England NPO funding remains the primary source of voluntary income, accounting for £1,830,223 per annum for the period from 1 April 2023 to 31 March 2026. This represents a 12% reduction compared to previous funding levels, posing a significant risk to financial stability. Activity plans have been adapted, but full mitigation of the financial impact remains challenging.

International Touring and Brexit-Related Challenges

A substantial portion of the Orchestra's income is derived from international touring. Brexit-related regulations, particularly EU cabotage rules, continue to complicate the logistics of European touring, including the use of the Orchestra's truck. Management remains in regular contact with relevant Government bodies and industry representatives to address these challenges proactively.

Development and Fundraising

Income from sponsorships, donations, and Trusts and Foundations is essential to the Orchestra's activities. Efforts are ongoing to strengthen the Development Department, including a new strategic case for support and the creation of a Development Board to enhance fundraising capabilities.

RISK MANAGEMENT METHODOLOGY

The Orchestra employs a bottom-up approach to risk management. The senior management team regularly updates the Risk Register, identifies new risks, and assigns responsibility for mitigation using the TARA method (Transfer, Avoid, Reduce, Accept). Risks assessed as having a residual medium-to-high risk after mitigation are escalated to the Finance Committee for review. The Finance Committee reviews the Risk Register quarterly before presentation to the Board.

The Trustees aim to maintain an overall low-to-medium risk profile while ensuring the Orchestra continues to deliver its artistic and strategic objectives effectively.

E GOING CONCERN

The Orchestra relies substantially on funding by grants from Arts Council England (ACE) for its current and future commitments. This funding is primarily via the National Portfolio Organisation (NPO) annual revenue funding and via other ACE funding programmes.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

Despite the uncertainty brought about by the cost-of-living crisis and future ACE funding levels, the merger in March 2020 between Philharmonia Limited and Philharmonia Trust Limited boosted the Orchestra's financial resilience, fundraising abilities and charitable governance. The merger increased the fixed assets held by Philharmonia Limited with the transfer of the property at Chancel Street to Philharmonia Limited's balance sheet. It also provided access to draw upon the 2005 Endowment Fund should this be needed, an endowment previously held within the investment portfolio of Philharmonia Trust. Although not desirable to take from this fund at such a time, it is reassuring to know that the investment fund is available to the Orchestra on demand.

A detailed budgeting process takes place every year with particular scrutiny being given to financial management and control. Having considered all the above matters and regarding the value of property and investments, the Trustees consider that the 'going concern' status of Philharmonia Limited is an appropriate assumption for the preparation of these financial statements.

F INVESTMENT PRINCIPLES

During the year the Orchestra continued its strong action plans related to the ACE investment principles of Ambition and Quality, Environmental Responsibility, Dynamism, and Inclusivity and Relevance. Initiatives being undertaken speak directly to the priorities identified by Arts Council England as being germane to the Creative Case for Diversity and the 'Let's Create' strategy and are supported by data and evaluation methodology throughout.

WORKFORCE, GOVERNANCE AND MEMBERSHIP

Philharmonia commits to achieving a more diverse workforce, Board of Trustees, and Membership of the Orchestra, ensuring the Orchestra is representative of the UK's diversity. It is essential to create and maintain an inclusive environment to ensure everyone is safe and comfortable in their workplace, can work to the best of their abilities, and can utilise this diversity to co-create a sustainable, relevant, and forward-thinking organisation.

ARTISTS, PROGRAMME AND PARTNERSHIPS

Philharmonia will programme performances, artistic series, artists and form partnerships that are relevant to and representative of the Orchestra's diverse residency communities.

AUDIENCE AND PARTICIPANTS

Audiences, participants and those engaging with Philharmonia, both digitally and live, will be representative of the diversity of the communities that are served.

DYNAMISM

Philharmonia continues to invest in data analysis and strategic planning, utilising its digital expertise to adapt music in new formats.

ARTISTIC PLANNING

Philharmonia continues to support the widest range of programming, promoting and supporting emerging artists, and bringing classical music to new audiences.

G DIVERSITY, EQUITY AND INCLUSION

Throughout the year the Orchestra held quarterly Town Hall style meetings open to all players and staff of the Orchestra to discuss any topic related to equality, diversity, and inclusion (EDI). These have led to a wide number and range of topics being discussed where a steering group made up of 12 players and staff seek ways to address any concerns and investigate ways of improving the Orchestra's approaches to EDI.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

The Philharmonia has committed to deliver, the Inclusive Practice in Recruitment programme. The programme, which is led by the Association of British Orchestras (ABO), Musicians' Union (MU) and Black Lives in Music (BLiM), takes the form of a 10-point plan which promotes inclusive recruitment practice in orchestras in the UK's classical music sector. This also marks a commitment to implement all 10 points of the plan within a five-year period.

Discussions focused largely on audition process and how different approaches would impact players at different stages of their careers. A central aim is to create a fair process that does not advantage or disadvantage candidates due to any protected characteristics, but also due to employment status, experience or financial constraints. The Orchestral Committee is committed to making the trial process as efficient and transparent as possible, which will be reflected in the proposed adoption of time limits on trials, robust record keeping and independent members on panels.

H SUSTAINABILITY

The Orchestra is committed to reducing the negative environmental impact of activities, particularly those relating to office waste and energy consumption, business travel, staff commuting and business services. As a touring orchestra, much of the environmental impact relates to concert touring nationally and internationally, including Orchestra and artist travel, instrument transport (including freight) and the impact of the venues where the Orchestra rehearses and performs.

Environmental commitments have been renewed with the formation of both a working group whose aims are to steer the Orchestra and to be compliant with the ACE's investment pillars, and the organisation's Environmental Policy, which was created in collaboration with Julie's Bicycle and Reboot the Future. The Environmental Policy outlines and maintains an annual action plan to align the organisation with its principles which are to be reviewed annually by the Board.

The Orchestra has a responsibility to reduce environmental impact and to incorporate sustainability as a fundamental part of its ethos. Both the Orchestra and its international promoters are mindful of the environmental impact of touring. Examples of reducing impact are: the April 2024 European tour included one flight with remaining travel by buses and trains due to careful route planning and schedule management; and the on-boarding of the Philharmonia's new instrument truck which has the option to run entirely on HVO fuel thus allowing any journeys undertaken to be carbon neutral.

I FUNDRAISING STATEMENT

The Philharmonia is grateful for the continued and generous support of its major supporters and partners.

Special thanks in the 2023/24 season go to the Laurence Modiano Charitable Trust (LMCT), the David and Elaine Potter Foundation, the Sidney Perry Foundation, the Fernside Trust, the Art Mentor Foundation, Lucerne and Latifa Kosta. Additional special thanks go to all Benefactors and Leadership Donors to the Orchestra.

The leading support of the Laurence Modiano Charitable Trust enabled the Philharmonia to launch its pilot international music development project in Mauritius in January 2024. A combination of UK-based philanthropy and Mauritius-based sponsorship, led by the LMCT and Swan Insurance respectively enabled: three sold-out concerts; masterclasses for 44 young local instrumentalists; a schools' concert; and over 600 visitors to the Virtual Orchestra installation, which was supported by the British Council.

The Philharmonia was proud to partner with the United States Embassy in London for the Let Freedom Ring concert series, celebrating the sounds of America. The Orchestra was grateful to be a beneficiary of the Public Diplomacy Grants programme. US Ambassador Jane Hartley hosted an event at Winfield House to mark the series, with guest of honour Wynton Marsalis addressing the audience, and a special performance by members of the Philharmonia.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

The Philharmonia would like to thank its affiliated organisations for their support in the 2023/24 season: The Philharmonia Orchestra in Bedford Trust, who supported the Bedford Residency concerts; and The Philharmonia Foundation Inc in New York, who made a major grant in support of the Let Freedom Ring series.

The Orchestra is particularly grateful to NJA Ltd, who during the 2023/24 season agreed and pledged a major grant for the 2024/25 Orchestra Unwrapped programme for primary schools. This Leadership gift will fully fund the project for the year.

All voluntary fundraising at the Philharmonia is carried out by an internally managed Development department, Philharmonia Ltd. Is committed to ensuring that its fundraising activities are carried out with the utmost integrity and takes account of the Charity Commission Code of Fundraising Practice. Philharmonia Ltd is registered with the Fundraising Regulator and works to its standards of charitable fundraising, to ensure honesty and transparency with donors, and that fundraising activities are legal, respectful, open honest and accountable to the public. There were no fundraising complaints recorded during the current or previous financial periods.

J STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

Philharmonia Limited is a charity registered with the Charity Commission. It is a charitable Company limited by guarantee, governed by its Memorandum and Articles of Association as per the Charity Commission register. At 31 August 2024, there were 66 members of the orchestra (2023: 65).

APPOINTMENT OF THE BOARD OF TRUSTEES

The Board of trustees comprises eight playing members of the Orchestra, plus seven non-playing members.

The members of the Board of Trustees are appointed by the members of the Company. A vote is conducted at each Annual General Meeting to elect nominated members to fill vacancies created by the retirement of existing members of the Council. Exceptionally, a member may be elected at an Extraordinary General Meeting. The non-playing members of the Board are co-opted at each Annual General Meeting. The Board sets and reviews orchestral policy, financial policy and strategy. It reviews agreements with Arts Council England and other major funders. The Board makes major decisions, including the appointment of titled conductors, the Chief Executive Officer and orchestral members. The Board approves the financial budgets and accounts and appoints the auditor. It receives and monitors reports from the Orchestra Committee, Artistic Committee, Development Board, Finance Committee, and Nominations Committee, and regularly reviews the skills available on sub-committees. To facilitate effective operations, the CEO has delegated authority, within terms of delegation approved by the Board, for operational matters including finance, employment and artistic performance-related activity.

INDUCTION AND TRAINING OF THE BOARD OF TRUSTEES

New members of the Board of Trustees receive a formal induction session from the Chair, the CEO, key employees and other members of the Board. Training and briefing for new and existing Board members is undertaken to ensure Trustees are kept abreast of the latest standards and guidance.

ORGANISATION

The Board is supported by four sub-committees: the Orchestra Committee, the Finance Committee, the Artistic Committee, and the Nominations Committee. The Orchestra Committee consists of the player members of the Board (currently eight) chaired by the President of the Orchestra. The Orchestra Committee meets approximately every two weeks and is responsible for day-to-day Orchestra matters. It reports to the Board on the management of orchestral and musical issues generally. It deals with Orchestra issues arising in accordance with policy guidelines provided by the Board.

PHILHARMONIA LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

The Finance Committee consists of five non-player members, four of whom are also members of the Board, plus the President and Vice President of the Orchestra. It is chaired by a non-player. It meets at least four times a year prior to the meetings of the Board. Reporting to the Board, it proposes financial budgets, reviews financial performance against budgets and deals with financial issues arising in accordance with policy guidelines provided by the Board. Non player members are responsible for approving players' fees increases recommended.

The Artistic Committee consists of 5 players elected by the members of the Charity at an AGM, and one further player appointed by the Orchestra Committee from amongst its members. The Committee meets a minimum of 3 times per Season, with the Director of Artistic Planning and/or CEO (or delegate) in attendance. The Committee is advisory to the Board with key responsibility to identify and collate Orchestra members' artistic views in relation to Philharmonia Limited's business plan and long-term strategy.

SENIOR STAFF

Day to day operating decisions are delegated to the Senior Management team which comprises the Chief Executive, Director of Concerts and Projects, Director of Development, Director of Finance and Resources, Director of Learning & Engagement and Director of Marketing & Communications. Pay for senior staff including the Senior Management team is benchmarked against industry norms and overseen by the Nominations Committee; that for the Chief Executive Officer is approved by the Board of Trustees.

This report was approved and authorised for issue by the Trustees and signed on its behalf by:

.....
Lord King of Lothbury
Chair

Date:

PHILHARMONIA LIMITED
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2024

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

Company law requires the Trustees to prepare financial statements for each financial . 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 Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the members of the Board of Trustee and signed on its behalf by:

.....
Nick Bishop
Deputy Chair
Date:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PHILHARMONIA LIMITED

Opinion

We have audited the financial statements of Philharmonia Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 August 2024 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

PHILHARMONIA LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PHILHARMONIA LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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 course of 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the parent charitable company has not kept sufficient accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; 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 Trustee's Responsibilities, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PHILHARMONIA LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

PHILHARMONIA LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PHILHARMONIA LIMITED (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Sudhir Singh FCA (Senior Statutory Auditor)

MHA
Statutory Auditor

Date:

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

MHA are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

PHILHARMONIA LIMITED
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2024**

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income and endowments from:						
Donations and legacies	4	2,415,013	665,281	-	3,080,294	3,051,616
Charitable activities	5	5,269,817	-	-	5,269,817	4,200,965
Other trading activities	6	8,457	-	-	8,457	1,775
Investments	7	-	5,018	108,302	113,320	95,857
Other income	8	1,761,864	-	-	1,761,864	1,454,558
Total income and endowments		9,455,151	670,299	108,302	10,233,752	8,804,771
Expenditure on:						
Raising funds	9,10	650,525	-	23,497	674,022	628,189
Charitable activities	11	9,054,332	608,435	-	9,662,767	8,519,470
Total expenditure		9,704,857	608,435	23,497	10,336,789	9,147,659
Net (expenditure)/ income before net gains/(losses) on investments		(249,706)	61,864	84,805	(103,037)	(342,888)
Net gains/(losses) on investments		-	-	302,811	302,811	(69,030)
Net movement in funds		(249,706)	61,864	387,616	199,774	(411,918)
Reconciliation of funds:						
Total funds brought forward		2,037,438	298,163	5,721,009	8,056,610	8,468,528
Net movement in funds		(249,706)	61,864	387,616	199,774	(411,918)
Total funds carried forward		1,787,732	360,027	6,108,625	8,256,384	8,056,610

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00799297

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2024

	Note	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	16		3,727,717		3,853,209
Investments	17		3,996,710		4,109,094
			7,724,427		7,962,303
Current assets					
Debtors: Amounts falling due within one year	18	2,490,869		1,634,380	
Cash at bank and in hand		633,026		1,119,264	
		3,123,895		2,753,644	
Creditors: Amounts falling due within one year	19	(1,255,931)		(1,208,775)	
Net current assets			1,867,964		1,544,869
Total assets less current liabilities			9,592,391		9,507,172
Creditors: Amounts falling due after more than one year	20		(1,336,007)		(1,450,562)
Total net assets			8,256,384		8,056,610
Charity funds					
Endowment funds	21		6,108,625		5,721,009
Restricted funds	21		360,027		298,163
Unrestricted funds	21		1,787,732		2,037,438
Total funds			8,256,384		8,056,610

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....
Nick Bishop
Chair of Finance and Resources Committee
Date:

The notes on pages 28 to 58 form part of these financial statements.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00799297

CHARITY BALANCE SHEET
AS AT 31 AUGUST 2024

	Note	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	16		3,718,090		3,843,262
Investments	17		3,996,810		4,109,194
			7,714,900		7,952,456
Current assets					
Debtors: Amounts falling due after more than one year	18	2,590,488		1,718,742	
Cash at bank and in hand		381,776		800,627	
		2,972,264		2,519,369	
Creditors: Amounts falling due within one year	19	(1,246,944)		(1,195,748)	
Net current assets			1,725,320		1,323,621
Total assets less current liabilities			9,440,220		9,276,077
Creditors: Amounts falling due after more than one year	20		(1,336,007)		(1,450,562)
Total net assets			8,104,213		7,825,515
Charity funds					
Endowment funds	21		5,961,333		5,573,717
Restricted funds	21		350,495		201,505
Unrestricted funds	21		1,792,385		2,050,293
Total funds			8,104,213		7,825,515

The Charity's net movement in funds for the year was £278,698 (2023 - £(390,152)).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00799297

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2024

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....
Nick Bishop
Chair of Finance and Resources Committee
Date:

The notes on pages 28 to 58 form part of these financial statements.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	23	(884,016)	<i>(509,306)</i>
Cash flows from investing activities			
Dividends, interests and rents from investments	7	113,320	<i>95,857</i>
Purchase of intangible assets		-	<i>(3,645)</i>
Purchase of tangible fixed assets	16	(92,915)	<i>(113,944)</i>
Proceeds from sale of investments	17	964,460	<i>832,290</i>
Purchase of investments	17	(1,049,265)	<i>(375,000)</i>
Mortgage interest		(37,822)	<i>(41,595)</i>
Drawdown of investments	17	500,000	-
Net cash provided by investing activities		397,778	393,963
Change in cash and cash equivalents in the year		(486,238)	(115,343)
Cash and cash equivalents at the beginning of the year		1,119,264	<i>1,234,607</i>
Cash and cash equivalents at the end of the year	24	633,026	<i>1,119,264</i>

The notes on pages 28 to 58 form part of these financial statements.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

1. General information

Philharmonia Limited is a charitable company limited by guarantee and is registered with the Charity Commission (Charity Registered Number 250277) and the Registrar of Companies (Company Registration Number 00799297) in England and Wales.

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per Member of the Charity.

The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are as shown in the Trustees Report.

A summary of the principal accounting policies for the year ended 31 August 2024, all of which have been applied consistently throughout the year and the preceding year is set out as below.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Philharmonia Limited 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.

The group financial statements consolidate on a line by line basis the financial statements of: the charitable company Philharmonia Limited; its fully owned trading subsidiary Rite Digital Limited; Philharmonia Trust, which transferred its assets to Philharmonia Limited on the 1st April 2020, Philharmonia Limited is the sole corporate member of this company limited by guarantee; The Martin Musical Scholarship Fund, whose sole Trustee is the charitable company. Excluded from the consolidation is the Philharmonia Foundation Inc, registered in the US, the Philharmonia Orchestra in Bedford Trust, and the Philharmonia Benevolent Fund, all of which are independently governed charities.

The financial statements have been presented in pound sterling, which is also the functional currency of the Company, and are rounded to the nearest pound.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.2 Going concern

The Trustees have assessed whether the use of the going concern basis is appropriate for the next 12 months and beyond the foreseeable future. The trustees have given consideration to known future events or uncertainties, which they do not believe are currently material, but which should be considered closely when reviewing the Charity's ability to continue as a going concern.

The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The Orchestra relies substantially on Arts Council England (ACE) funding for its current and future commitments and has been successful in its application for continued NPO funding for the three-year period 2023-2026. A detailed budgeting process takes place every year with particular scrutiny being given to budgeting and financial management. Despite the uncertainty brought about by the cost of living crisis and longer term, future ACE funding levels, the transfer of Philharmonia Trust Limited's net assets, which included the Chancel Street property and the 2005 Endowment Fund, to Philharmonia Limited in March 2020 helped to boost the Orchestra's financial resilience.

Having considered the above matters, the Trustees consider that the going concern status of Philharmonia Limited is appropriate for the preparation of these financial statements.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Voluntary income, including donations, gifts and legacies, as well as grants that provide core funding or are of a general nature are recognised where there is entitlement, receipt is probable, and the amount can be measured with sufficient reliability. Such income is only deferred if the donor has requested the amount to be allocated to specific concerts, engagements or projects, in which case it is allocated to the financial year in which the work takes place, or the donor has imposed conditions which must be met before the Charity has unconditional entitlement.

Other categories of income are recognised on an accruals basis, (excluding value added tax), with income relating to advanced ticket sales being held as deferred income and released only when the concert takes place. Engagement and Touring fees are recognised when the activity has taken place. Rite Digital Limited transfers its surplus to Philharmonia Limited under the terms of Gift Aid at year end or carries forward any deficit to future years.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated Statement of Financial Activities as the related expenditure is incurred.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised unless for security reasons they need to be recorded (e.g. laptop computers) and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Fixed assets include musical instruments which have been valued at deemed cost at the transition date of FRS102. Long leasehold property is also recognised at deemed cost, being its fair value at the date it was gifted to the Charity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method, unless the asset is considered to have a high residual value where the annual depreciation charge would therefore be immaterial.

Depreciation is provided on the following bases:

Music library	- 50 years
Fixtures and fittings	- 5 years
Musical Instruments	- 10 years
Property improvements	- 20 years
Computer equipment	- 3 years
Property	- 50 years

The element of Long leasehold property which represents land is not depreciated

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

2.8 Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are continuously measured at fair value with changes recognised in 'net gains/(losses) on investments' in the Statement of Financial Activities. As investments are continuously revalued there are no realised gains or losses recorded.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 Debtors

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

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.12 Financial instruments

The Company only holds basic Financial Instruments. The financial assets and financial liabilities of the Company are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 18. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 19 and 20. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is simply an obligation to deliver services rather than cash or another financial instrument.

2.13 Foreign exchange transactions

Transactions in foreign currencies are translated at the actual rate at the time of the transaction. Assets and liabilities held on the Balance Sheet in foreign currencies are translated at the closing rate at the Balance Sheet date. All differences are taken to the Statement of Financial Activities.

2.14 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the lease term.

2.15 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.16 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Permanent endowments are funds which are restricted to the extent the Charity cannot draw down the capital but the income is used to provide an income to fund activities, in accordance with the donors' respective wishes.

Expendable endowments are funds where the capital can be disbursed in addition to income generated if the Trustees resolve to do so.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.17 Connected Charities

Philharmonia Foundation Inc is based in the United States and is connected to Philharmonia Limited as some of the Trustees of Philharmonia Limited are also on the Board of the US entity. The Philharmonia Orchestra in Bedford Trust (registered Charity number 1170495) is connected to Philharmonia Limited but has no Trustees in common. The Philharmonia Benevolent Fund (registered Charity number 280370) is connected to Philharmonia Limited but also has no Trustees in common.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Valuation of music library

The only significant judgement was to maintain the value of the music library at its existing net book value on transfer from the Philharmonia Trust Limited. The Trustees decided not to increase the value, due to the uncertainty of the valuation.

Orchestral Tax Relief

Orchestra tax relief (OTR) is elected on an annual basis in advance, with any subsequent, standalone event elections taking place during the year. The existence of an associated asset can therefore only be confirmed upon the finalisation and submission of the company tax return and subsequent review and agreement by HMRC. In this way OTR relating to any financial year is likely to be received up to 18 months after the initial event(s) recorded in any claim. At the date of the signing of these accounts, the Charity was in the process of finalising a significant OTR claim in relation to activities performed during the year. Included within these financial statements is the Charity's current best estimate of the value that will be received from HMRC. However, as there are a number of variables associated with the claim which are subject to HMRC review, this amount could materially differ from the value ultimately agreed by and received from HMRC.

Long leasehold property

The trustees have been required, in the absence of a split of deemed cost, to estimate the allocation of the cost of this property between the relative elements attributable to land, which is not depreciated, and buildings, which are depreciated. Having consulted with property professionals, considered statutory provisions, and researched market factors, the trustees consider 40% of the deemed cost to represent land and 60% to present buildings. As such, 40% of the deemed cost is not depreciated.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

4. Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Arts Council - core grant	1,830,223	-	1,830,223
Arts Council - transform	-	214,469	214,469
Donations from charitable foundations	202,533	278,505	481,038
Other donations and legacies	335,257	27,023	362,280
Sponsorship donations	-	145,284	145,284
Grants	47,000	-	47,000
Total 2024	2,415,013	665,281	3,080,294
	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Arts Council - core grant	1,975,814	-	1,975,814
Donations from charitable foundations	-	323,793	323,793
Other donations and legacies	705,759	-	705,759
Sponsorship donations	-	46,250	46,250
<i>Total 2023</i>	2,681,573	370,043	3,051,616

In both the current and prior year, the Charity received government grants during the year. The Arts Council funding is the only such grant and there were no unfulfilled conditions at the year-end.

The Charity gained entitlement to a legacy in 2024 and received during the year distributions amounting to £68k, which has been recognised within unrestricted other donations and legacies.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

5. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £
Income from charitable activities	5,269,817	5,269,817

	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Income from charitable activities	4,166,178	34,787	4,200,965

6. Income from other trading activities

	Unrestricted funds 2024 £	Total funds 2024 £
Other trading activities	8,457	8,457

	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Other trading activities	1,775	1,775

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

7. Investment income

	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	
Investment income	-	108,302	108,302	
Interest on deposits	5,018	-	5,018	
Total 2024	<u>5,018</u>	<u>108,302</u>	<u>113,320</u>	
	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Endowment funds 2023 £</i>	<i>Total funds 2023 £</i>
Investment income	-	-	93,042	93,042
Interest on deposits	935	1,880	-	2,815
<i>Total 2023</i>	<u>935</u>	<u>1,880</u>	<u>93,042</u>	<u>95,857</u>

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

8. Other income

	Unrestricted funds 2024 £	Total funds 2024 £
Orchestral tax relief	1,761,832	1,761,832
Royalties	32	32
Total 2024	<u>1,761,864</u>	<u>1,761,864</u>
	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Orchestral tax relief	<u>1,454,558</u>	<u>1,454,558</u>

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

9. Expenditure on raising funds

	Unrestricted funds 2024 £	Total funds 2024 £
Costs of raising funds	650,525	650,525

Included within cost of raising funds are direct costs of £50,682 (2023 - £52,450) and support costs of £599,843 (2023 - £564,562). These are outlined below.

	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Costs of raising funds	577,505	39,507	617,012

Raising funds - Support costs

	2024 £	2023 £
Employment costs	391,734	372,073
Travel, subsistence and entertaining	11,055	28,895
Occupation and office costs	107,830	75,742
Bank interest and charges	4,575	4,202
Other costs	70,825	83,650
Governance costs	13,824	-
	599,843	564,562

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

10. Investment management costs

	Endowment funds 2024 £	Total funds 2024 £
Investment management fees	23,497	23,497
	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Investment management fees	11,177	11,177

11. Analysis of expenditure on charitable activities - by fund

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Charitable activities	9,054,332	608,435	9,662,767
	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total 2023 £</i>
Charitable activities	8,225,467	294,003	8,519,470

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

12. Analysis of expenditure on charitable activities - by type

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Direct costs	7,385,541	2,277,226	9,662,767

	<i>Activities undertaken directly 2023 £</i>	<i>Support costs 2023 £</i>	<i>Total funds 2023 £</i>
Direct costs	6,106,531	2,412,939	8,519,470

Analysis of direct costs

	Total funds 2024 £	<i>Total funds 2023 £</i>
Concert, relay fees and player support	5,811,272	4,170,658
Travel and transport of instruments	325,468	785,710
Music and instrument hire	111,029	136,398
Hall hire and box office commission	497,584	469,294
Programme expenditure	261,936	150,031
Grants payable	92,144	63,400
Other expenditure	248,286	289,445
Interest payable on mortgage loan	37,822	41,595
	7,385,541	6,106,531

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

12. Analysis of expenditure on charitable activities - by type (continued)

Analysis of support costs

	Total funds 2024 £	<i>Total funds 2023 £</i>
Staff costs	1,506,937	1,345,683
Depreciation	87,740	86,643
Travel, subsistence and entertaining	44,220	23,857
Occupation and office costs	416,433	241,378
Bank interest and charges	18,300	16,573
Orchestral overheads	-	133,561
Governance costs	55,296	58,771
Other costs	148,300	506,473
	2,277,226	2,412,939

13. Governance costs

	2024 £	<i>2023 £</i>
Auditor's remuneration - Audit of the financial statements	49,920	48,000
Auditor's remuneration - Accountancy fees	7,140	6,900
Auditor's remuneration - Other fees	12,060	1,800
Other governance costs	-	2,071
	69,120	58,771

The table above discloses the Group's total governance costs. This total is made up of the Charity's governance costs, as detailed in Notes 9 and 12 above.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

14. Staff costs

	Group 2024	<i>Group 2023</i>	Charity 2024	<i>Charity 2023</i>
	£	£	£	£
Wages and salaries	1,653,347	1,660,518	1,653,347	1,660,518
Social security costs	159,056	164,658	159,056	164,658
Pension costs	86,268	85,069	86,268	85,069
	1,898,671	1,910,245	1,898,671	1,910,245

The average number of persons employed by the Charity during the year was as follows:

	Group 2024	<i>Group 2023</i>
Library	-	1
Finance	5	6
Marketing	7	8
Education	4	5
Concerts	10	12
New Media	2	1
Development	7	8
Management	3	3
Artistic	2	-
	40	44

PHILHARMONIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

14. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2024 No.	<i>Group 2023 No.</i>
In the band £60,001 - £70,000	6	4
In the band £90,001 - £100,000	-	1
In the band £170,001 - £180,000	1	1

Key Management Personnel are considered to be the Trustees and Senior Management team, being the Chief Executive Officer, Director of Artistic Events, Director of Development, Director of Marketing & Communications, Director of Learning & Engagement, Concerts Director, Finance Director and Chief Operating Officer.

The total cost of employment of the Key Management Personnel was £674,297 (2023 - £635,182).

The total cost of termination payments in the year was £9,375 (2023 - £NIL).

15. Trustees' remuneration and expenses

During the year, one or more Trustees has been paid remuneration or has received other benefits from an employment with the Charity. No emoluments were paid for services as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2024	<i>2023</i>
		£	£
Kira Doherty	Remuneration	5,396	12,949
	Pension contributions paid	324	777
Cheremie Hamilton-Miller	Remuneration	11,229	10,000
	Pension contributions paid	674	600
James Buckle	Remuneration	5,833	-
	Pension contributions paid	350	-

During the year ended 31 August 2024, no Trustee expenses have been incurred (2023 - £NIL).

PHILHARMONIA LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

16. Tangible fixed assets

Group

	Long leasehold property £	Musical instruments £	Music library £	Computer equipment £	Fixtures and fittings £	Assets under construction £	Total £
Cost or valuation							
At 1 September 2023	3,819,440	131,516	220,648	69,680	-	108,732	4,350,016
Additions	-	77,410	-	1,095	14,410	-	92,915
Disposals	-	-	-	-	-	(108,732)	(108,732)
At 31 August 2024	<u>3,819,440</u>	<u>208,926</u>	<u>220,648</u>	<u>70,775</u>	<u>14,410</u>	<u>-</u>	<u>4,334,199</u>
Depreciation							
At 1 September 2023	366,358	60,578	47,822	22,049	-	-	496,807
Charge for the year	50,058	18,468	16,236	21,457	3,456	-	109,675
At 31 August 2024	<u>416,416</u>	<u>79,046</u>	<u>64,058</u>	<u>43,506</u>	<u>3,456</u>	<u>-</u>	<u>606,482</u>
Net book value							
At 31 August 2024	<u>3,403,024</u>	<u>129,880</u>	<u>156,590</u>	<u>27,269</u>	<u>10,954</u>	<u>-</u>	<u>3,727,717</u>
At 31 August 2023	<u>3,453,082</u>	<u>70,938</u>	<u>172,826</u>	<u>47,631</u>	<u>-</u>	<u>108,732</u>	<u>3,853,209</u>

Assets under construction relate to the implementation of a new accounting system and the development of musical equipment.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

16. Tangible fixed assets (continued)

Charity

	Long leasehold property £	Musical instruments £	Music library £	Computer equipment £	Fixtures and fittings £	Assets under construction £	Total £
Cost or valuation							
At 1 September 2023	3,819,440	115,516	220,648	63,244	-	108,732	4,327,580
Additions	-	77,410	-	1,095	14,410	-	92,915
Disposals	-	-	-	-	-	(108,732)	(108,732)
At 31 August 2024	<u>3,819,440</u>	<u>192,926</u>	<u>220,648</u>	<u>64,339</u>	<u>14,410</u>	<u>-</u>	<u>4,311,763</u>
Depreciation							
At 1 September 2023	366,358	54,525	47,822	15,613	-	-	484,318
Charge for the year	50,058	18,148	16,236	21,457	3,456	-	109,355
At 31 August 2024	<u>416,416</u>	<u>72,673</u>	<u>64,058</u>	<u>37,070</u>	<u>3,456</u>	<u>-</u>	<u>593,673</u>
Net book value							
At 31 August 2024	<u><u>3,403,024</u></u>	<u><u>120,253</u></u>	<u><u>156,590</u></u>	<u><u>27,269</u></u>	<u><u>10,954</u></u>	<u><u>-</u></u>	<u><u>3,718,090</u></u>
At 31 August 2023	<u><u>3,453,082</u></u>	<u><u>60,991</u></u>	<u><u>172,826</u></u>	<u><u>47,631</u></u>	<u><u>-</u></u>	<u><u>108,732</u></u>	<u><u>3,843,262</u></u>

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

17. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 September 2023	4,109,094
Additions	1,049,265
Disposals	(964,460)
Revaluations	302,811
Drawdown	(500,000)
At 31 August 2024	<u>3,996,710</u>

The historic cost of the Group's listed investments is £3,204,649 (2023 - £3,392,912).

Charity	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 September 2023	100	4,109,094	4,109,194
Additions	-	1,049,265	1,049,265
Disposals	-	(964,460)	(964,460)
Revaluations	-	302,811	302,811
Drawdown	-	(500,000)	(500,000)
At 31 August 2024	<u>100</u>	<u>3,996,710</u>	<u>3,996,810</u>

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

17. Fixed asset investments (continued)

Principal subsidiaries

The following were subsidiary undertakings of the Charity:

Names	Company number	Charity registration number	Holding/ control	Included in consolidation
Rite Digital Limited	07565292		100%	Yes
The Martin Musical Scholarship Fund		313937	100%	Yes
Philharmonia Trust Limited	913665	254191	100%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Rite Digital Limited	8,457	(255)	8,202	(4,553)
The Martin Musical Scholarship Fund	5,018	(92,144)	(87,126)	156,824

Philharmonia Trust Limited was dormant during the year.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

18. Debtors

	Group 2024 £	<i>Group 2023 £</i>	Charity 2024 £	<i>Charity 2023 £</i>
Trade debtors	645,770	314,559	645,670	314,459
Amounts owed by group undertakings	-	-	99,719	84,462
Other debtors	141,454	158,253	141,454	158,253
Prepayments and accrued income	218,645	61,568	218,645	61,568
Tax recoverable	1,485,000	1,100,000	1,485,000	1,100,000
	2,490,869	1,634,380	2,590,488	1,718,742

19. Creditors: Amounts falling due within one year

	Group 2024 £	<i>Group 2023 £</i>	Charity 2024 £	<i>Charity 2023 £</i>
Other loans	111,352	70,326	111,352	70,326
Trade creditors	278,105	178,526	278,105	178,526
Amounts owed to group undertakings	528	2,089	528	2,089
Other taxation and social security	48,015	11,072	48,015	11,072
Other creditors	69,938	70,604	67,051	65,177
Accruals and deferred income	747,993	876,158	741,893	868,558
	1,255,931	1,208,775	1,246,944	1,195,748

	Group 2024 £	<i>Group 2023 £</i>	Charity 2024 £	<i>Charity 2023 £</i>
Deferred income				
Deferred income at 1 September	333,518	506,481	333,518	506,481
Resources deferred during the year	269,611	881,111	269,611	881,111
Amounts released from previous periods	(333,518)	(1,054,074)	(333,518)	(1,054,074)
Deferred income at 31 August	269,611	333,518	269,611	333,518

Deferred income relates to ticket sales in advance and various sponsorship agreements where the project or concert has not yet been delivered.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

20. Creditors: Amounts falling due after more than one year

	Group 2024 £	<i>Group 2023 £</i>	Charity 2024 £	<i>Charity 2023 £</i>
Other loans	1,336,007	<i>1,450,562</i>	1,336,007	<i>1,450,562</i>

Included within the above are amounts falling due as follows:

	Group 2024 £	<i>Group 2023 £</i>	Charity 2024 £	<i>Charity 2023 £</i>
Between one and two years				
Other loans	111,352	<i>140,653</i>	111,352	<i>140,653</i>
Between two and five years				
Other loans	445,409	<i>351,631</i>	445,409	<i>351,631</i>
Over five years				
Other loans	779,246	<i>958,278</i>	779,246	<i>958,278</i>

The amounts repayable relate to a mortgage loan from Barclays Bank on the property at 6 Chancel Street. At the year-end the outstanding balance was £1,447,359 (2023 - £1,520,888). The loan rate is 2.49% per annum (fixed for 10 years) repayable over the loan term of 23 years from March 2017.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

21. Consolidated statement of funds

Statement of funds - current year

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2024 £
Unrestricted funds						
Designated funds						
Designated Funds - Fixed Assets	400,076	-	-	(75,383)	-	324,693
Designated Funds - Special Projects	1,000,000	-	-	(1,000,000)	-	-
	<u>1,400,076</u>	<u>-</u>	<u>-</u>	<u>(1,075,383)</u>	<u>-</u>	<u>324,693</u>
General funds						
Rite Digital	(12,855)	8,457	(255)	-	-	(4,653)
Philharmonia General Fund	650,217	9,446,694	(9,704,602)	1,075,383	-	1,467,692
	<u>637,362</u>	<u>9,455,151</u>	<u>(9,704,857)</u>	<u>1,075,383</u>	<u>-</u>	<u>1,463,039</u>
Total Unrestricted funds	<u>2,037,438</u>	<u>9,455,151</u>	<u>(9,704,857)</u>	<u>-</u>	<u>-</u>	<u>1,787,732</u>
Endowment funds						
Permanent endowment fund						
MMSF Endowment Funds	147,292	-	-	-	-	147,292
Endowment 2005 Funds	2,715,921	-	-	(2,715,921)	-	-
Catalyst Endowment Funds	-	48,650	(10,843)	2,857,796	115,313	3,010,916
Expendable endowment funds						
Endowment 2005 Funds	-	59,652	(12,654)	2,715,921	187,498	2,950,417
Catalyst Endowment Funds	2,857,796	-	-	(2,857,796)	-	-
	<u>5,721,009</u>	<u>108,302</u>	<u>(23,497)</u>	<u>-</u>	<u>302,811</u>	<u>6,108,625</u>

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

21. Statement of funds (continued)

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2024 £
Restricted funds						
Instrument Loans Fund	117,338	-	-	-	-	117,338
Martin Musical Scholarship Grant Fund	13,499	-	-	-	-	13,499
MMSF General Fund	73,212	5,018	(91,824)	-	-	(13,594)
MMSF Donated Assets	9,947	-	(320)	-	-	9,627
Philharmonia Restricted	84,167	665,281	(516,291)	-	-	233,157
	<u>298,163</u>	<u>670,299</u>	<u>(608,435)</u>	<u>-</u>	<u>-</u>	<u>360,027</u>
Total of funds	<u><u>8,056,610</u></u>	<u><u>0,233,752</u></u>	<u><u>(10,336,789)</u></u>	<u><u>-</u></u>	<u><u>302,811</u></u>	<u><u>8,256,384</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

21. Statement of funds (continued)

Restricted Funds:

Martin Musical Scholarship Fund and MMSF General Fund

Martin Musical Scholarship Fund (MMSF) is a subsidiary charity of Philharmonia Ltd, which supports young musicians. Funds are split between restricted and endowment funds according to their nature.

MMSF Donated Assets

Relates to a piano.

Instrument Loans Fund

Instrument Loans

Endowments:

Endowment – Catalyst Fund

The Fund includes investments previously within the restricted Catalyst Endowment Fund as set out in the Funds note. The fund will be utilised to support orchestra activity.

Endowment 2005 Fund

The fund includes investments previously held within the Philharmonia Trust Limited, as a result of the Philharmonia Orchestra's Endowment Fund Appeal in 2003.

MMSF Endowment Funds

The endowment funds represent assets held by MMSF, principally representing a capital donation given by the Mortimer Foundation. Income arising from the Endowment related investments is taken to the MMSF General fund.

Unrestricted Funds:

Designated Fund – Fixed Assets

The fixed asset reserve comprises the net book value of all fixed assets excluding property.

Rite Digital

Digital and technological income and expenditure.

The Trustees are undertaking a review of the Group's Endowment and Restricted Funds. The first stage of this review is reflected in the statement of funds at 31 August 2024 above, with the 2005 Endowment Funds reclassified as expendable endowment funds, and the Catalyst Endowment Funds reclassified as permanent endowment funds. The review is ongoing and is expected to be complete by the end of the year ended 31 August 2025.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

21. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2023 £</i>
Unrestricted funds						
Designated funds						
Designated Funds - Fixed Assets	350,831	-	-	49,245	-	400,076
Designated Funds - Special Projects	1,000,000	-	-	-	-	1,000,000
	<u>1,350,831</u>	<u>-</u>	<u>-</u>	<u>49,245</u>	<u>-</u>	<u>1,400,076</u>
General funds						
Rite Digital	(13,233)	1,775	(1,397)	-	-	(12,855)
Philharmonia General Fund	1,197,793	8,303,244	(8,801,575)	(49,245)	-	650,217
	<u>1,184,560</u>	<u>8,305,019</u>	<u>(8,802,972)</u>	<u>(49,245)</u>	<u>-</u>	<u>637,362</u>
Total Unrestricted funds	<u>2,535,391</u>	<u>8,305,019</u>	<u>(8,802,972)</u>	<u>-</u>	<u>-</u>	<u>2,037,438</u>
Endowment funds						
Permanent endowment fund						
MMSF Endowment Funds	174,498	-	-	(27,206)	-	147,292
Endowment 2005 Funds	2,666,463	43,007	-	-	6,451	2,715,921
Catalyst Endowment fund	-	-	-	-	-	-
Expendable endowment funds						
Endowment 2005 Funds	-	-	-	-	-	-
Catalyst Endowment Funds	2,883,242	50,035	-	-	(75,481)	2,857,796
	<u>5,724,203</u>	<u>93,042</u>	<u>-</u>	<u>(27,206)</u>	<u>(69,030)</u>	<u>5,721,009</u>

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

21. Statement of funds (continued)

	<i>Balance at 1 September 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2023 £</i>
Restricted funds						
Instrument Loans Fund	117,338	-	-	-	-	117,338
Martin Musical Scholarship Grant Fund	13,499	-	-	-	-	13,499
MMSF General Fund	67,830	41,256	(63,080)	27,206	-	73,212
MMSF Donated Assets	10,267	-	(320)	-	-	9,947
Philharmonia Restricted	-	365,454	(281,287)	-	-	84,167
	<u>208,934</u>	<u>406,710</u>	<u>(344,687)</u>	<u>27,206</u>	<u>-</u>	<u>298,163</u>
Total of funds	<u><u>8,468,528</u></u>	<u><u>8,804,771</u></u>	<u><u>(9,147,659)</u></u>	<u><u>-</u></u>	<u><u>(69,030)</u></u>	<u><u>8,056,610</u></u>

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Tangible fixed assets	3,727,717	-	-	3,727,717
Fixed asset investments	3,996,710	-	-	3,996,710
Current assets	(3,344,757)	360,027	6,108,625	3,123,895
Creditors due within one year	(1,255,931)	-	-	(1,255,931)
Creditors due in more than one year	(1,336,007)	-	-	(1,336,007)
Total	<u><u>1,787,732</u></u>	<u><u>360,027</u></u>	<u><u>6,108,625</u></u>	<u><u>8,256,384</u></u>

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Endowment funds 2023 £</i>	<i>Total funds 2023 £</i>
Tangible fixed assets	3,853,209	-	-	3,853,209
Fixed asset investments	4,109,094	-	-	4,109,094
Current assets	(3,265,528)	298,163	5,721,009	2,753,644
Creditors due within one year	(1,208,775)	-	-	(1,208,775)
Creditors due in more than one year	(1,450,562)	-	-	(1,450,562)
Total	<u>2,037,438</u>	<u>298,163</u>	<u>5,721,009</u>	<u>8,056,610</u>

23. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2024 £	Group 2023 £
Net expenditure for the year (as per Statement of Financial Activities)	199,774	(411,918)
Adjustments for:		
Depreciation charges	16 109,675	86,641
Movements on investments	(302,811)	412,361
Investment income	7 (113,320)	(95,857)
Loss on the sale of fixed assets	108,732	21,003
Loss on the sale of intangible assets	-	3,645
Increase in debtors	18 (858,578)	(109,193)
Decrease in creditors	19,20 (65,310)	(386,033)
Mortgage loan interest	37,822	41,595
Income retained as investments	-	(71,550)
Net cash used in operating activities	<u>(884,016)</u>	<u>(509,306)</u>

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

24. Analysis of cash and cash equivalents

	Group 2024 £	<i>Group 2023 £</i>
Cash in hand	633,026	1,119,264
Total cash and cash equivalents	633,026	1,119,264

25. Analysis of changes in net debt

	At 1 September 2023 £	Cash flows £	At 31 August 2024 £
Cash at bank and in hand	1,119,264	(486,238)	633,026
Debt due within 1 year	(70,326)	(41,026)	(111,352)
Debt due after 1 year	(1,450,562)	114,555	(1,336,007)
	(401,624)	(412,709)	(814,333)

26. Operating lease commitments

At 31 August 2024 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2024 £	<i>Group 2023 £</i>	Charity 2024 £	<i>Charity 2023 £</i>
Not later than 1 year	5,084	10,608	5,084	10,608
Later than 1 year and not later than 5 years	11,376	6,836	11,376	6,836
	16,460	17,444	16,460	17,444

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	Group 2024 £	<i>Group 2023 £</i>	Charity 2024 £	<i>Charity 2023 £</i>
Operating lease rentals	14,523	14,700	14,523	14,700

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

27. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member. There were 66 members at 31 August 2024 (2023 - 65).

28. Related party transactions

Payments were made to all playing members of the Board, including the Chair and Deputy Chair, in respect of the work they have carried out with the Orchestra. During the year, playing members of the Board were paid no additional income for duties.

Rite Digital Limited gifts its profits to the charity making a nil gain nil loss each year. At the year-end Rite Digital owed Philharmonia Limited £8,395 (2023 - £62,312).

The Company had a related party relationship with MMSF by virtue of its trustees. At the year-end MMSF owed Philharmonia Limited £91,324 (2023 – amount owed £22,150).

The Charity has a related party relationship with the Philharmonia Foundation Inc, registered in the US, by virtue of having two Trustees in common. During the year Philharmonia Foundation made payments totalling £NIL (31 August 2023 - £NIL). At the year-end Philharmonia Limited owed Philharmonia Foundation £528 (2023 – Foundation owed Philharmonia: £2,089).

The Charity received donations in the year from 5 (2023 - 7) Trustees for the value of £157,860 (2023 - £86,900).

PHILHARMONIA LTD

England & Wales - Charity number 250277

Accounts

Company registered number: 00799297
Charity registered number: 250277

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

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PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2023**

Trustees	Lord Mervyn King, Chair Saul Nathan, Deputy Chair Kira Doherty, President (player member) Cheremie Hamilton-Miller, Vice president (player member) James Buckle Nuno Carapina Rupert Darbyshire Charlotte Hogg (appointed 15 November 2022) Johanne Hudson-Lett (appointed 15 November 2022) Heidi Krutzen Lorenzo Modiano Eunsley Park (appointed 28 June 2023) Lawrence Rolton Antoine Sigure Julia Zilberman Laurent Ben Slimane (resigned 8 December 2022) Michael Brindle (resigned 8 December 2022) Michael Fuller (resigned 8 June 2023) Daniel Knottenbelt (resigned 8 December 2022) Sir Peter Middleton (resigned 8 December 2022)
Company registered number	00799297
Charity registered number	250277
Registered office	6 Chancel Street London, United Kingdom SE1 0UX
Company secretary	Katherine Collis
Independent Finance Committee member	Nick Bishop
Independent auditors	MHA 6th Floor 2 London Wall Place London United Kingdom EC2Y 5AU

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Bankers

Barclays Bank
1 Churchill Place
London
E14 5HP

NatWest Bank
10 Marylebone High Street
London
W1U 4BT

Legal advisers

McDermott Will and Emery LLP
Heron Tower
110 Bishopsgate
London, United Kingdom
EC2N 4AY

Stone King LLP
Boundary House
91 Charterhouse Street
London, United Kingdom
EC1M 6HR

PHILHARMONIA LIMITED
(A company limited by guarantee)

LETTER FROM THE CHAIR AND PRESIDENT
FOR THE YEAR ENDED 31 AUGUST 2023

LETTER FROM THE CHAIR AND PRESIDENT

The 22/23 financial year saw a return to more regular financial planning patterns, which coupled with a successful Arts Council funding round (2023-26), have allowed the Orchestra more certainty and security in its financial profile as a publicly financed National Portfolio organisation.

The first year and a half of leadership from CEO Thorben Dittes has consolidated and strengthened the existing Orchestra's senior management team, restructuring and expanding where needed. This has given the executive team the expertise, stability and capacity needed to secure the diary with high quality and artistically inspirational work for the players from 2024 onwards.

This together with a successful fees review and partial media buy-out for the players has done much to support the players through financially and artistically rewarding projects, whilst giving the Orchestra the flexibility needed to take advantage of media and marketing opportunities when they arise.

The increase in performing activity and its competitive levels of remuneration for players is a very positive development, but will of course mean a higher level of contributed income is required.

Unfortunately, the continued relative stagnation of the U.K. economy and persistent inflation has meant that individual and corporate fundraising continues to be challenging, and budgeting for engagements and international touring remains extremely tight.

These external pressures have affected the whole of the arts sector, and the result is an even more competitive market where several organisations continue to face the very real threat of severe budgetary cuts and high redundancies, the effects of which will inevitably cascade more widely through the sector .

Consequently, it was more important than ever for the Philharmonia in 22/23 to nurture and secure its existing relationships at home in the U.K. and abroad. Due to the hard work of the executive team, the Orchestra has successfully renewed both of its relationships with Garsington Opera (5 year extension) and the Three Choirs Festival (6 year extension) as well as bi-annual appearances at the International Edinburgh Festival, and a 4-year relationship with the summer Mikkeli Music Festival in Finland. Major international tours have also returned to the Philharmonia's advance schedule starting with China in December 2023 followed by three European tours in the first quarter of 2024 and plans for major tours to America and Japan in 2025.

This activity has been underpinned by a deepening of the relationship with our principal conductor and the appointment of other titled guest conductors as well as featured artists throughout the main season, which give the Philharmonia unique artistic identity within the London arts scene.

Player recruitment remained one of the biggest challenges for the Orchestra during the 22/23 financial year, as a lag in activity across the sector during covid has meant a high level of vacancies in most orchestras and a highly competitive market for those players most in demand. We are however confident that the reinvigorated executive team and strengthened governance, along with redefined mission/vision/values, increased pay and performances continue to make the Philharmonia an attractive and a prestigious home for players.

Despite the sector being under extreme pressure for several years, and despite the challenges that still face us , we are convinced that the Orchestra is very well placed through its flexibility and willingness to reimagine the sector in new and innovative ways while preserving its artistic excellence..

Lord King of Lothbury and Kira Doherty
January 2024

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

OBJECTIVES AND ACTIVITIES

The charitable objectives of the Company are as follows: the advancement of public education through the promotion and support of the art of music (including opera, music, drama, ballet and all art forms consisting in whole or in part of music), particularly by the promotion and encouragement of orchestral music; and the relief of poverty and distress amongst playing members of any symphony orchestra for the time being maintained by the Charity and the dependents of such persons. The Company achieves these objectives by maintaining a symphony orchestra of the highest quality (the "Orchestra").

The Orchestra aims to raise the public appreciation of music by maintaining and developing its position as one of the world's leading symphony orchestras, through the quality of its playing, its creative programming, the commissioning of new music, the provision of its learning and engagement programme, and the use of digital technologies to bring its performances to the largest and most diverse audience possible.

Throughout the 22/23 season the Company undertook a Mission, Vision, and Values exercise, which for the first time involved the Board, musicians and staff, as well as external expert voices and substantial audience and participant research and focus groups. This work was informed and underpinned throughout by the Investment Principles of Arts Council England "Lets Create" of Ambition and Quality, Dynamism, Inclusivity and Relevance and Environmental Sustainability.

The resulting new Mission is:

To create the orchestral experience of the future

Which will enable the Company to contribute to a broader Vision for the future:

Our Vision for the future is of a more equitable, sustainable and thriving society with orchestral music at the beating heart of cultural life. A society where music is valued as a universal language with the power to unite us, is embedded deeply in childrens education, and where musicians are celebrated for the essential work they do to make the world a healthier, more human, creative, and vibrant place.

The Company works to achieve its Mission and Vision by combining **Excellence** and **Innovation** to capture the heart and soul of future audiences. Alongside the highest standards of performance and performing with great artists, innovation will play an increasingly important role to extend the reach, impact and relevance of the Company significantly. Innovation will take place in three strands:

- Breaking down the barriers to the traditional concert experience
- Creating new immersive live experiences
- Pioneering new relationships to connect audiences with orchestral music.

All of the Company's work will be based on its new values:

We are Energised
We act with Integrity
We are Welcoming
We are Resilient
We are Collaborative

While the implementation of the new Mission, Vision and Values will create a shift in the Company's activity over the next three years, the main outputs for the past season remained as follows:

- the provision of "Own Promotion" concerts at the Southbank Centre;
- residencies in Bedford, Leicester, Basingstoke, Canterbury, at the Three Choirs Festival and Garsington Opera;
- engagements by third party promoters in the UK and internationally;
- learning and engagement programmes;
- recorded performances of the highest standard, including via Philharmonia Records, the Company's new own label;
- outreach via the website and other digital media.

TRUSTEES' REPORT
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PUBLIC BENEFIT

When reviewing the charitable Company's objectives and activities and devising the future programme of the charitable Company for the next period, the Board of Trustees confirms that it has referred to the Charity Commission's general guidance on public benefit and complied with its duty under the Charities Act 2011.

The Company's aims and objectives stated above are directed at the public at large: the Orchestra's concertgoers throughout the UK and abroad; visitors to its website; those who listen to its recordings; those in the local communities where the Orchestra works, and the wider communities the Orchestra serves; and those who participate in the Orchestra's various learning and engagement work.

The Orchestra's Own Promotion concerts at Southbank Centre are open to the public without restriction. Discounted tickets are available for disabled concertgoers, those on income support, students and under-18s. The Orchestra also offers an extensive programme of chamber concerts, contemporary music, talks and foyer events with free entry. The Orchestra performs throughout the UK in public venues that have similarly inclusive policies.

The Orchestra aims to increase the numbers and diversity of its audiences and participants through sophisticated audience engagement strategies including its world-leading digital programme, online content available free through its website and other platforms; and its work with communities. The Orchestra will also benefit future generations through its learning and engagement programmes, its recordings and through its dedication to training the next generation of orchestral musicians.

STRATEGIC REPORT

A ACHIEVEMENTS AND PERFORMANCE

The 22/23 season was the first full post-COVID season, with audience engagement getting close to pre-pandemic levels. The season offered some stand-out performances and allowed the Orchestra to deepen its relationships with audiences, learning and engagement participants and key artists, most notably featured artist Sheku Kanneh-Mason and Featured Composer Anna Clyne. It also was the first season where regional residencies returned to the full orchestral series, rebuilding relationships with those loyal supporters outside of London.

Following the completion of the Mission, Vision and Values exercise, the Orchestra moved to confirm two artistic appointments which firmly set the sights on excellence and innovation, by appointing Sir John Eliot Gardiner as Principal Guest Conductor Emeritus, and Marin Alsop as Principal Guest Conductor. Alongside Principal Conductor Santtu-Matias Rouvali and Conductor Laureate Esa-Pekka Salonen, the Orchestra can now claim a family of titled conductors to rival the best orchestras in the world.

CONCERTS & PROJECTS

Following the success of the 21/22 season, the first full season following the pandemic and the first under its new Principal Conductor, Santtu-Matias Rouvali, the Orchestra began its 22/23 season with a renewed sense of purpose and confidence. With audiences returning in numbers close to pre-pandemic levels, the Orchestra delivered a bold and diverse programme, performing a total of 141 concerts in London, around the UK, and internationally.

The season opened ambitiously, with Santtu-Matias Rouvali conducting Mahler's Symphonies No.1 and No.5. The programmes also included John Adams' piano concerto *Must the Devil Have all the Good Tunes* with the extraordinary pianist Vikingur Olafsson as soloist, as well as music by George Walker, Anna Clyne and Erich Wolfgang Korngold. This was swiftly followed with a welcome return for Marin Alsop, conducting a concert with the Orchestra's Featured Artist for the 22/23 season, cellist Sheku Kanneh-Mason, as soloist.

Sheku-Kanneh Mason was the Orchestra's second Featured Artist, following on from Pekka Kuusisto in 21/22. Sheku performed 4 concertos in the Royal Festival Hall across the season – both Haydn concertos, Bloch's Schelomo, and Beethoven's Triple Concerto to close the season. In addition, he joined the Philharmonia cello section in a free, post-concert performance of Villa-Lobos' Bachianas Brasileiras No.2, a chamber concert at the Queen Elizabeth Hall, also with Philharmonia musicians, and an event in the Clore Ballroom involving many young string players from local music hubs.

TRUSTEES' REPORT
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The Orchestra was delighted to welcome New York based, British composer Anna Clyne as the first Featured Composer. With four works performed on the main Festival Hall stage across the season, two Music of Today concerts curated by her, as well as masterclasses for Composer Academy students, Anna became fully embedded in activity. Her residency included two new commissions – the UK premiere of her Clarinet Concerto, *Weathered*, and her Clarinet Quintet, *Strange Loops*.

Other highlights of the season included Yuja Wang's debut with the Philharmonia, performing Rachmaninov's Piano Concerto No.1 to a sold-out Festival Hall and immediately followed by three sold-out concerts in Spain; a stunning performance of Sibelius' Violin Concerto from Lisa Batiashvili under conductor Lahav Shani, and the season close where the Orchestra performed to more than 2700 people as soloists Nicola Benedetti, Sheku-Kanneh Mason and Benjamin Grosvenor performed Beethoven's Triple Concerto, followed by a rousing performance of Strauss's tone-poem *Ein Heldenleben*.

The Orchestra is thrilled to continue to work with conductors and soloists at the highest level, including Lahav Shani, Jakub Hrusa, Paavo Jarvi, Kazuki Yamada, Lisa Batiashvili, Vikingur Olafsson, Igor Levit, Bryn Terfel, Yuja Wang, Benjamin Grosvenor, Nicola Benedetti and Stephen Hough.

The 2020-24 Equality Action Plan aimed to increase representation of protected characteristics on the platform. We made it a priority to seek out and engage a diverse range of conductors, soloists and composers. Artists featured included conductors Marin Alsop, Tabita Berglund, Joana Carneiro, Oksana Lyniv, Ryan Bancroft, Kazuki Yamada; soloists Yuja Wang, Sheku Kanneh-Mason, Hongni Wu, Esther Yoo and Randall Goosby; and composers Anna Clyne, Jessie Montgomery, Caroline Shaw, Paola Prestini, Clarice Assad, Nathalie Joachim and Grace-Evangeline Mason.

Part of the Philharmonia's mission is to deliver world-class music to as wide an audience as possible, and this is achieved in part through the strength of residencies in Canterbury, Leicester, Basingstoke and Bedford. Audiences have the opportunity to see world class artists of the calibre of Santtu-Matias Rouvali, Marin Alsop, Jukka-Pekka Saraste, Randall Goosby and Sheku Kanneh-Mason, performing in their cities, and to hear a wide range of music from Beethoven to Anna Clyne and John Williams. The 22/23 season also saw the Orchestra perform in UK cities beyond its regular residencies, including Cardiff, Windsor and Oxford.

The Orchestra's summer residencies continue to grow, and partnerships with Garsington Opera, Three Choirs Festival and Bold Tendencies continue to go from strength to strength. At Garsington Opera, the Orchestra undertook eight performances of Strauss's *Ariadne auf Naxos*, and nine performances of Smetana's *The Bartered Bride*. The Orchestra then immediately travelled to Gloucester, where players gave three concerts at the Three Choirs Festival, including a stunning performance of Elgar's Violin Concerto from Concert Master, Zsolt-Tihamér Visontay.

A relatively new and exciting partnership with the Bold Tendencies Festival in Peckham has seen the Orchestra take large-scale, ambitious repertoire out of the traditional concert hall and into the Peckham Car Park, performing to a new audience who would not normally attend concerts at the Festival Hall. Mahler performed and the President of the Mahler Foundation attended (the granddaughter of Mahler).

The Orchestra's UK summer activity concluded with a performance at the BBC Proms with Santtu-Matias Rouvali, and pianist Seong-Jin Cho. Seong-Jin performed a stunning Chopin Piano Concerto No.1, and the concert concluded with a BBC Proms first, Strauss' early tone-poem, *Aus Italien*.

International touring remains challenging as promoters around the globe recover from the pandemic. Budgets have become tighter, and air travel and international freight had become very costly. In addition both the Orchestra and promoters are increasingly mindful of the environmental costs of international tours. The deliverability of residencies and efficient transportation planning are important considerations. The Orchestra maintained a strong international presence, giving concerts in Milan, Turin, Verona, Rimini, Merano, Lucerne, Hamburg, Munich, Cologne, Madrid, Barcelona, Lugano, Budapest, Grafenegg and Schleswig-Holstein Music Festivals.

The summer of 2023 also saw the orchestra travel to the city of Mikkeli, in Finland. This marked the first year of an exciting, new four-year partnership with the Mikkeli Festival, which will see the Orchestra travel each August to be in residence for one week, giving orchestral concerts, chamber concerts, as well as education and outreach work. The Orchestra performed four orchestral concerts, including two under Santtu-Matias Rouvali. In addition, both the strings and the wind were able to display their brilliance in two chamber music concerts. All performances were sold out many months ahead of the Festival.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

MMSF and Composers Academy

The MMSF scheme provided support for a cohort of 14 MMSF fellows through a year of mentoring, coaching, masterclasses, CPD, opportunities to join concert and Learning and Engagement patches and projects, and opportunities to observe and sit in the orchestral rehearsals. 167 paid patches were provided, a huge number for the cohort, and a third of the fellows have secured either membership or regular work with an orchestra during their fellowship year, with the rest applying for positions at the time of writing. "I feel much more confident than when I started thanks to the CPD, sit ins and lessons. I have a bit more to go in terms of confidence/performance anxiety to get around imposter syndrome but I am much better placed having done the fellowship." MMSF Fellow The MMSF 23/24 cohort has just been recruited and appointed with 418 applicants to the programme, and from that 13 new appointments were made (one harp carried over to a second year).

Recruitment for Composers' Academy 22/23 attracted 93 submissions. 12 of these submissions were shortlisted for interview, with 3 being selected.

The encouragement of applicants from communities that are currently underrepresented in composition was recognised in 45 submissions, with nine citing their ethnicity, 13 citing their gender, 13 highlighting their gender in relation to their instrument, 10 using their low socioeconomic background, 9 d/Deaf disability and neurodivergent/autism ; and 2 focusing on their sexuality.

The Composers' Academy programme provided a mentor (who in turn provided 15 hours of coach per composing fellow), several masterclasses and insights sessions, 8 creative sessions with players, and a full rehearsal of their pieces before the day of the concert. The Orchestra Featured Composer, Anna Clyne, provided two bespoke masterclasses in technique, and the fellows worked with one of the Orchestra's conductors to ensure the scores were fully prepared.

ORGANISATION

The Board of the Philharmonia under Lord King of Lothbury as Chair, met regularly through the period, leading the strategic direction of the Orchestra. Michael Fuller and Laurent Ben Slimane resigned during the year, though remain as players with the Orchestra, and Eunsley Park was appointed to the Board. The organisation thanks Michael and Laurent for their voluntary service over many years and welcome Eunsley.

During the period, a further senior management appointment was made, with Suzanne Doyle taking on a newly created role as Director of Concerts and Projects, strengthening the management team and performance delivery.

The Orchestra played a strong role as a sector representative, working closely with colleagues at the Association of British Orchestra, the Musicians Union, and with Arts Council England (ACE).

The Orchestra is proud to continue in its status as a National Portfolio Organisation (NPO) with Arts Council England for April 2023-March 2026. The NPO award was announced in November 2022 at £1.9m per annum, a reduction of 12% on prior years, in line with NPO funding reduction of other major London orchestras. As a result of the reduced funding, and increased inflation and cost of living impact on staff and players, the Orchestra has reviewed and adapted its activity plans and continues to seek new commercial and development opportunities to diversify income streams.

AUDIENCE DEVELOPMENT

Following extensive research and analysis with external agency Touchstone, in the second half of the 22/23 season, a brand-new dynamic pricing structure was introduced, with the aim of increasing revenue at the top end, whilst ensuring accessibility at the lower end. Early indications show significant increases in income and ticket yield for the most popular concerts especially, but the long-term success of this change will be monitored throughout upcoming seasons.

The Ringside Seats ticketing initiative was dialled up, with increased targeted comms, resulting in double the number of tickets sold versus 21/22. We saw growth in our family audiences, with two sell-out Revolting Rhymes concerts, contributing to a 22% increase in under 18s/children tickets year on year. We also saw increases in first time visitors, up 7% YoY and accounting for almost 10,000 tickets across the season. In addition, The Guest List project continues to target underrepresented groups with a view to removing barriers to performance attendance, with the first pilot taking place outside London in Bedford this season.

TRUSTEES' REPORT
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Dedicated analytical resource is in place with a highly experienced Data and Insight Manager, who has delivered thorough analysis of audiences from the season, providing the most robust insight to date. As well as internal analysis, The Audience Agency have been commissioned to provide reports on audience insight in Bedford, Luton and Leicester. These reports will be delivered in the next ACE year.

The next stage with The Audience Agency is to segment audience booking data and adopt the Audience Spectrum segmentation model. This will feed into the work planned with Tessitura to create bespoke customer journeys for different audience categories.

All of this will be monitored and tracked through the data strategy working group, as well as improved post-concert surveys and peer/audience reviews, using the Impacts and Insights Toolkit from Counting what Counts.

LEARNING AND ENGAGEMENT

Across the whole of the 22/23 season, Orchestra community and education work has **reached over 14,000 people**.

Orchestra Unwrapped was delivered in Leicester, London, and Bedford. Attended by 3100 students and 300 teachers, from across 47 schools. The concert was themed around the idea of *Speak-Up* and the repertoire consisted of a student-selected piece, pieces related to both the Music Model Curriculum and BBC Ten Pieces, and an audience participation piece. OU was affected by the unprecedented number of both travel and teacher strikes as each concert sold out nearly twice over, but more than half the schools had to withdraw due to those interruptions.

Outcomes of this project were to:

- Increase numbers of young people listening to live classical music
- Support teachers in teaching classical music
- Creative resources that were used in class setting to support overall learning.

Of special note, a school that the Orchestra works with recently received an Outstanding from Ofsted with the following report: The **Hear & Now** project continued in both **Bedford and Leicester**. Through this, over 80 participants were reached with audiences of over 150 people. Named *Rooted* and *Colours* respectively, the performances included a selection of songs, orchestral arrangements, poetry, and movement all under theme of taking care of each other and the planet, and the connections between memory, culture, and the use of colour.

Outcomes of *Hear and Now* are:

- To increase confidence and decrease anxiety of people living with dementia to engage in new activities
- To increase memory recall in PLWD
- To increase cross-generational communication in community settings.

'Music holds a special place in the school. The large school choir is well-known in the community for its contributions to local events. The Philharmonia Orchestra and other music providers hold regular workshops and have encouraged many pupils to learn to play a musical instrument.'

The **Bullfrog Orchestra** project ended on 5 July in the Guildhall of Leicester at the Bullfrog summer concert. Over 140 people attended including foster carers, social workers, head teachers, and council heads of service. The participants were enthusiastic, and given their home life, their ability to learn the music they were given is a significant achievement. The main outcome of the project is to support the young peoples ability to work with others in a meaningful way though music.

21 **pre-concert insights** were held, attended by over 1470 people. Feedback from the insights has been incredibly positive, with audiences describing their appreciation in hearing directly from players and conductors, etc. and this activity attracts 4-5% of the main concert audience. The outcome of these events is to improve the audiences' understanding and appreciation of the concert programme.

An initial Pop Up interactive insight event was run as part of the **Community Board activity** in Bedford. This was an opportunity to engage with communities in the town, and took place in the Harpur Centre shopping centre in Bedford, interacting with 738 participants and audience members with live performances and workshops, and a further 180 people in Bedford took part in the Orchestra's virtual reality experience. The feedback was excellent, with many participants engaged throughout.

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The Communities Board have been strengthened, with the Leicester Board having successfully met with a regular chair each quarter providing the Orchestra with new opportunities for collaboration, a distinct perspective on marketing and audiences, and acting as a critical friend with whom to consult on potential projects.

The Guest List continues in Bedford, and 6 concerts next year have been targeted to invite 160 first time attendees who will experience a bespoke and curated 'first time journey' to support them at the concert and encourage them to return. Its outcome is to support first time attendees to decrease anxiety about attending and increase likelihood they would attend a second time.

The 2022/23 **Artist in Residence**, Love Ssega, presented his work *Pangea* on 8th June as part of the season close with the artistic aim of highlighting artistic responses to global environmental issues. Attended by over 200 people, it was met with universal acclaim, and the piece is being developed into a longer form album. The five musical segments were recorded with him at Angel Studios to use the composition in future education and development work, and produced a video of his earlier work, 'Cape for Blue Skies', as part of the expansion of his residency with us.

The 2023/24 third Artist in Residence, Soumik Datta, has now been appointed. His artistic challenge and theme will focus on the experiences of refugees and migrants, especially artists.

Eight **Featured Artist Education Project** workshops were delivered with music hub partners in Sutton, Kent, Kingston, and Southwark which culminated at the Strings Festival on Sunday 4 June. Sessions were regularly attended by 30-45 participants aged 9-17, and abilities Grade 2-8+ and the festival involved 125 young people from across south London. Sheku Kanneh-Mason led the day with rehearsals, performances, insights talks, and two masterclasses for advanced players. The project's principal outcome was to increase the confidence of young people to play in large ensembles.

Extensive work has happened with music hub partners in Bedford, Leicester, and across South London, working with over 100 students in Sutton to coach and support their Borough Youth Orchestra, provided performances and coaching to 160 students in Wandsworth, worked with nearly 1,000 students in primary school in Leicester, and worked with 100 young composers taking GCSE or A-Level music in Bedford (culminating in a performance of 5 of the students' work by Philharmonia players).

At the higher level of study, the Orchestra continues to provide a programme of support to students at the main London Conservatoires with 137 students taking part in physical 'sit in' with the Orchestra during rehearsals, with the majority playing the tutti sections of at least one piece. This year this opportunity was augmented with debrief sessions after the rehearsal where the students talk with a player or member of staff about either the rehearsal itself or an aspect of the running of a rehearsal (like the role of the librarian).

B FINANCIAL REVIEW

Review of the financial year

The year to 31 August 2023 saw a consolidated net deficit of £411,918 (31 August 2022: net surplus of £51,767). The standalone charity result for Philharmonia Limited was a deficit of £390,152 (31 August 2022: surplus of £95,650).

Underlying net operating deficit was £342,888 (31 August 2022: surplus was £284,388). The Orchestra benefited from the increase in Orchestra Tax Relief rate from October 2021 until 1 April 2023 in the year, which has enabled more concerts and activity to be planned for the current and future seasons.

Support costs were £2,412,939 (31 August 2022: £2,206,668).

The Martin Musical Scholarship Fund, whose financial results are consolidated 100% in these financial statements, made a deficit of £22,144 (31 August 2022: deficit of £30,652). Rite Digital Limited, Philharmonia Limited's fully owned trading subsidiary Company, made an operating surplus of £378 (31 August 2022: deficit of £13,233).

TRUSTEES' REPORT
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Financial management policy

The Orchestra aims to budget two to three years in advance, balancing the cost of orchestral concerts and other core work with grants and sponsorship income, as well as income directly generated by the work itself. If further activity is taken on once the budget has been set for the year ahead, it is only accepted if the work can be funded or if there is any remaining subsidy to be used. Regular communication with Arts Council England is also key to this advance budgeting.

Reserves policy

The Philharmonia Orchestra aims to have accessible free reserves to cover at least 3 months of overhead costs at any one time and no less than £750,000. This will be maintained through cash reserves and investments that can be readily converted to cash as required, any excess being used for designated projects and strategic investments. An additional designated reserve will be maintained for the net book value of non-property fixed assets.

Free reserves are calculated by taking the brought forward unrestricted reserves balance less the movement in the year but excluding NBV fixed Assets which excludes the property and is allocated to a designated fixed asset fund.

As at 31 August 2023 the total value of reserves was £8,056,610 (31 August 2022: £8,468,528). A breakdown of this is shown on the balance sheet and in the statement of funds note (note 20). Restricted and Endowment Funds are £6,009,172 of this amount (31 August 2022: £5,933,137) including £243,950 (31 August 2022: £266,094) of MMSF reserves.

Funds of £1,000,000 have been set aside to support the Orchestra to maintain its activities in light of the particularly challenging environment caused by the pandemic and to further invest in dynamic artistic special projects and innovation to grow future revenue and activity.

Free reserves in the general fund at 31 August 2023 were £650,217 with £1,000,000 of additional support this totals £1,650,217 of available funds (31 August 2022: £1,197,793).

Investment policy

The Orchestra has a policy of investing any surplus cash in investment vehicles that are low risk, are considered mainstream and allow for flexibility. The trustees have delegated the management of its investments to third party professional investment managers under formal agreements which establish clear responsibilities. The trustees have agreed with the investment managers that the objective for the investment portfolios is capital preservation against inflation combined with the generation of a steady income and an element of real capital growth. This is done through an asset class allocation principally to corporate bonds, listed equities and property funds.

The Finance Committee obtains quarterly reports from its investment managers in order to have oversight of investment performance and in doing so reviews cash forecasts on a regular basis to identify in advance significant cash fluctuations and cash flow issues, and to ensure that reasonable returns are achieved, without risk to the capital, and to ensure that there is sufficient working capital for the organisation.

The funds have been invested in this period in line with the Orchestra's policy of investing in low risk, mainstream and flexible investments and has achieved its objectives as demonstrated by investment portfolios outperforming during the year the benchmarks set for them whilst retaining the ability to raise cash as needed for withdrawal for operational use.

TRUSTEES' REPORT
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C FUTURE PLANS

The focus in 23/24 will be to build on achievements in 22/23, balancing the immediate financial needs of the organisation with long term-sustainability and delivering the organisational vision, namely, to have a transformative impact on the widest possible audience. This will be challenging in a fast-changing landscape, but the work done during the last two years have laid the foundations for a strong future.

The funding reduction from Arts Council England and continued cost of living crisis creates further pressure on our players and orchestra as the Orchestra continues to deliver its ambitious artistic and education programmes.

Responding to the world around, this balance will be maintained between long- and short-term needs and serving residency activity, identifying environmentally friendly cost-saving measures which can support both the sustainability of Orchestra business and of the planet. Ticket pricing will be re-structured in order to both lower the starting ticket price to make concerts affordable to the widest possible audience, and also to grow income with dynamic pricing. New projects will be trialled in partnership with communities, delivering what local people want in the new circumstances in which they find themselves. Talented, early-career musicians will be given the support that they need not only to remain in the sector but to thrive and the Orchestra will continue to invest and support its players. Inclusivity and Relevance will remain central to activity and what the Orchestra wants to achieve, reflected across all areas of business, audiences, and talent development programmes.

There is continued focus building partnerships with cultural organisations, broadcasting and performing across the UK and beyond and will continue to showcase the very best that classical music has to offer.

Fundraising remains at the core of the Philharmonia, in support of the organisation's financial resilience and ability to plan for the long term. Fundability continues to be an essential part of project research and development to ensure relevance to funders' interests. This will be achieved through main programming and connected wrap-around activity being programmed concurrently with Learning and Engagement projects, enhanced by high-profile Featured Artists, Featured Composers, Composers' Academy, new commissions, and a broad range of world-renowned and up-and-coming soloists and conductors.

In 23/24, the Orchestra launched a flagship series , *Let Freedom Ring*, 6 concerts through the autumn which celebrated the extraordinary diversity of music that has come out of 20th and 21st century America, from the well-known music of Gershwin, Bernstein and Copland to lesser-known music from William Grant Still, Margaret Bonds and James P. Johnson, and to contemporary music from composers such as Wynton Marsalis, Wayne Shorter and Caroline Shaw.

Principal Conductor Santtu-Matias Rouvali will perform 10 concerts across the season. The Orchestra is thrilled to welcome internationally renowned violinist Nicola Benedetti and American soprano Julia Bullock as this season's Featured Artists, and excited to be working with a wide range of other conductors and artists such as Marin Alsop, Sir John Eliot Gardiner, Esa-Pekka Salonen, Manfred Honeck, Elim Chan, Seong-Jin Cho, Mitsuko Uchida, Bruce Liu, Isabelle Faust and Sol Gabetta, in a wide range of repertoire from Mendelssohn to Bryce Dessner.

D PRINCIPAL RISKS AND UNCERTAINTIES

The environment in which the Orchestra operates is inherently risky with the organisation exposed to many economic, geopolitical and artistic risks in the course of normal activities.

At the start of the season risk was identified in relation to ongoing cost of living pressures on ticket prices, audience attendance and the cost base of the orchestra, alongside continued fee pressure from national partners and venues to maintain current fees as their own budgets come under pressure. Whilst the landscape has improved, and audience levels have returned to pre-pandemic levels. There remains uncertainty around the Orchestra's ability to achieve its objectives; raise additional funds through donations and grants; as well as maintain the returns expected on investments. Whilst the return to live performances since 2021 has been welcome, the pandemic continues to impact on touring, logistics and audience development and remains a key risk for the foreseeable future.

The ability of the orchestra to draw down on the Catalyst Endowment fund to invest in activity has been hugely beneficial in being able to plan ahead, and provides stability, cash flow support and mitigates other external financial risks. The extension of the Orchestra Tax Relief higher rate has been greatly appreciated by the sector as a whole and has been essential to ongoing confidence and work generation.

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The Trustees are very conscious of the cost of living crisis and its impact on musicians, staff and audiences and future costs. A hardship fund is in place for players, and the Orchestra is working closely with other sector organisations to monitor and support the workforce. Fee levels have been increased for all players and staff during 2023. A flexible ticket pricing structure has been implemented from January 2023 for own promotion concerts, with tickets from £10 to ensure that music performances remain accessible to the public.

Inflation continues to be a significant concern. Transport and fuel prices for the Orchestra are fixed until 2024 but rising cost prices and the current exchange rate position are significant. Financial scenario modelling has been performed to ensure that investment is maintained in the artistic programme and the Trustees have committed to financially support the Orchestra to achieve its three-year plan through use of allocated reserves.

In general Trustees try to minimise risk exposure to achieve an overall low/medium risk profile.

Methodology

The organisation takes a bottom-up approach to risk management with the senior management team responsible for regularly updating the Risk Register, scanning the environment for new risks and managing existing risk. Each risk is evaluated and assigned to a senior manager who will ensure that appropriate risk mitigation is put in place using the TARA method (Transfer, Avoid, Reduce, Accept).

The Risk Register is prepared on a traffic light system and those items deemed to have a residual risk for example, risk after mitigation, of medium to high are escalated to the Finance Committee for further action. The Finance Committee reviews the Risk Register on a quarterly basis in advance of presentation to the Board.

Key Risks & Uncertainties

At the date of signing the principal risks facing the Orchestra currently are:

The war in Ukraine and related events take place at a time of significant global economic uncertainty and the effects are likely to interact with current market conditions. The investment managers for Philharmonia Limited confirmed their actions on any Russian based investments which included a reduction in exposure to Russia last year and to date. As a result of the punitive measures taken against Russia since the invasion, Russia will assume standalone market status alongside countries including Panama, Lebanon, Palestine, Botswana and Zimbabwe. There are no write downs required to Philharmonia Limited's investments as the impact of Russian sanctions is already priced into the value of the investments. In addition, the Board has reviewed its exposure to Russia within the sanctions regime and consider there to be no material exposure. Given this, the Trustees believe no further adjustments to 31 August 2023 financial statements need to be taken into consideration.

The main source of voluntary income in 2023 remains Arts Council England NPO funding at £1,975,814, 23.1% (year ending 31 August 2022 – 24.3%) of total income. This funding has been reduced to £1,830,223 per annum for the period between 1 April 2023 to 31 March 2026, a 12% reduction on previous annual NPO income. There is a risk that this level of funding could reduce, through future changes in government policy or otherwise. Activity plans have been adapted over the next months to reflect the reduced funding levels and NPO requirements, though adaptations may not be able to cover the full financial exposure. The Trustees remain committed to the long-term strategic plan for the Orchestra and have approved a deficit budget for the next 3 years to ensure that the Orchestra continues to invest in the Artistic Output and longer-term growth and maximises opportunities in the UK and Internationally for audiences for symphonic music and community and education work. The Orchestra has also been awarded a 3 year grant from the Arts Council England Transform Stage 2 fund from August 2023, which will be used to support continued investment in infrastructure and business development to improve efficiency and financial resilience.

A significant proportion of the Orchestra's income is earned from international touring, from tours to European countries. Different countries have different requirements for travelling musicians, and for travelling goods (musical instruments, etc.), and the EU's cabotage regulations make regular use of the Orchestra's truck difficult for European touring. The Orchestra has adopted a policy of remaining in touch with relevant Government bodies and industry representatives in order to ensure that management are as informed as possible, and best placed to take mitigating action at the appropriate time. The international tour pipeline remains strong with major tours planned 1-3 years ahead.

PHILHARMONIA LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

Income from sponsorship, donations and from Trusts and Foundations is key to every area of the Orchestra's activities, from concert planning to digital, education and outreach work. Proactive steps have been taken to strengthen the Development Department, where investment has ensured headcount and spread of fundraising speciality has returned to pre-pandemic levels. Plans are in place for a new strategic case for support and creation of a new Development Board in 2023/24.

E GOING CONCERN

The Orchestra relies substantially on funding by grants from Arts Council England (ACE) for its current and future commitments. This funding is primarily via National Portfolio Organisations (NPO) annual revenue funding and also via other ACE funding programmes.

The Orchestra successfully submitted an application for continued NPO funding for the three-year period 2023-26 as noted above.

Despite the uncertainty brought about by the cost of living crisis and future ACE funding levels, the merger in March 2020 between Philharmonia Limited and Philharmonia Trust Limited boosted the Orchestra's financial resilience, fundraising abilities and charitable governance. The merger increased the fixed assets held by Philharmonia Limited with the transfer of the property at Chancel Street to Philharmonia Limited's balance sheet. It also provided access to draw upon the 2005 Endowment Fund should this be needed, an endowment previously held within the investment portfolio of Philharmonia Trust. Although not desirable to take from this fund at such a time, it is reassuring to know that the investment fund is available to the Orchestra on demand. Furthermore, in 2022 the Charity Commission authorised the trustees to spend the sum of £2.6 million from the permanent endowment comprising the Catalyst Fund, for the purposes of the charity by way of a recoupment. Any sums drawn down on the fund will be repaid in line with policy.

A detailed budgeting process takes place every year with particular scrutiny being given to budgeting and financial management. Having considered all the above matters and regarding the value of property and investments, the Trustees consider that the 'going concern' status of Philharmonia Limited is an appropriate assumption for the preparation of these financial statements.

F INVESTMENT PRINCIPLES

During the year the Orchestra, led by its Board alongside the Equalities Group, continued its strong work on Inclusivity and Relevance, Dynamism, Artistic Quality and Sustainability with new initiatives launched in each of these areas, and data and evaluation methodology adopted throughout. Many of these speak directly to the priorities identified by Arts Council England as being germane to the Creative Case for Diversity and the 'Let's Create' strategy, as well as helping the Orchestra create a more sustainable and relevant business model.

Workforce, Governance and Membership: Philharmonia commits to achieving a more diverse workforce, Board of Trustees, and Membership of the Orchestra, ensuring the Orchestra is representative of the UK's diversity. It is essential to create and maintain an inclusive environment to ensure everyone is safe and comfortable in their workplace, can work to the best of their abilities, and can utilise this diversity to co-create a sustainable, relevant, and forward-thinking organisation;

Artists, Programme & Partnerships: Philharmonia will programme performances, artistic series, artists and form partnerships that are relevant to and representative of the Orchestra's diverse residency communities;

Audience and Participants: Audiences, participants and those engaging with Philharmonia, both digitally and live, will be representative of the diversity of the communities that are served;

Dynamism: Philharmonia continues to invest in data analysis and strategic planning, utilising its digital expertise to adapt music in new formats;

Artistic Planning: Philharmonia continues to support the widest range of programming, promoting and supporting emerging artists, and bringing classical music to new audiences.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

G EQUAL OPPORTUNITIES

A steering group has been created specifically to monitor and report against the Inclusivity and Relevance plan, with large scale 'town hall' style meetings held throughout the year to make sure that every member of the Philharmonia (player and staff) have had an opportunity to feed into the ongoing action plan. The I&R plan builds on the work of the previous years and has a particular focus on developing and rolling training to support a better and broader understanding of both the issues and how to address them.

H SUSTAINABILITY

The Orchestra is committed to reducing the negative environmental impact of activities, in particular those relating to office waste and energy consumption, business travel, staff commuting and business services. As a touring orchestra, much of the environmental impact relates to concert touring nationally and internationally, including Orchestra and artist travel, instrument transport (including freight) and the impact of the venues where the Orchestra rehearses and performs.

Environmental Commitments have been renewed and clear plans developed to reduce environmental impact. The Orchestra has a responsibility to incorporate sustainability as a fundamental part of ethos, something which continues to be worked on and progressed across the organisation. The Orchestra brand is being used as a platform for change, with 22/23 Artist in Residence, Love Ssega, bringing new audiences and perspectives to support endeavours. A new partnership has been launched Reboot the Future to review and develop Sustainability work and impact, and planning work for future artistic programming has an environmental focus.

I FUNDRAISING STATEMENT

The 2022/23 financial year was marked by several new and renewed major funding relationships.

The Orchestra is grateful to the David and Elaine Potter Foundation, the Sidney Perry Foundation, the Fernside Trust, the Lawrence Modiano Charitable Trust, the ES Sosnow Charitable Trust and the Garfield Weston Foundation for their continued outstanding support of the Philharmonia's work. Their support connected to activity as diverse as new recordings, the MMSF Instrumental Fellowships, Orchestra Unwrapped and core support.

An anonymous major gift was made in support of Love Ssega's residency as Artist in Residence.

The relationship with the Korean Cultural Centre UK (KCCUK) was renewed for the first time since 2018/19, celebrating the 140th Anniversary of UK-Korea diplomatic relations through support of a concert in May with Korean violinist Esther Yoo. The Orchestra looks forward to continuing both funding and project development with friends at KCCUK over the next two seasons.

Sponsorship by NJA Ltd. enabled a brand new chamber recital series at Cromwell Place in South Kensington. Connected with the Philharmonia Audience Development Strategy, this project targeted visual arts-engaged audiences through innovative programming pairing artistic and musical themes.

During the 2022/23 year, and following the announcement of renewed ACE NPO support, the Philharmonia successfully applied to the Transform Fund securing £393,000 for 2023/24 to 2025/26 in support of business development innovation, digital project development and essential operational infrastructure renewal (IT, CRM).

All voluntary fundraising at the Philharmonia is carried out by an internally managed Development department. Philharmonia Ltd. Is committed to ensuring that its fundraising activities are carried out with the utmost integrity and takes account of the Charity Commission Code of Fundraising Practice. Philharmonia Ltd is registered with the Fundraising Regulator and works to its standards of charitable fundraising, to ensure honesty and transparency with donors, and that fundraising activities are legal, respectful, open honest and accountable to the public. There were no fundraising complaints recorded during the current or previous financial periods.

PHILHARMONIA LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

J STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Philharmonia Limited is a charitable Company limited by guarantee, governed by its Memorandum of Association as per the Charity Commission register: MEMORANDUM AND ARTICLES OF ASSOCIATION DATED 02 APRIL 1964 AS AMENDED BY SPECIAL RESOLUTIONS DATED 10/04/64, 31/03/66, 08/07/66, 20/08/69, 15/07/71, 10/10/79, 03/10/85, 03/03/89, 18/08/05 AND 18/12/08. as amended on 18 Dec 2016 as amended on 01 Apr 2020 as amended on 10 Jun 2020. It is a charity registered with the Charity Commission. At 31 August 2023 there were 65 members (31 August 2022: 72).

Appointment of the Board of Trustees

The Board of trustees comprises eight playing members of the Orchestra, plus seven non-playing members.

The members of the Board of Trustees are appointed by the members of the Company. A vote is conducted at each Annual General Meeting to elect nominated members to fill vacancies created by the retirement of existing members of the Council. Exceptionally, a member may be elected at an Extraordinary General Meeting. The non-playing members of the Board are co-opted at each Annual General Meeting. The Board sets and reviews orchestral policy, financial policy and strategy. It reviews agreements with Arts Council England and other major funders. The Board makes major decisions, including the appointment of titled conductors, the Chief Executive Officer and orchestral members. The Board approves the financial budgets and accounts and appoints the auditor. It receives and monitors reports from the Orchestra Committee, Artistic Committee, Development Board, Finance Committee, and Nominations Committee, and regularly reviews the skills available on sub-committees. To facilitate effective operations, the CEO has delegated authority, within terms of delegation approved by the Board, for operational matters including finance, employment and artistic performance-related activity.

Induction and training of the Board of Trustees

New members of the Board of Trustees receive a formal induction session from the Chair, the CEO, key employees and other members of the Board.

Organisation

The Board is supported by five sub-committees: the Orchestra Committee, the Finance Committee, the Artistic Committee, the Nominations Committee, and the Development Board. The Orchestra Committee consists of the player members of the Board (currently eight) chaired by the President of the Orchestra. The Orchestra Committee meets approximately every two weeks and is responsible for day-to-day Orchestra matters. It reports to the Board on the management of orchestral and musical issues generally. It deals with Orchestra issues arising in accordance with policy guidelines provided by the Board.

The Finance Committee consists of three non-player members, two of whom are also members of the Board, plus the President and Vice President of the Orchestra. It is chaired by a non-player. It meets at least four times a year prior to the meetings of the Board. Reporting to the Board, it proposes financial budgets, reviews financial performance against budgets and deals with financial issues arising in accordance with policy guidelines provided by the Board. Non player members are responsible for approving players' fees increases recommended.

The Artistic Committee consists of 5 players elected by the members of the Charity at an AGM, and one further player appointed by the Orchestra Committee from amongst its members. The Committee meets a minimum of 3 times per Season, with the Director of Artistic Planning and/or CEO (or delegate) in attendance. The Committee is advisory to the Board with key responsibility to identify and collate Orchestra members' artistic views in relation to Philharmonia Limited's business plan and long-term strategy.

Senior staff

Day to day operating decisions are delegated to the Senior Management team which comprises the CEO, Director of Concerts and Projects, Director of Artistic Planning, Chief Operating Officer, Director of Development, Director of Marketing & Communications and Director of Learning & Engagement. Pay for senior staff including Key Management Personnel is benchmarked against industry norms and overseen by the Nominations Committee; that for the Chief Executive Officer is approved by the Board of Trustees.

PHILHARMONIA LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

Related parties

The Company has previously had a related party relationship with Philharmonia Trust Limited, which shared some of the Trustees of Philharmonia Limited. These two entities merged on 1 April 2020. Both entities continued to exist during the year.

This report was approved and authorised for issue by the Trustees and signed on its behalf by:



.....
Saul Nathan
Deputy Chair

Date: 25 January 2024

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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

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 Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the members of the Board of Trustee and signed on its behalf by:


.....
Saul Nathan
Deputy Chair
Date: 25 January 2024

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PHILHARMONIA LIMITED

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 August 2023 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PHILHARMONIA LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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 course of 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the parent charitable company has not kept sufficient accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; 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 Trustee's Responsibilities, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PHILHARMONIA LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

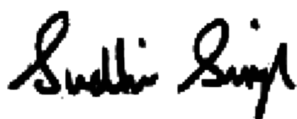
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PHILHARMONIA LIMITED (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Sudhir Singh FCA (Senior Statutory Auditor)

MHA

Statutory Auditor

Date: 7 February 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

MHA are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:						
Donations and legacies	4	2,681,573	370,043	-	3,051,616	3,731,206
Charitable activities	5	4,166,178	34,787	-	4,200,965	3,949,751
Other trading activities	6	1,775	-	-	1,775	62,976
Investments	7	935	1,880	93,042	95,857	100,192
Other income	8	1,454,558	-	-	1,454,558	853,616
Total income and endowments		8,305,019	406,710	93,042	8,804,771	8,697,741
Expenditure on:						
Raising funds	9,10	577,505	50,684	-	628,189	458,227
Charitable activities	11	8,225,467	294,003	-	8,519,470	7,955,126
Total expenditure		8,802,972	344,687	-	9,147,659	8,413,353
Net (expenditure)/income before net losses on investments		(497,953)	62,023	93,042	(342,888)	284,388
Net losses on investments		-	-	(69,030)	(69,030)	(232,621)
Net (expenditure)/income		(497,953)	62,023	24,012	(411,918)	51,767
Transfers between funds	22	-	27,206	(27,206)	-	-
Net movement in funds		(497,953)	89,229	(3,194)	(411,918)	51,767
Reconciliation of funds:						
Total funds brought forward		2,535,391	208,934	5,724,203	8,468,528	8,416,761
Net movement in funds		(497,953)	89,229	(3,194)	(411,918)	51,767
Total funds carried forward		2,037,438	298,163	5,721,009	8,056,610	8,468,528

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00799297

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	17		3,853,209		3,846,909
Investments	18		4,109,094		4,907,195
			7,962,303		8,754,104
Current assets					
Debtors: Amounts falling due within one year	19	1,634,380		1,523,098	
Cash at bank and in hand		1,119,264		1,234,607	
		2,753,644		2,757,705	
Creditors: Amounts falling due within one year	20	(1,208,775)		(1,519,025)	
Net current assets			1,544,869		1,238,680
Total assets less current liabilities			9,507,172		9,992,784
Creditors: Amounts falling due after more than one year	21		(1,450,562)		(1,524,256)
Total net assets			8,056,610		8,468,528
Charity funds					
Endowment funds	22		5,721,009		5,724,203
Restricted funds	22		298,163		208,934
Unrestricted funds	22		2,037,438		2,535,391
Total funds			8,056,610		8,468,528

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



.....
Saul Nathan
Deputy Chair
Date: 25 January 2024

The notes on pages 27 to 57 form part of these financial statements.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00799297

CHARITY BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	17		3,843,262		3,836,644
Investments	18		4,109,194		4,907,295
			7,952,456		8,743,939
Current assets					
Debtors: Amounts falling due after more than one year	19	1,718,742		1,626,128	
Cash at bank and in hand		800,627		877,154	
		2,519,369		2,503,282	
Creditors: Amounts falling due within one year	20	(1,195,748)		(1,507,298)	
Net current assets			1,323,621		995,984
Total assets less current liabilities			9,276,077		9,739,923
Creditors: Amounts falling due after more than one year	21		(1,450,562)		(1,524,256)
Total net assets			7,825,515		8,215,667
Charity funds					
Endowment funds	22		5,573,717		5,549,705
Restricted funds	22		201,505		117,338
Unrestricted funds	22		2,050,293		2,548,624
Total funds			7,825,515		8,215,667

The Charity's net movement in funds for the year was £(390,152) (2022 - £95,650).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00799297

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



.....
Saul Nathan
Deputy Chair
Date: 25 January 2024

The notes on pages 27 to 57 form part of these financial statements.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	24	(509,306)	<i>(199,640)</i>
Cash flows from investing activities			
Dividends, interests and rents from investments	7	95,857	71
Purchase of intangible assets	16	(3,645)	-
Purchase of tangible fixed assets	17	(113,944)	<i>(13,325)</i>
Proceeds from sale of investments	18	832,290	-
Purchase of investments		(375,000)	-
Mortgage interest		(41,595)	<i>(49,626)</i>
Net cash provided by/(used in) investing activities		393,963	(62,880)
Change in cash and cash equivalents in the year		(115,343)	(262,520)
Cash and cash equivalents at the beginning of the year		1,234,607	<i>1,497,127</i>
Cash and cash equivalents at the end of the year	25	1,119,264	<i>1,234,607</i>

The notes on pages 27 to 57 form part of these financial statements

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. General information

Philharmonia Limited is a charitable company limited by guarantee and is registered with the Charity Commission (Charity Registered Number 250277) and the Registrar of Companies (Company Registration Number 00799297) in England and Wales.

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per Member of the Charity.

The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are as shown in the Trustees Report.

A summary of the principal accounting policies for the year ended 31 August 2023, all of which have been applied consistently throughout the year and the preceding year is set out as below.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Philharmonia Limited 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.

The group financial statements consolidate on a line by line basis the financial statements of: the charitable company Philharmonia Limited; its fully owned trading subsidiary Rite Digital Limited; Philharmonia Trust, which transferred its assets to Philharmonia Limited on the 1st April 2020, thereby Philharmonia Limited is the sole corporate member of this company limited by guarantee; The Martin Musical Scholarship Fund, whose sole Trustee is the charitable company. Excluded from the consolidation is the Philharmonia Foundation Inc, registered in the US, the Philharmonia Orchestra in Bedford Trust, and the Philharmonia Benevolent Fund, all of which are independently governed charities.

The financial statements have been presented in pound sterling, which is also the functional currency of the Company, and are rounded to the nearest pound.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.2 Going concern

The Trustees have assessed whether the use of the going concern basis is appropriate for the next 12 months and beyond the foreseeable future. The trustees have given consideration to known future events or uncertainties, which they do not believe are currently material, but which should be considered closely when reviewing the Charity's ability to continue as a going concern.

The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The Orchestra relies substantially on Arts Council England (ACE) funding for its current and future commitments and has been successful in its application for continued NPO funding for the three-year period 2023-2026. A detailed budgeting process takes place every year with particular scrutiny being given to budgeting and financial management. Despite the uncertainty brought about by the cost of living crisis and longer term, future ACE funding levels, the transfer of Philharmonia Trust Limited's net assets, which included the Chancel Street property and the 2005 Endowment Fund, to Philharmonia Limited in March 2020 helped to boost the Orchestra's financial resilience.

Having considered the above matters, the Trustees consider that the going concern status of Philharmonia Limited is appropriate for the preparation of these financial statements.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Voluntary income, including donations, gifts and legacies, as well as grants that provide core funding or are of a general nature are recognised where there is entitlement, receipt is probable, and the amount can be measured with sufficient reliability. Such income is only deferred if the donor has requested the amount to be allocated to specific concerts, engagements or projects, in which case it is allocated to the financial year in which the work takes place, or the donor has imposed conditions which must be met before the Charity has unconditional entitlement.

Other categories of income are recognised on an accruals basis, (excluding value added tax), with income relating to advanced ticket sales being held as deferred income and released only when the concert takes place. Engagement and Touring fees are recognised when the activity has taken place. Rite Digital transfers its surplus to Philharmonia Limited under the terms of Gift Aid at year end or carries forward any deficit to future years.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated Statement of Financial Activities as the related expenditure is incurred.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Intangible assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Website development costs	-	2-5 years
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised unless for security reasons they need to be recorded (e.g. laptop computers) and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Fixed assets include musical instruments which have been valued at deemed cost at the transition date of FRS102. Long leasehold property is also recognised at deemed cost, being its fair value at the date it was gifted to the Charity.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method, unless the asset is considered to have a high residual value where the annual depreciation charge would therefore be immaterial.

Depreciation is provided on the following bases:

Music library	- 50 years
Fixtures and fittings	- 5 years
Musical Instruments	- 10 years
Property improvements	- 20 years
Computer equipment	- 3 years
Property	- 50 years

The element of Long leasehold property which represents land is not depreciated

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

2.9 Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are continuously measured at fair value with changes recognised in 'net gains/(losses) on investments' in the Statement of Financial Activities. As investments are continuously revalued there are no realised gains or losses recorded.

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 Debtors

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.13 Financial instruments

The Company only holds basic Financial Instruments. The financial assets and financial liabilities of the Company are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 19. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 20 and 21. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is simply an obligation to deliver services rather than cash or another financial instrument.

2.14 Foreign exchange transactions

Transactions in foreign currencies are translated at the actual rate at the time of the transaction. Assets and liabilities held on the Balance Sheet in foreign currencies are translated at the closing rate at the Balance Sheet date. All differences are taken to the Statement of Financial Activities.

2.15 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.16 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.17 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Permanent endowments are funds which are restricted to the extent the Charity cannot draw down the capital but the income is used to provide an income to fund activities, in accordance with the donors' respective wishes.

Expendable endowments are funds where the capital can be disbursed in addition to income generated if the Trustees resolve to do so.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.18 Connected Charities

Philharmonia Foundation Inc is based in the United States and is connected to Philharmonia Limited as some of the Trustees of Philharmonia Limited are also on the Board of the US entity. The Philharmonia Orchestra in Bedford Trust (registered Charity number 1170495) is connected to Philharmonia Limited but has no Trustees in common. The Philharmonia Benevolent Fund (registered Charity number 280370) is connected to Philharmonia Limited but also has no Trustees in common.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Valuation of music library

The only significant judgement was to maintain the value of the music library at its existing net book value on transfer from the Philharmonia Trust Limited. The Trustees decided not to increase the value, due to the uncertainty of the valuation.

Orchestral Tax Relief

Orchestra tax relief (OTR) is elected on an annual basis in advance, with any subsequent, standalone event elections taking place during the year. The existence of an associated asset can therefore only be confirmed upon the finalisation and submission of the company tax return and subsequent review and agreement by HMRC. In this way OTR relating to any financial year is likely to be received up to 18 months after the initial event(s) recorded in any claim. At the date of the signing of these accounts, the Charity was in the process of finalising a significant OTR claim in relation to activities performed during the year. Included within these financial statements is the Charity's current best estimate of the value that will be received from HMRC. However, as there are a number of variables associated with the claim which are subject to HMRC review, this amount could materially differ from the value ultimately agreed by and received from HMRC.

Long leasehold property

The trustees have been required, in the absence of a split of deemed cost, to estimate the allocation of the cost of this property between the relative elements attributable to land, which is not depreciated, and buildings, which are depreciated. Having consulted with property professionals, considered statutory provisions, and researched market factors, the trustees consider 40% of the deemed cost to represent land and 60% to present buildings. As such, 40% of the deemed cost is not depreciated.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Donations			
Arts Council - core grant	1,975,814	-	1,975,814
Donations from charitable foundations	-	323,793	323,793
Other donations and legacies	705,759	-	705,759
Sponsorship donations	-	46,250	46,250
Total 2023	2,681,573	370,043	3,051,616
	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Donations			
Arts Council - core grant	2,057,877	-	2,057,877
Arts Council - cultural recovery fund	412,690	-	412,690
Donations from charitable foundations	-	234,342	234,342
Other donations and legacies	555,035	-	555,035
Sponsorship donations	-	471,262	471,262
<i>Total 2022</i>	3,025,602	705,604	3,731,206

In both the current and prior year, the Charity received government grants during the year. The Arts Council funding is the only such grant and there were no unfulfilled conditions at the year-end.

The Charity gained entitlement to a legacy in 2022 and received during the year an interim distribution of £240k, which has been recognised within Other donations and legacies above. It is expected that the Charity will receive a further distribution, however the value of this distribution cannot be measured reliably as it is contingent on the sale of a house included in the legator's net estate. The Charity estimates this distribution to be in the region of £210k.

PHILHARMONIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. Income from charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Income from charitable activities	4,166,178	34,787	4,200,965

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Income from charitable activities	3,879,249	70,502	3,949,751

6. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Other trading activities	1,775	1,775

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Other trading activities	62,976	62,976

PHILHARMONIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

7. Investment income

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Investment income	-	-	93,042	93,042
Interest on deposits	935	1,880	-	2,815
Total 2023	935	1,880	93,042	95,857
	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Endowment funds 2022 £</i>	<i>Total funds 2022 £</i>
Investment income	-	57,763	42,209	99,972
Interest on deposits	71	149	-	220
<i>Total 2022</i>	<i>71</i>	<i>57,912</i>	<i>42,209</i>	<i>100,192</i>

PHILHARMONIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. Other income

	Unrestricted funds 2023 £	Total funds 2023 £
Orchestral tax relief	1,454,558	1,454,558
	<hr/>	<hr/>
	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Orchestral tax relief	852,591	852,591
Furlough income	994	994
Royalties received	31	31
<i>Total 2022</i>	<hr/> <i>853,616</i> <hr/>	<hr/> <i>853,616</i> <hr/>

PHILHARMONIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. Expenditure on raising funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Costs of raising funds	577,505	39,507	617,012

Included within cost of raising funds are direct costs of £52,450 (2022 - £29,887) and support costs of £564,562 (2022 - £428,340). These are outlined below.

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Costs of raising funds	408,853	49,374	458,227

Raising funds - Support costs

	2023 £	2022 £
Employment costs	372,073	309,034
Travel, subsistence and entertaining	28,895	17,826
Occupation and office costs	75,742	56,145
Bank interest and charges	4,202	4,056
Other costs	83,650	41,279
	564,562	428,340

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Investment management costs

	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Investment management fees	11,177	11,177	-

Investment management fees of £31,999 were classified under Expenditure on Charitable Activities in the prior year, however the trustees have considered it more appropriate to classify this year's fees as Investment management costs.. The prior year comparative has not been restated on the grounds that such fees are not material to the true and fair nature of the accounts.

11. Analysis of expenditure on charitable activities - by fund

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Charitable activities	8,225,467	294,003	8,519,470

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Endowment funds 2022 £</i>	<i>Total 2022 £</i>
Charitable activities	7,234,522	703,268	17,336	7,955,126

PHILHARMONIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

12. Analysis of expenditure on charitable activities - by type

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Direct costs	6,106,531	2,412,939	8,519,470

	<i>Activities undertaken directly 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Direct costs	5,658,458	2,296,668	7,955,126

Analysis of direct costs

	Total funds 2023 £	Total funds 2022 £
Concert, relay fees and player support	4,170,658	3,780,761
Travel and transport of instruments	785,710	566,526
Music and instrument hire	136,398	109,455
Hall hire and box office commission	469,294	438,486
Programme expenditure	150,031	167,182
Grants payable	63,400	80,802
Other expenditure	289,445	433,621
Interest payable on mortgage loan	41,595	49,626
Investment manager fees	-	31,999
	6,106,531	5,658,458

PHILHARMONIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

12. Analysis of expenditure on charitable activities - by type (continued)

Analysis of support costs

	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	1,345,683	1,461,464
Depreciation	86,643	47,534
Travel, subsistence and entertaining	23,857	141,517
Occupation and office costs	241,378	255,307
Bank interest and charges	16,573	17,244
Orchestral overheads	133,561	106,715
Governance costs	58,771	48,206
Other costs	506,473	218,681
	2,412,939	2,296,668

Payments were made to individuals in connection with a departmental restructuring and the resolution of a legal matter amounting to £105,000 following trustee approval as being in the best interests of the charity.

13. Governance costs

	2023 £	<i>2022 £</i>
Auditor's remuneration - Audit of the financial statements	48,000	52,800
Auditor's remuneration - Accountancy fees	6,900	14,005
Auditor's remuneration - Other fees	1,800	-
Other governance costs	2,071	-
	58,771	66,805

PHILHARMONIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

14. Staff costs

	Group 2023	<i>Group 2022</i>	Charity 2023	<i>Charity 2022</i>
	£	£	£	£
Wages and salaries	1,660,518	<i>1,542,078</i>	1,660,518	<i>1,542,078</i>
Social security costs	164,658	<i>156,115</i>	164,658	<i>156,115</i>
Pension costs	85,069	<i>72,305</i>	85,069	<i>72,305</i>
	<u>1,910,245</u>	<i><u>1,770,498</u></i>	<u>1,910,245</u>	<i><u>1,770,498</u></i>

The average number of persons employed by the Charity during the year was as follows:

	Group 2023	<i>Group 2022</i>
Library	1	<i>2</i>
Finance	6	<i>6</i>
Marketing	8	<i>8</i>
Education	5	<i>4</i>
Concerts	12	<i>7</i>
New Media	1	<i>2</i>
Development	8	<i>6</i>
Management	3	<i>3</i>
	<u>44</u>	<i><u>38</u></i>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	<i>Group 2022 No.</i>
In the band £60,001 - £70,000	4	<i>2</i>
In the band £90,001 - £100,000	1	<i>-</i>
In the band £120,001 - £130,000	-	<i>1</i>
In the band £160,001 - £170,000	-	<i>1</i>
In the band £170,001 - £180,000	1	<i>-</i>

Key Management Personnel are considered to be the Trustees and Senior Management team, being the Chief Executive Officer, Director of Artistic Planning, Chief Operating Officer, Director of Development, Director of Marketing & Communications, Director of Learning & Engagement and Head of Concerts.

The total cost of employment of the Key Management Personnel was £635,182 (2022 - £632,225).

PHILHARMONIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

15. Trustees' remuneration and expenses

During the year, one or more Trustees has been paid remuneration or has received other benefits from an employment with the Charity. No emoluments were paid for services as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2023	2022
		£	£
Kira Doherty	Remuneration	12,949	13,683
	Pension contributions paid	777	758
Cheremie Hamilton-Miller	Remuneration	10,000	7,012
	Pension contributions paid	600	421

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).

16. Intangible assets

Group and Charity

	Website development costs £
Cost or valuation	
At 1 September 2022	80,000
Additions	3,645
Disposals	(83,645)
At 31 August 2023	-
Amortisation	
At 1 September 2022	80,000
Charge on disposal	(80,000)
At 31 August 2023	-
Net book value	
At 31 August 2023	-
At 31 August 2022	-

PHILHARMONIA LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

17. Tangible fixed assets

Group

	Long leasehold property £	Musical instruments £	Music library £	Computer equipment £	Fixtures and fittings £	Assets under construction £	Total £
Cost or valuation							
At 1 September 2022	3,819,440	358,719	220,648	138,170	73,425	59,149	4,669,551
Additions	-	21,056	-	43,305	-	49,583	113,944
Disposals	-	(248,259)	-	(111,795)	(73,425)	-	(433,479)
At 31 August 2023	<u>3,819,440</u>	<u>131,516</u>	<u>220,648</u>	<u>69,680</u>	<u>-</u>	<u>108,732</u>	<u>4,350,016</u>
Depreciation							
At 1 September 2022	323,358	271,407	33,798	120,654	73,425	-	822,642
Charge for the year	43,000	12,430	14,024	17,187	-	-	86,641
On disposals	-	(223,259)	-	(115,792)	(73,425)	-	(412,476)
At 31 August 2023	<u>366,358</u>	<u>60,578</u>	<u>47,822</u>	<u>22,049</u>	<u>-</u>	<u>-</u>	<u>496,807</u>
Net book value							
At 31 August 2023	<u>3,453,082</u>	<u>70,938</u>	<u>172,826</u>	<u>47,631</u>	<u>-</u>	<u>108,732</u>	<u>3,853,209</u>
At 31 August 2022	<u>3,496,082</u>	<u>87,312</u>	<u>186,850</u>	<u>17,516</u>	<u>-</u>	<u>59,149</u>	<u>3,846,909</u>

Assets under construction relate to the implementation of a new accounting system and the development of musical equipment.

PHILHARMONIA LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

17. Tangible fixed assets (continued)

Charity

	Long leasehold property £	Musical instruments £	Music library £	Computer equipment £	Fixtures and fittings £	Assets under construction £	Total £
Cost or valuation							
At 1 September 2022	3,819,440	342,719	220,648	131,734	73,425	59,149	4,647,115
Additions	-	21,056	-	43,305	-	49,583	113,944
Disposals	-	(248,259)	-	(111,795)	(73,425)	-	(433,479)
At 31 August 2023	<u>3,819,440</u>	<u>115,516</u>	<u>220,648</u>	<u>63,244</u>	<u>-</u>	<u>108,732</u>	<u>4,327,580</u>
Depreciation							
At 1 September 2022	323,358	265,675	33,798	114,215	73,425	-	810,471
Charge for the year	43,000	12,109	14,024	17,190	-	-	86,323
On disposals	-	(223,259)	-	(115,792)	(73,425)	-	(412,476)
At 31 August 2023	<u>366,358</u>	<u>54,525</u>	<u>47,822</u>	<u>15,613</u>	<u>-</u>	<u>-</u>	<u>484,318</u>
Net book value							
At 31 August 2023	<u>3,453,082</u>	<u>60,991</u>	<u>172,826</u>	<u>47,631</u>	<u>-</u>	<u>108,732</u>	<u>3,843,262</u>
At 31 August 2022	<u>3,496,082</u>	<u>77,044</u>	<u>186,850</u>	<u>17,519</u>	<u>-</u>	<u>59,149</u>	<u>3,836,644</u>

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 September 2022	4,907,095
Additions	375,000
Disposals	(832,290)
Revaluations	(412,261)
Income retained as investments	71,550
At 31 August 2023	<u>4,109,094</u>

The historic cost of the Group's listed investments is £3,392,912.

Charity	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 September 2022	100	4,907,095	4,907,195
Additions	-	375,000	375,000
Disposals	-	(832,290)	(832,290)
Revaluations	-	(412,261)	(412,261)
Transfers intra group	-	71,550	71,550
At 31 August 2023	<u>100</u>	<u>4,109,094</u>	<u>4,109,194</u>

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. Fixed asset investments (continued)

Principal subsidiaries

The following were subsidiary undertakings of the Charity:

Names	Company number	Charity registration number	Holding/ control	Included in consolidation
Rite Digital Limited	07565292		100%	Yes
The Martin Musical Scholarship Fund		313937	100%	Yes
Philharmonia Trust Limited	913665	254191	100%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Rite Digital Limited	1,775	(1,397)	378	(12,755)
The Martin Musical Scholarship Fund	41,256	(63,400)	(22,144)	243,950

Philharmonia Trust Limited was dormant during the year.

19. Debtors

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade debtors	314,559	205,310	314,459	205,210
Amounts owed by group undertakings	-	29,022	84,462	132,152
Other debtors	158,253	168,938	158,253	168,938
Prepayments and accrued income	61,568	267,237	61,568	267,237
Tax recoverable	1,100,000	852,591	1,100,000	852,591
	1,634,380	1,523,098	1,718,742	1,626,128

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. Creditors: Amounts falling due within one year

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Other loans	70,326	61,593	70,326	61,593
Trade creditors	178,526	495,134	178,526	495,134
Amounts owed to group undertakings	2,089	-	2,089	-
Other taxation and social security	11,072	85,559	11,072	85,559
Other creditors	70,604	24,934	65,177	20,307
Accruals and deferred income	876,158	851,805	868,558	844,705
	1,208,775	1,519,025	1,195,748	1,507,298
	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Deferred income				
Deferred income at 1 September	506,481	741,291	506,481	741,291
Resources deferred during the year	881,111	735,524	881,111	735,524
Amounts released from previous periods	(1,054,074)	(970,334)	(1,054,074)	(970,334)
Deferred income at 31 August	333,518	506,481	333,518	506,481

Deferred income relates to ticket sales in advance and various sponsorship agreements where the project or concert has not yet been delivered.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

21. Creditors: Amounts falling due after more than one year

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Other loans	1,450,562	<i>1,524,256</i>	1,450,562	<i>1,524,256</i>

Included within the above are amounts falling due as follows:

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Between one and two years				
Other loans	140,653	<i>140,652</i>	140,653	<i>140,652</i>
Between two and five years				
Other loans	351,631	<i>351,632</i>	351,631	<i>351,632</i>
Over five years				
Other loans	958,278	<i>1,031,972</i>	958,278	<i>1,031,972</i>

The amounts repayable relate to a mortgage loan from Barclays Bank on the property at 6 Chancel Street. At the year-end the outstanding balance was £1,520,888 (2022 - £1,585,849). The loan rate is 2.49% per annum (fixed for 10 years) repayable over the loan term of 23 years from March 2017.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

22. Consolidated statement of funds

Statement of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
Designated funds						
Designated Funds - Fixed Assets	350,831	-	-	49,245	-	400,076
Designated Funds - Special Projects	1,000,000	-	-	-	-	1,000,000
	<u>1,350,831</u>	<u>-</u>	<u>-</u>	<u>49,245</u>	<u>-</u>	<u>1,400,076</u>
General funds						
Rite Digital	(13,233)	1,775	(1,397)	-	-	(12,855)
Philharmonia General Fund	1,197,793	3,303,244	(8,801,575)	(49,245)	-	650,217
	<u>1,184,560</u>	<u>3,305,019</u>	<u>(8,802,972)</u>	<u>(49,245)</u>	<u>-</u>	<u>637,362</u>
Total Unrestricted funds	<u>2,535,391</u>	<u>3,305,019</u>	<u>(8,802,972)</u>	<u>-</u>	<u>-</u>	<u>2,037,438</u>
Endowment funds						
Permanent endowment fund						
MMSF Endowment Funds	174,498	-	-	(27,206)	-	147,292
Endowment 2005 Funds	2,666,463	43,007	-	-	6,451	2,715,921
Expendable endowment funds						
Catalyst Endowment Funds	2,883,242	50,035	-	-	(75,481)	2,857,796
	<u>5,724,203</u>	<u>93,042</u>	<u>-</u>	<u>(27,206)</u>	<u>(69,030)</u>	<u>5,721,009</u>

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

22. Statement of funds (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Restricted funds						
Instrument Loans Fund	117,338	-	-	-	-	117,338
Catalyst Investment Fund	-	-	-	-	-	-
Martin Musical Scholarship Grant Fund	13,499	-	-	-	-	13,499
MMSF General Fund	67,830	41,256	(63,080)	27,206	-	73,212
MMSF Donated Assets	10,267	-	(320)	-	-	9,947
Philharmonia Restricted	-	365,454	(281,287)	-	-	84,167
	<u>208,934</u>	<u>406,710</u>	<u>(344,687)</u>	<u>27,206</u>	<u>-</u>	<u>298,163</u>
Total of funds	<u><u>8,468,528</u></u>	<u><u>8,804,771</u></u>	<u><u>(9,147,659)</u></u>	<u><u>-</u></u>	<u><u>(69,030)</u></u>	<u><u>8,056,610</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

22. Statement of funds (continued)

Restricted Funds:

Martin Musical Scholarship Fund and MMSF General Fund

Martin Musical Scholarship Fund (MMSF) is a subsidiary charity of Philharmonia Ltd, which supports young musicians. Funds are split between restricted and endowment funds according to their nature.

MMSF Donated Assets

Relates to a piano.

Rite Digital

Digital and technological income and expenditure.

Instrument Loans Fund

Instrument Loans

Endowments:

Endowment – Catalyst Fund

The Fund includes investments previously within the restricted Catalyst Endowment Fund as set out in the Funds note. The fund will be utilised to support orchestra activity.

Endowment 2005 Fund

The fund includes investments previously held within the Philharmonia Trust Limited, as a result of the Philharmonia Orchestra's Endowment Fund Appeal in 2003.

Unrestricted Funds:

Designated Fund – Fixed Assets

The fixed asset reserve comprises the net book value of all fixed assets excluding property

Designated Fund – Special Projects

These funds have been set aside to support the Orchestra to maintain its activities in light of the particularly challenging environment caused by the pandemic and to further invest in dynamic artistic special projects and innovation to grow future revenue and activity.

At the date of the signing of these accounts the Trustees were performing but had not yet completed a review of the Group's Endowment and Restricted funds, and the presentation of income and expenditure associated with these funds. This review incorporates the recoupment order issued by the Charity Commission in April 2022 with regards to the Catalyst Endowment Funds fund specifically, and is expected to be completed by the end of the year ended 31 August 2024.

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

22. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Unrestricted funds						
Designated funds						
Designated Funds - Fixed Assets	440,705	-	-	(89,874)	-	350,831
Designated Funds - Special Projects	1,000,000	-	-	-	-	1,000,000
	<u>1,440,705</u>	<u>-</u>	<u>-</u>	<u>(89,874)</u>	<u>-</u>	<u>1,350,831</u>
General funds						
Rite Digital	-	62,976	(76,209)	-	-	(13,233)
Philharmonia General Fund	847,618	7,758,537	(7,567,165)	158,803	-	1,197,793
	<u>847,618</u>	<u>7,821,513</u>	<u>(7,643,374)</u>	<u>158,803</u>	<u>-</u>	<u>1,184,560</u>
Total Unrestricted funds	<u>2,288,323</u>	<u>7,821,513</u>	<u>(7,643,374)</u>	<u>68,929</u>	<u>-</u>	<u>2,535,391</u>
Endowment funds						
Permanent endowment fund						
MMSF Endowment Funds	184,484	-	-	(9,986)	-	174,498
Endowment 2005 Funds	2,798,755	(114,956)	(17,336)	-	-	2,666,463
Expendable endowment funds						
Catalyst Endowment Funds	-	-	-	2,883,242	-	2,883,242
	<u>2,983,239</u>	<u>(114,956)</u>	<u>(17,336)</u>	<u>2,873,256</u>	<u>-</u>	<u>5,724,203</u>

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

22. Statement of funds (continued)

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Restricted funds						
Instrument Loans Fund	117,338	-	-	-	-	117,338
Catalyst Investment Fund	2,915,598	(17,693)	(14,663)	(2,883,242)	-	-
Martin Musical Scholarship Grant Fund	14,053	50,000	(50,554)	-	-	13,499
MMSF General Fund	87,622	150	(29,928)	9,986	-	67,830
MMSF Donated Assets	10,587	-	(320)	-	-	10,267
Philharmonia Restricted	-	726,106	(657,177)	(68,929)	-	-
	<u>3,145,198</u>	<u>758,563</u>	<u>(752,642)</u>	<u>(2,942,185)</u>	<u>-</u>	<u>208,934</u>
Total of funds	<u>8,416,760</u>	<u>8,465,120</u>	<u>(8,413,352)</u>	<u>-</u>	<u>-</u>	<u>8,468,528</u>

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	3,853,209	-	-	3,853,209
Fixed asset investments	4,109,094	-	-	4,109,094
Current assets	(3,265,528)	298,163	5,721,009	2,753,644
Creditors due within one year	(1,208,775)	-	-	(1,208,775)
Creditors due in more than one year	(1,450,562)	-	-	(1,450,562)
Total	<u>2,037,438</u>	<u>298,163</u>	<u>5,721,009</u>	<u>8,056,610</u>

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

23. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Endowment funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	3,836,642	10,267	-	3,846,909
Fixed asset investments	4,907,195	-	-	4,907,195
Current assets	(3,228,389)	261,891	5,724,203	2,757,705
Creditors due within one year	(1,455,801)	(63,224)	-	(1,519,025)
Creditors due in more than one year	(1,524,256)	-	-	(1,524,256)
Total	2,535,391	208,934	5,724,203	8,468,528

24. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £	Group 2022 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	(411,918)	51,767
Adjustments for:		
Depreciation charges	17 86,641	77,604
Amortisation charges	16 -	57,333
Movements on investments	412,361	232,621
Investment income	7 (95,857)	(99,972)
Loss on the sale of fixed assets	21,003	5,047
Loss on the sale of intangible assets	3,645	-
Increase in debtors	19 (109,193)	(602,375)
Decrease in creditors	20,21 (386,033)	(1,950)
Investment management fees	-	31,999
(Gain)/ Loss on investment exchange differences	-	(1,270)
Mortgage loan interest	41,595	49,626
Interest on cash deposits	-	(70)
Income retained as investments	(71,550)	-
Net cash used in operating activities	(509,306)	(199,640)

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

25. Analysis of cash and cash equivalents

	Group 2023 £	<i>Group 2022 £</i>
Cash in hand	1,119,264	1,234,607
Total cash and cash equivalents	1,119,264	<i>1,234,607</i>

26. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	1,234,607	(115,343)	1,119,264
Debt due within 1 year	(61,593)	(8,733)	(70,326)
Debt due after 1 year	(1,524,256)	73,694	(1,450,562)
	(351,242)	(50,382)	(401,624)

27. Operating lease commitments

At 31 August 2023 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Not later than 1 year	10,608	10,608	10,608	10,608
Later than 1 year and not later than 5 years	6,836	17,444	6,836	17,444
	17,444	<i>28,052</i>	17,444	<i>28,052</i>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Operating lease rentals	14,700	19,117	14,700	19,117

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

28. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member. There were 65 members at 31 August 2023 (2022 - 72).

29. Related party transactions

Payments were made to all playing members of the Board, including the Chair and Deputy Chair, in respect of the work they have carried out with the Orchestra. During the year, playing members of the Board were paid no additional income for duties.

Rite Digital Limited gifts its profits to the charity making a nil gain nil loss each year. At the year-end Rite Digital owed Philharmonia Limited £62,312 (2022 - £42,405).

The Company had a related party relationship with MMSF by virtue of its trustees. At the year-end MMSF owed Philharmonia Limited £22,150 (2022 – amount owed £60,725).

The Charity has a related party relationship with the Philharmonia Foundation Inc, registered in the US, by virtue of having two Trustees in common. During the year Philharmonia Foundation made payments totalling £nil (31 August 2022 - £237,197) which was in respect of a grant to support the Human Nature series and expenses repaid to Philharmonia Limited for a recital in New York in February 2022. At the year-end Philharmonia Limited owed Philharmonia Foundation £2,089 (2022 – Foundation owed Philharmonia: £29,022).

The Charity received donations in the year from 7 (2022 - 7) Trustees for the value of £86,900 (2022 - £179,354).

PHILHARMONIA LTD

England & Wales - Charity number 250277

Accounts

Philharmonia

Philharmonia Limited
(Limited by Guarantee)

FINANCIAL STATEMENTS

For the year ended
31 August 2022

Philharmonia Limited (Limited by Guarantee)

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Philharmonia Limited (Limited by Guarantee)

Report of the Board of Trustees, including Strategic Report

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Registration number: 250277

Company Registration number: 00799297

Registered office: 6 Chancel Street
London
SE1 0UX

Auditor: BDO LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

Bankers: Barclays Bank
1 Churchill Place
London
E14 5HP

NatWest Bank
10 Marylebone High Street
London
W1U 4BT

Legal advisers: McDermott Will and Emery LLP
Heron Tower
110 Bishopsgate
London
EC2N 4AY

Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

Philharmonia Limited (Limited by Guarantee)

Report of the Board of Trustees, including Strategic Report

Directors and Trustees

The directors of the charitable Company are its trustees for the purpose of charity law. Throughout this report they are collectively referred to as the Board of Trustees.

The Board members serving during the year and since the year end were as follows:

Chair	Lord Mervyn King
Deputy Chair	Saul Nathan
President (player member)	Kira Doherty
Deputy President (player member)	Cheremie Hamilton-Miller
Other player members	Laurent Ben Slimane (resigned 31 December 2022) Nuno Carapina Michael Fuller Antoine Sigure Heidi Krutzen James Buckle Lawrence Rolton Kira Doherty
Other non-player members	Michael Brindle (resigned 15 November 2022) Rupert Darbyshire (Chair of the Finance Committee) Daniel Knottenbelt (resigned 31 December 2022) Sir Peter Middleton (resigned 15 November 2022) Lorenzo Modiano Julia Zilberman Johanne Hudson-Lett (appointed 15 November 2022) Charlotte Hogg (appointed 15 November 2022)
Secretary	Katherine Collis
Independent Finance Committee member	Nick Bishop

The Trustees present their report together with the financial statements of Philharmonia Limited ("the Company") for the year ended 31 August 2022.

Philharmonia Limited (Limited by Guarantee)

Report of the Board of Trustees, including Strategic Report

LETTER FROM THE CHAIR AND PRESIDENT

The 21/22 financial year spanned the last phase of the Covid pandemic and the fragile beginnings of a recovery from it. For the Philharmonia and the wider arts sector, this has meant a year of continued uncertainty and financial stress to players and businesses alike. Due to the long forward planning needs of classical music and the physical proximity of live performance, the arts sector's recovery was always going to lag behind other areas, and the 21/22 season was a testament to this. As a result of this uncertainty, the past year saw the orchestra face some of the most significant threats of its 77-year history. We have weathered the storm due in no small part to the dedication and exceptionally hard work of our staff, players and Board members, for which we would like to extend our utmost thanks.

The Orchestra as a company and the Orchestra as players felt the effects of these external challenges intensely but differently: whilst the limited company focused on financial solvency and flexible responses to planning and budget fluctuations, the players' needs and concerns were more immediate and tangible. The Members' Support Scheme of the previous year came to an end in September 2022 and was replaced by a more targeted Hardship Fund open to musicians facing continuing financial difficulty. There is of course no substitute for work in the diary in order to allow musicians to support themselves financially and thrive artistically, and it was made clear that the long-term retention of the core of the membership was going to be heavily conditional on this. Planning over the period was hampered in part by the ongoing effects of Covid, as well as changes in management, both of which have now been largely resolved. In August we welcomed the arrival of our new Chief Executive, Thorben Dittes, who has already made his mark on the running of the Orchestra.

We are now confident of a bright and artistically strong future for the orchestra, but the players themselves are still enduring a work schedule with significant gaps continuing into the 22/23 season. We have nonetheless been able to ensure a consistently high quality of work throughout the 21/22 year albeit at a reduced frequency. Santtu-Matias Rouvali continues to define his artistic leadership as principal conductor, accompanied by a roster of internationally acclaimed artists such as Marin Alsop, Joshua Bell, Nicola Benedetti, Herbert Blomstedt, Jakub Hrusa, Paavo Jarvi, Pekka Kuusisto, Vikingur Olafsson, Maria Joao Pires, Jakub Hrusa, Paavo Jarvi, Joshua Bell, Pekka Kuusisto and Gil Shaham amongst others.

We are confident that the artistic excellence and reputation of the orchestra has remained intact during the pandemic and beyond, due in large part to the loyalty, commitment, and dedication of the orchestra's most precious asset: the players. Despite the difficulties of the 21/22 year, we maintained a high-quality and high-profile set of major UK and international concerts, as well as a full and successful season at Garsington Opera. Our work with school children (Orchestra Unwrapped), people with dementia (Hear and Now) and young instrumental talent (MMSF) continued largely uninterrupted thanks to the flexibility and adaptability of the programmes and staff and players driving them.

The focus in 2021/22 was in supporting our long-term recovery and sustainability, from bold new artistic commissions to continuing our commitment to developing diverse talent at a time when our sector and young artists need this more than ever.

The Philharmonia is fortunate to have a committed group of individual and institutional donors. In 2021/22, we were supported by individuals, corporates, trusts and foundations, and through a number of government initiatives which provided us with much-needed short-term relief and helped us to plan ahead with confidence. The Culture Recovery Fund and the doubling of the Orchestra Tax Relief have been particularly welcome. But we face an immediate future with high levels of inflation, reduced funding from Arts Council England, and greater competition for existing funds.

The future success of the orchestra will rely on the flexibility, vision and boldness of our management team, Board of trustees and player members, and our willingness to champion the relevance of classical music and the distinctiveness of the Philharmonia over the next decade. We are confident that we will be able to meet those challenges. We know that music has the power to sustain us and provide hope, and we know that now it might be needed more than ever. Our thanks to everyone who has helped us during 21/22. We look forward to working with you in 22/23.

Lord King of Lothbury and Kira Doherty
December 2022

Philharmonia Limited (Limited by Guarantee)

Report of the Board of Trustees, including Strategic Report

OBJECTIVES AND ACTIVITIES

The charitable objectives of the Company are as follows: the advancement of public education through the promotion and support of the art of music (including opera, music, drama, ballet and all art forms consisting in whole or in part of music), particularly by the promotion and encouragement of orchestral music; and the relief of poverty and distress amongst playing members of any symphony orchestra for the time being maintained by the Charity and the dependents of such persons. The Company achieves these objectives by maintaining a symphony orchestra of the highest quality.

The Company aims to raise the public appreciation of music by maintaining and developing its position as one of the world's leading symphony orchestras, through the quality of its playing, its creative programming, the commissioning of new music, the provision of its learning & engagement programme, and the use of digital technologies to bring its performances to the largest and most diverse audience possible.

The Company has a Mission to create thrilling experiences in music; and a Vision that the Philharmonia Orchestra, both live and digitally, will have a transformative impact on the widest possible audience, through its four key values: fearless, pioneering, open, and global. Its main objectives for the period were: the provision of "Own Promotion" concerts at the Southbank Centre; residencies in Bedford, Leicester, Basingstoke, Canterbury, at the Three Choirs Festival and Garsington Opera; engagements by third party promoters; both live and online learning and engagement programmes; recorded performances of the highest standard; outreach via the website and other digital media. Underpinning all of these objectives are the Investment Principles of Arts Council England "Lets Create" of Ambition and Quality, Dynamism, Inclusivity and Relevance and Environmental Sustainability.

The strategies employed to achieve the Company's objectives are:

- to maintain, improve and secure the quality and status of the playing ensemble, through the quality of artistic opportunity and the quantity and quality of the Orchestra's schedule
- to develop the Orchestra's role as an originator and producer of new work, through commissioning and collaboration across art forms
- to develop, promote and market the Orchestra's live performing programme in London, its residencies, throughout the UK and internationally
- to expand the Orchestra's role as a pioneer, leader and creative innovator in the use of digital technologies to reach the widest possible global audience
- to nurture interest in, and knowledge of, orchestral music through education, work with local communities, audience development, digital activity and recordings
- a commitment to being an inclusive and relevant organisation, working to ensure equality of opportunity; inclusion of diverse viewpoints and backgrounds; closer working with the communities the Orchestra serves; ensuring a diverse workforce and governance; and embedding the Creative Case for Diversity
- to commit to knowledge and experience sharing with other arts organisations at a strategic level, notably in the fields of digital development, philanthropy, marketing, environmental sustainability and programme-planning

PUBLIC BENEFIT

When reviewing the charitable Company's objectives and activities and devising the future programme of the charitable Company for the next period, the Board of Trustees confirms that it has referred to the Charity Commission's general guidance on public benefit and complied with its duty under the Charities Act 2011.

The Company's aims and objectives stated above are directed at the public at large: the Orchestra's concertgoers throughout the UK and abroad; visitors to its website; those who listen to its recordings; those in the local communities where the Orchestra works, and the wider communities the Orchestra serves; and those who participate in the Orchestra's various learning & engagement work.

The Orchestra's Own Promotion concerts at Southbank Centre are open to the public without restriction. Discounted tickets are available for disabled concertgoers, those on income support, students and under-18s. The Orchestra also offers an extensive programme of chamber concerts, contemporary music, talks and foyer events with free entry. The Orchestra performs throughout the UK in public venues that have similarly inclusive policies.

The Orchestra aims to increase the numbers and diversity of its audiences and participants through sophisticated audience engagement strategies including its world-leading digital programme, online content available free through its website and other platforms; and its work with communities. The Orchestra will also benefit future generations through its learning & engagement programmes, its recordings and through its dedication to training the next generation of orchestral musicians.

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STRATEGIC REPORT

A ACHIEVEMENTS AND PERFORMANCE

During the pandemic, we were partially operational, minimising outgoings, maximising income and creating new, world class music that has kept our orchestra together and playing and kept us connected to our audience. We have been dynamic and agile, maintaining and developing audiences in a new digital setting, even under challenging circumstances. We safeguarded the orchestra, ensuring that we were in the strongest possible position for when we performed to live audiences again.

Although the peak of the pandemic has passed, Covid is still a reality that many of the people we work with have to navigate. We know that some of the people we work with through our Learning and Engagement projects prefer in person events and others are much more comfortable online or being able to alternate between the two. We have addressed this by including hybrid/remote options, offering parallel sessions online, and making sure all sessions recognise that a greater number of people (especially older people) are still more likely to drop out last minute from individual sessions but want to continue with the programme. We address this by remodelling relevant projects in a way which makes it easier to catch up if a session is missed, such as including more recap materials for participants.

During the 21/22 season, Covid remained a challenge in terms of travel restrictions, with some artists/conductors still having problems travelling to the UK. We have, however, always been able to find replacement and have not had to cancel any concert performances. Where we had to replace an artist who is global majority or a woman, we have done our best to replace the person in a way which doesn't negatively impact our ambition to platform greater diversity.

The focus in 21/22 was in supporting our long-term recovery and sustainability, keeping us relevant and dynamic, and moving us from emergency to recovery working, delivering our organisational vision: to have a transformative impact on the widest possible audience. This was achieved through our ambitious Human:Nature series and associated activities (moving to in-person delivery, in line with national public health guidance and audience feedback), and supported the long-term development of our business: working more sustainably; championing diversity; and, consolidating a more joined-up approach to our activities which will have a long-term positive impact on the way that we work.

We delivered bold programming, as a dynamic and more connected organisation. We are changing our working practices to have a more collaborative and joined-up approach to our business. The Human:Nature series was strategic, bringing together all departments, with a shared set of aims. This project brought together all departments, delivering a project which included world-class concerts in one of the UK's most renowned concert halls; targeted learning and engagement projects (for example, working with KS2 pupils to discuss environmental themes and explore some of the ways in which composers have been inspired by the natural world); develop new advocacy and environmental partnerships (such as with the RSPB); new marketing and data capture to understand audience development and response to such topical themes; and, a new Policy and Action Plan for environmental sustainability (see below).

In 21/22 we commissioned three new compositions, two within our main Royal Festival Hall season concerts and one within our Music of Today Purcell Room concerts. We commissioned new works from five emerging composers (usually two/three per year, but the Covid cohort was postponed to this year), performed and recorded as part of Music of Today. The broadened 21/22 MMSF Instrumental Fellowship Scheme accepted 15 top conservatoire graduates, bridging the difficult gap between full-time study and professional status, providing possible pathways into membership of the Orchestra. Success was measured by take-up, diversity and number of applications, and diversity of participants (minimum 25% from underrepresented backgrounds), as well as detailed feedback from all groups involved in the programme.

We created diverse programming, inspiring current audiences and the next generation of audiences and music makers. Our 2020-24 Equality Action Plan aimed to increase representation of protected characteristics in all areas of our work. Now in its third decade, Music of Today presents work by a dynamic and diverse range of composers and performers, artists who are defining the present and future of music. Three Music of Today free concerts were performed in 21/22 in the Purcell Room in the Southbank Centre. 20% of our conductors identified as women and 15% of conductors and soloists identified as People of Colour. Our aim is that this will increase year on year to achieve gender parity and representative diversity of conductors and soloists.

We built back stronger, more integrated and engaged residencies. The Philharmonia's mission is to deliver world-class music to as wide an audience as possible. Community engagement projects delivered alongside our residency concerts ensure greater accessibility, relevance, and impact in people's lives. We launched a recovery season of four concerts in UK residencies beyond London with Santtu conducting at each and associated four Orchestra Unwrapped concerts for

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school (KS2) and family audiences, focusing on female composers and musicians. We deepened local stakeholder and advocacy engagement in Bedford and Leicester with Mayor's and Lord Mayor's concerts respectively, highlighting the value of the residencies to the Philharmonia and our deep commitment to our residency communities. We established permanent Community Boards in Bedford and Leicester evolving from local Steering Groups (part of The Virtual Orchestra), informing our programming and strategic direction within the residencies and providing an opportunity for organisations, communities and residents to inform, engage with and co-create our work. We re-launched Hear and Now in Bedford and Leicester; and, Symphonize in Leicester and scope potential for expanding to other residencies.

We delivered bold programming, as a dynamic and more connected organisation. Human:Nature wasn't just a concert series, it was a vehicle for change, an opportunity to hear new voices, connect our work across all residencies, and launch our new Principal Conductor. We delivered 14 concerts in 21/22, achieving audience targets of 16-17k ticket sales; and significant positive media coverage. Our new Artist in Residence programme diversifies our repertoire, workforce and audiences. Work spans the breadth of the organisation, provides opportunities to collaborate between art forms, and showcases work by underrepresented artists, particularly women and BAME artists. Our 21/22 Artist in Residence collaboratively devised a new cross-arts piece and produced a full audience development report examining impact on widening audiences for the Philharmonia. We launched the Featured Artist series with Pekka Kuusisto (violinist and conductor), an opportunity for an internationally renowned musician to showcase all facets of their artistry. Kuusisto performed three Royal Festival Hall concertos as soloist, one Royal Festival Hall concert as conductor, and curated or performed in two Music of Today concerts.

CONCERTS & PROJECTS

We delivered diverse programming, inspiring current audiences and the next generation of audiences and music makers. For the arts to thrive they must be relevant, and we can only do that by representing the audience we wish to serve. It is imperative that the programme, and conductors and soloists that we engage, are diverse and relevant to our diverse audiences.

We have been incorporating inclusivity and relevance (I&R) in all areas of our business. This includes clear targets for a more diverse repertoire such as Featured Artists, a more diverse workforce with more transparent board and staff recruitment processes, a more diverse talent pipeline trialling the use of screened auditions, and more diverse audiences with strong data capture and streamlined reporting.

We have our most diverse group of MMSF Fellows, including our first ever female timpani player and now have the most diverse workforce in our history. We have ambitious but deliverable plans to continue increasing diversity in our staff, Players, Board and audiences.

We made it a priority to seek out and engage a diverse range of conductors, soloists and composers. Artists featured included: conductors Elim Chan, Xian Zhang, Roderick Cox, Marin Alsop, Tianyi Lu, Manoj Kamps, Alpesh Chauhan; soloists Solomon Howard, Bruce Liu; and, composers Gabriella Smith, Anna Thorvaldsdottir, Lisa Lim, Andrea Tarrodi and Isobel Waller-Bridge.

The Orchestra recorded two free-to-air concerts, our season opening concert featuring two monumental works by Richard Strauss – Also Sprach Zarathustra and Alpine Symphony; and an all-Tchaikovsky programme including his final masterpiece, the 6th Symphony.

This year, we were able to go back to delivering live schools' concerts through our Orchestra Unwrapped project. Orchestra Unwrapped was generously supported in Bedford by the Harpur Trust, Philharmonia Orchestra in Bedford Trust, and in London by the Laurence Modiano Charitable Trust, the EC Sosnow Charitable Trust and the Michael and Nicola Sacher Charitable Trust.

The second year of our Artist-in-Residence programme came to a close, marked by a final performance by House of Absolute, a woman-led hip-hop dance and arts collective.

Across their second year, House of Absolute worked with seven members of the Orchestra and one MMSF fellow. Our residencies culminated in a performance at the Sadler's Wells Theatre to an audience of 1479, an audience who would not normally attend our concerts. We have recruited our 22/23 and 23/24 Artists in Residence and look forward to working with them in due course.

Number of projects, recordings, info re contemporary composers, diversity of composers.

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Across the period the Orchestra undertook over 140 different performances or recordings. Of these, 18 contemporary composers were featured from a diverse range of backgrounds (e.g. Gabriella Smith, Isobel Waller-Bridge, John Luther Adams, Bryce Dessner, Jessie Montgomery, Jonathan Dove, Anna Thorvaldsdottir, Lisa Lim). Of the works performed by living composers, over 60% of the composers were female.

The artistic planning process aims to positively increase the representation on our stages of composers and artists with protected characteristics, whilst maintaining the exceptional high level of quality for which the orchestra is known. Guest artists included Elim Chan, Xian Zhang, Manoj Kamps, Roderick Cox, Marin Alsop, Nicola Benedetti, Hilary Hahn, Pekka Kuusisto, Solomon Howard, Sir John Eliot Gardiner, Bruce Liu, Benjamin Grosvenor, Lisa Lim, and many more.

The Orchestra continued its drive to promote new classical music, and to develop the classical canon of tomorrow. New works were commissioned from Anna Clyne, Isobel Waller-Bridge, Grace Evangeline Mason, Bryce Dessner and Luke Styles.

With the arrival of Santtu, there were great opportunities to build interest with the media. Across the year, the Orchestra secured extensive press coverage, from interviews and feature articles to critical reviews, an increase of almost 50% year on year. This was further enhanced by advertising campaigns that reached over 6 million.

The Orchestra continued to focus on growing online audiences and released concert streams of both the opening concert, featuring Santtu conducting Strauss, and the Tchaikovsky: Piano Concerto No. 2 with Bruce Liu, which to date have had over 150,000 views collectively. Across the year the YouTube channel received 2.5 million views, Facebook saw 25% growth, and Spotify reached 1 million listeners.

To celebrate the theme of Human:Nature, partnerships with RSPB and the Climate Coalition were established. E-tickets were launched at the start of the season, which resulted in 68% of ticket buyers opting for a digital copy, and digital programme notes were created.

Several key strategic projects were developed and launched across the year, with the focus on audiences and data, placing greater importance on super-serving existing audiences and reaching new. This led to a collaboration with London Art Week, which saw the Orchestra go beyond the concert hall and into galleries in Central London. The Orchestra also developed a data strategy and created a new role focused on data and insight.

ORGANISATION

During the period the Orchestra continued with their five-year strategic plan, which contains the following aims:

- to offer bolder, braver and broader programming, speaking to a greater audience
- to deliver significant impact through strong, season-long stories and associations
- to be well-connected and working in collaboration with the communities we serve
- to build our brand through high-quality content with notable impact
- to have a well-established 'Philharmonia family' donor-base
- to demonstrate clearly our inclusive nature as an organisation, relevant to all
- to be financially stable, increasingly able to re-invest in the orchestra, in our communities and in our art-form

The Board of the Philharmonia under Lord King of Lothbury as Chair, met regularly through the period, leading the strategic direction of the Orchestra. Michael Brindle KC and Sir Peter Middleton resigned during 2022 and Charlotte Hogg and Joanne Hudson-Lett have been appointed to the Board in October 2022. Alexander Van Ingen stepped down as Chief Executive Officer during the period, and Thorben Dittes has been appointed as the new Chief Executive Officer. The organisation thanks Michael, Sir Peter and Alexander for their service, and in particular for their, and their colleagues', substantial and successful efforts to stabilise the organisation and underpin activity through the pandemic. During the period, a further senior appointment was made, with Teddy Prout taking on the role as Director of Learning and Engagement.

The Orchestra played a strong role as a sector representative, working closely with colleagues at the Association of British Orchestra, the Musicians Union, and with Arts Council England (ACE).

In May 2022 the Orchestra applied for renewal of funding as a National Portfolio Organisation (NPO) with Arts Council England for April 2023-March 2026. This was awarded in November 2022 at £1.9m per annum, a reduction of 12% on prior years, in line with NPO funding reduction of other major London Orchestras. As a result of the reduced funding, and increased inflation and cost of living impact on staff and players, the Orchestra will be reviewing and adapting its activity plans over the coming months as it finalises its 3-year funding agreement with ACE.

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AUDIENCE DEVELOPMENT

Our Audience Development Plan sees diversity as a key KPI, to be measured as proactively as ticket sales and income. Our marketing team is increasing diversity through a new ticketing strategy underpinned by rigorous data and market research (accessible price points, targeted campaigns for unsold tickets); initiatives such as Student Pulse and Ringside Seats; data capture/understanding our audience; and free online content.

We now have a full time Data and Insights Manager to help us monitor progress, keep us accountable, and share our findings internally and externally (strengthening the sector). We now have a Data Working Group, representing all departments, measuring progress towards ACE outcomes and investment pillars.

Core to all our audience development work is audience research, for which the Orchestra has developed practice across data insights, surveys and evaluation, and customer relationship management. Data insights research is centred on our ticketing system Tessitura, further complemented by use of the Audience Finder dashboard. The Orchestra's audience research now focuses on our wider residency audiences, rather than the London Own Promotion Season alone.

LEARNING AND ENGAGEMENT

We focused 21/22 on building back stronger, more integrated and engaged residencies. During the pandemic our residency programmes were particularly affected and curtailed. Digital activity has allowed us to continue supporting communities and engage with our work, but we need to use 21/22 to re-establish our in-person work and important Learning & Engagement programmes.

We consider participants in our L&E programme as a part of our core audience rather than as an additional group. This means that data capture relating to L&E participants is a part of our organisational data capture, will appear in our organisational KPIs and data dashboard (being developed, for use internally and externally), and will be included as a core part of our Audience Development Plan.

We have been undertaking an in-depth review of our current L&E work, are streamlining processes and are developing plans for new pilot projects and community consultation work which will take place across our residencies and incorporate Priority Places and Levelling Up Culture Places. Our planned pilot projects are ambitious in scope and will reach more groups of people in a more targeted way than ever before, truly responding to individual and group barriers to engagement with classical music. We will identify these barriers and address them through close community consultation, particularly through our existing Community Boards and new ones that will be established in Levelling Up places.

To achieve this, we are strengthening our community boards, appointing chairs and developing clearer processes, including transparent recruitment processes and I&R targets to ensure that boards truly represent the local community and those who have least access to cultural activities.

Our Learning & Engagement programme is at the core of our work and engages thousands of people in the joy of music-making. The projects we create are rooted in our residency communities. As committed collaborators, we design our projects with a wide range of partners, from residency venues and music education hubs to community groups and local authorities. During the pandemic we have been unable to physically connect with project partners, communities, audiences, project beneficiaries, and performance venues. As our residencies reopened, we needed to re-establish and redevelop these relationships as well as identify and address gaps in our current provision.

We are pleased to report that we have successfully delivered:

- Orchestra Unwrapped – our key stage 2 schools' concerts
- Symphonize – our fusion project collaborating with teenagers facing challenging circumstances in Leicester
- Hear and Now – our intergenerational community project in Leicester and Bedford bringing together young people and adults with dementia to create and perform together

Our KS1/2 schools project works with some of the most marginalised children in our residencies, supporting them to access a live symphony orchestra, often for the first time, democratising access to culture and providing routes to long-term musical engagement. Our focus residencies are London, Bedford and Leicester (where the programme is delivered every year). In addition, we deliver Orchestra Unwrapped in other cities such as Basingstoke on a one-off basis. Teachers are provided with new skills and confidence to teach music and to use music as a pedagogical tool, supporting the wider curriculum (including maths, science, history, and geography). The project combined live performance, teacher training, and learning activities for inside and outside of the classroom.

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We worked with:

- 10 schools in Bedford, 13 schools in Leicester, 27 schools in London
- 54 teachers in Bedford, 104 teachers in Leicester, 251 teachers in London
- 307 pupils in Bedford, 1,072 pupils in Leicester, 1,789 students in London

Orchestra Unwrapped 21/22 outcomes:

- Cultural provision in London, Bedford and Leicester is increased, particularly classical music
- Access to culture is democratised
- Teachers' gain confidence including music in the classroom
- Teachers and pupils are more engaged with listening to/engaging with music
- Teachers and pupils are more engaged with music-making
- Schools better understand the value of teaching music
- Marginalised children experience a live symphony orchestra for the first time

Symphonize works with marginalised children and young people from Leicester's most deprived wards, who have come into contact or are at risk of contact with the criminal justice system. We use music-making and collaboration to increase self-esteem, develop a sense of belonging, learn and perform music, and experience new musical genres. In partnership with Soft Touch Arts, the project enables children and young people to work with Soft Touch musicians and producers and Philharmonia musicians to collaboratively compose, produce, record and perform original, cross-genre music. Each year, the project includes taster sessions at targeted community and secondary schools; a CPD training session for project practitioners; an intensive week-long creative project; and a final public performance to peers, families/carers and VIPs.

The project completed in July 2022 reaching 25 children and young people.

Symphonize 21/22 outcomes:

- increase self-esteem and confidence amongst participants to express themselves creatively
- increase participant's sense of belonging to a wider group, enabling them to contribute their creative ideas, contributing to recovery from experiences of loneliness resulting from covid-19 lockdowns
- participants learn and perform a new musical instrument whilst experiencing a wide range of musical genres, for CYP with no/limited access to arts and culture

Hear and Now is delivered with people with dementia and their carers, not just for them. It uses music and intergenerational connections and friendships to inspire and engage people with dementia, their carers, and young people in culturally diverse areas in Bedford and Leicester. People with dementia engage in a creative process with others, including carers who might rarely experience a new activity with the person that they care for, resulting in positive outcomes for people with dementia and other project participants. The project combines workshops and creative sessions and a final performance, as well as a video which can be shared with friends and family.

We worked with:

- 13 people living with dementia (Bedford), 15 people living with dementia (Leicester)
- 15 carers (Bedford), 3 carers (Leicester)
- 19 young people (Bedford), 5 of young people (Leicester)
- 4 community participants and 115 audience members (Bedford), 18 community participants (Leicester)

Hear and Now 2021/22 outcomes for people living with dementia:

- Improved mental and emotional wellbeing
- Increased confidence/positivity – trying new things in comfortable but new surroundings
- Enhanced sense of inclusion – support network/meeting others with shared experiences
- Motivation to try new things – exploring a new interest (often a rare opportunity, for people with dementia)
- Unlocking new learning potential – in line with growing evidence of the positive effects acquiring new knowledge can have for this audience
- Triggers for memory and language recall – sensory and conversational nature of the sessions can improve memory and communication skills
- Reduced anxiety

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EMERGING ARTISTS

The Philharmonia is a hub of talent development, across all areas of classical music-making. We work collaboratively to strengthen the cultural sector through innovation and developing the next generation of musicians, composers and audiences.

The Instrumental Fellowship Programme supports young instrumentalists who are specifically seeking an orchestral career. It connects them to the wider life of the Philharmonia and the expertise within its membership. The scheme not only supports Fellows' musical development but develops their knowledge of how a modern orchestra runs and their role within it (including work with local communities, schools and families). Focusing on work-related skills and experience, alongside musical development addresses a particular need within the orchestral sector and is what makes this scheme distinctive.

Our programme allows us to present Fellows in a professional series of 12 recitals, highlighting under-represented players, like women brass and timpani players, playing to the general public. Additionally, we provided a series of 20 Primary School recitals for the fellows.

This year we have also worked with the existing pool of Fellows to develop an alumni scheme, which will launch next year, to make sure our support is not lost when they graduate, and to develop a more rounded programme of activity focussing on the CPD needs of the cohort.

MMSF Instrumental Fellowship Programme directly benefited:

- 15 early-career musicians
- 24 Players
- 4 workshop leaders/project collaborators

MMSF Instrumental Fellowship Programme 21/22 outcomes:

- Supporting 15 new musicians to be the best that they can be, enhancing classical music nationally and internationally
- Supporting a more diverse future for classical music
- Helping musicians to promote themselves, network, and to learn about carving out a career in classical music
- Providing new opportunities for early career musicians such as paid experience on Learning & Engagement projects, recitals, sit-ins with the orchestra and paid patches of performance work

"It's been really excellent to have mentor lessons with a member of the orchestra as it helps the prospect of entering the mainstream profession a lot more of a reality. The advice they give is really helpful, especially with orchestral etiquette. Hearing their advice helps me go forward." Bass Trombone Fellow

Composers' Academy is the Philharmonia's highly successful composer training programme, linked to the Orchestra's prestigious Music of Today contemporary music series. Composers' Academy sees composers at the start of their careers engage in a season-long composition-writing, workshops, and tutorial programme. This year, we provided opportunities with Philharmonia Players to explore specific instrumental technique and recorded each composer's works.

Composers Academy directly benefited:

- 5 early-career composers
- 19 Philharmonia Players
- 11 additional players

The project will additionally benefit audience members who will access the composition online, as the recordings of the works are released on 24 June 2022. There were no live performances of the works due to covid restrictions.

Composers' Academy 21/22 outcomes:

- Supporting three new composers to be the best composers that they can be, enhancing contemporary classical music nationally and internationally
- Supporting a more diverse future for classical music composition
- Helping composers to promote themselves, network, and to learn about carving out a career in classical music
- Providing new opportunities for composers

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- Diversifying the classical music sector
- Introducing audiences to new composers
- Commissioning new contemporary music and contributing to the artistic quality/heritage of the sector/widening access to repertoire
- Providing new and artistically challenging opportunities to our players

Our talent development work hasn't just included our main programmes. We have also undertaken a series of smaller pieces of work, supporting conservatoire students with their playing and with their knowledge and understanding of symphony orchestras.

This year, we supported 45 students, providing them with the opportunity to: watch a professional symphony orchestra in rehearsal, followed by small-scale workshops and discussions; and sit with the students' instrumental counterpart, watching up close and/or play tutti parts alongside the principal.

B FINANCIAL REVIEW

Review of the financial year

The year to 31 August 2022 saw a consolidated net surplus of £51,768 (17 months ending 31 August 2021: net surplus of £6,392,982). The standalone charity result for Philharmonia Limited alone was a surplus of £95,653 (17 months ending 31 August 2021: surplus of £6,427,656).

Underlying net operating surplus was £284,389 (17 months ending 31 August 2021: deficit of £328,527) including the support payments to players during the Covid 19 pandemic of £nil (17 months ending 31 August 2021: £1,017,250). The Orchestra benefited from the temporary increase in Orchestra Tax Relief rate in the year, which has enabled more concerts and activity to be planned for the current and future seasons.

Support costs were £2,725,008 (17 months ending 31 August 2021: £3,608,791).

Philharmonia Trust transferred its assets to Philharmonia Limited at 1 April 2020, thus Philharmonia Trust's results are now consolidated into the group accounts. The Martin Musical Scholarship Fund, whose financial results are also consolidated in these financial statements, made a deficit of £30,652 (17 months ending 31 August 2021: deficit of £34,676). Rite Digital Limited, Philharmonia Limited's fully owned trading subsidiary Company, made an operating deficit of £13,233 (17 months ending 31 August 2021: surplus of £21,553); in prior year Rite Digital Limited paid this surplus to Philharmonia Limited under the terms of a Qualifying Charitable Donation.

Financial management policy

The Orchestra aims to budget two to three years in advance, balancing the cost of orchestral concerts and other core work with grants and sponsorship income, as well as income directly generated by the work itself. If further activity is taken on once the budget has been set for the year ahead, it is only accepted if the work can be funded or if there is any remaining subsidy to be used. Regular communication with Arts Council England is also key to this advance budgeting.

Reserves policy

Previously the Board of Trustees has considered it unnecessary to hold an excessive level of free reserves because of its symbiotic relationship with the Philharmonia Trust Limited. The Philharmonia Trust Limited supported the work of the Philharmonia Orchestra, primarily through an annual grant but also through the advance of additional finance when required.

Following the merger with the Trust in 2020 the Trustees reviewed and refreshed their risk assessments and the Orchestra's reserve policy, particularly in light of the Covid 19 pandemic.

The Philharmonia Orchestra aims to have accessible free reserves to cover at least 3 months of overhead costs at any one time and no less than £750,000. This will be maintained through cash reserves and investments that can be readily converted to cash as required, any excess being used for designated projects and strategic investments and in the short term to be set aside to cover any deficits arising from Covid-19 over the following years. An additional designated reserve will be maintained for the net book value of non-property fixed assets.

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As at 31 August 2022 the total value of reserves was £8,468,528 (31 August 2021: £8,416,760). A breakdown of this is shown on the balance sheet and in the statement of funds note (note 20). Restricted and Endowment Funds are £5,933,137 of this amount (17 months ending 31 August 2021: £6,128,436) including £266,094 (17 months ending 31 August 2021: £296,746) of MMSF reserves.

Funds of £1,000,000 have been set aside to support the Orchestra to maintain its activities in light of the particularly challenging environment caused by the pandemic and to further invest in dynamic artistic special projects and innovation to grow future revenue and activity.

Free reserves in the general fund at 31 August 2022 were £1,197,793 (17 months ending 31 August 2021: £847,618).

Investment policy

The Orchestra has a policy of investing any surplus cash in investment vehicles that are low risk, are considered mainstream and allow for flexibility.

The Finance Committee reviews cash forecasts on a regular basis to identify in advance significant cash fluctuations and cash flow issues, and to ensure that reasonable returns are achieved, without risk to the capital, and to ensure that there is sufficient working capital for the organisation.

C FUTURE PLANS

Our focus in 22/23 will build on our achievements in 21/22, balancing the immediate financial needs of the organisation with long term-sustainability and delivering our organisational vision, to have a transformative impact on the widest possible audience. We know that this will be challenging in a fast-changing landscape, but the lessons we have learned and work we have done during the last two years have laid the foundations for a strong future.

The funding reduction from Arts Council England and continued cost of living crisis creates further pressure on our players and orchestra as we continue to deliver our ambitious artistic and education programmes.

Responding to the world around us, we will maintain this balance between long and short term needs and serving our residencies. We will identify environmentally friendly cost-saving measures which can support both the sustainability of our business and of the planet. Our ticket pricing will be re-structured in order to both lower the starting ticket price to make concerts affordable to the widest possible audience, and also to grow income with dynamic pricing. New projects will be trialled in partnership with our communities, delivering what local people want in the new circumstances in which they find themselves. Talented, early-career musicians will be given the support that they need not only to remain in the sector but to thrive and we will continue to invest and support our players. Inclusivity and Relevance will remain central to who we are and what we want to achieve, reflected across all areas of our business, audiences, and talent development programmes.

We will continue building partnerships with cultural organisations, broadcasting and performing across the UK and beyond and will continue to showcase the very best that classical music has to offer. Fundraising will remain at the core of the Philharmonia, undertaking to make fundability an essential part of project research and development, further ensuring financial resilience and relevance to funders' interests lying increasingly in the community, outreach and impact spaces.

This will be achieved through our main programming and connected wrap-around activity being programmed concurrently with Learning and Engagement projects, enhanced by our high-profile Featured Artists, Featured Composers, Composers' Academy, new commissions, and a broad range of world-renowned and up-and-coming soloists and conductors.

In 22/23, Principal Conductor Santtu-Matias Rouvali will perform 10 concerts across the season, in a wide range of repertoire from Beethoven, Dvorak and Mahler to John Adams and Anna Clyne. With Santtu, we will work with world class soloists including Vikingur Olafsson, Igor Levit, Yuja Wang, and Randall Goosby.

We are particularly excited to be working with the outstanding cellist and Philharmonia Featured Artist, Sheku Kanneh-Mason. He will perform 3 concertos across the season, including the Beethoven Triple Concerto to close the season, with fellow collaborators Nicola Benedetti and Benjamin Grosvenor.

We also welcome Anna Clyne as our first Featured Composer. Works performed will include two new commissions - a clarinet concerto for soloist Martin Frost, and her clarinet quintet, Strange Loops. Anna will also take part in pre-concert talks, Music of Today concerts, and will work with our Composers Academy students.

In addition to the above, we welcome back both familiar faces and newcomers – Jakub Hrusa, Paavo Jarvi, Marin Alsop, Ukrainian conductor Oksana Lyniv, Ryan Bancroft and Kazuki Yamada.

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Report of the Board of Trustees, including Strategic Report

D PRINCIPAL RISKS AND UNCERTAINTIES

The environment in which the Orchestra operates is inherently risky with the organisation exposed to many economic, geopolitical and artistic risks in the course of normal activities.

At the start of the season risk was identified from COVID-19 recovery, with continued restrictions on international touring, and concern about audience levels. Whilst the landscape has improved, and audience levels have returned to pre-pandemic levels, there followed extreme uncertainty around the Orchestra's ability to achieve its objectives; raise additional funds through donations and grants; as well as maintain the returns expected on investments. Whilst the return to live performances in 2021 has been welcome, the pandemic continues to impact on touring, logistics and audience development and remains a key risk for the foreseeable future.

In April 2022 restrictions on the Catalyst Endowment fund were lifted, and the Orchestra has agreed with funders the ability to draw down money from the fund to support the orchestra and its players, with monthly repayments back to an endowment fund on similar terms starting from 2027. This provides stability, cash flow support and mitigates other external financial risks.

The invasion of Ukraine by Russia resulted in a review of performances, repertoire and artist engagements linked to Russia with minor adaptations made to programming. The orchestra also received new engagements as a result of Russian Orchestras' unavailability, including performing at the Mikkeli Festival in Finland for the first time.

The Trustees are very conscious of the cost of living crisis and its impact on musicians, staff and audiences and future costs. A hardship fund has been put in place for players, and the orchestra is working closely with other sector organisations to monitor and support the workforce. A flexible ticket pricing structure has been implemented from January 2023 for own promotion concerts, with tickets from £10 to ensure that music performances remain accessible to the public.

Inflation continues to be a significant concern. Fuel prices for the Orchestra are fixed until 2023 but rising cost prices and the current exchange rate position are significant. Financial scenario modelling has been done to ensure that investment is maintained in the artistic programme and the Trustees have committed to financially support the Orchestra to achieve its three-year plan through use of allocated reserves.

In general Trustees try to minimise risk exposure to achieve an overall low/medium risk profile.

Methodology

The organisation takes a bottom-up approach to risk management with the senior management team responsible for regularly updating the Risk Register, scanning the environment for new risks and managing existing risk. Each risk is evaluated and assigned to a senior manager who will ensure that appropriate risk mitigation is put in place using the TARA method (Transfer, Avoid, Reduce, Accept).

The Risk Register is prepared on a traffic light system and those items deemed to have a residual risk for example, risk after mitigation, of medium to high are escalated to the Finance Committee for further action. The Finance Committee reviews the Risk Register on a quarterly basis in advance of presentation to the Board.

Key Risks & Uncertainties

At the date of signing the principal risks facing the Orchestra currently are:

The impact of COVID-19 recovery on our ability to perform and deliver our objectives both now and in the future. The risk related to our ability to maintain and increase income levels has heightened and will continue to impact us for some time to come. The Orchestra is very grateful to have received Covid Relief Funding from Arts Council England both during the period, and in the prior year but this is not expected to be ongoing.

The war in Ukraine and related events take place at a time of significant global economic uncertainty and the effects are likely to interact with current market conditions. The investment managers for Philharmonia Limited confirmed their actions on any Russian based investments which included a reduction in exposure to Russia last year and to date. As a result of the punitive measures taken against Russia since the invasion, Russia will assume standalone market status alongside countries including Panama, Lebanon, Palestine, Botswana and Zimbabwe. There won't be any write downs required to Philharmonia Limited's investments post year end as the impact of Russian sanctions is already priced into the value of the investments. In addition, the Board has reviewed its exposure to Russia within the sanctions regime and consider

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there to be no material exposure. Given this, we believe no further adjustments to 31 August 2022 financial statements need to be taken into consideration and the current conflict should be considered a non-adjusting event.

The main source of voluntary income in 2022 remains Arts Council England NPO funding at £2,057,000, 24.3% (17 months ending 31 August 2021 - 23%) of total income. This funding has been at a standstill level for a number of periods, meaning a decrease in real terms. There is a risk that this level of funding could reduce, through future changes in government policy or otherwise. NPO funding has been confirmed for the Orchestra for the next 3-year funding cycle at £1,830,223 per annum, a further reduction of 12% on previous annual revenue. Activity plans will be adapted over the next months to reflect the reduced funding levels and NPO requirements, though adaptations may not be able to cover the full financial exposure. The Trustees remain committed to the long-term strategic plan for the Orchestra and have approved a deficit budget for the next 3 years to ensure that the Orchestra continues to invest in the Artistic Output and longer-term growth and maximises opportunities in the UK and Internationally for audiences for symphonic music and community and education work.

A significant proportion of the Orchestra's income is earned from international touring, from tours to European countries. The current pandemic, and the exit of the UK from the EU, has raised a question as to what tours may be possible in the future. Different countries have different requirements for travelling musicians, and for travelling goods (musical instruments, etc.), and the EU's cabotage regulations make regular use of the Orchestra's truck difficult for European touring. The Orchestra has adopted a policy of remaining in touch with relevant Government bodies and industry representatives in order to ensure that we are as informed as possible, and best placed to take mitigating action at the appropriate time.

Income from sponsorship, donations and from Trusts and Foundations is key to every area of the Orchestra's activities, from concert planning to digital, education and outreach work. We have taken steps proactively to strengthen our fundraising function, including the creation of a Development Board, and the re-shaping of the Development team. The merger between Philharmonia Limited and Philharmonia Trust Limited, which completed at midnight on 31 March 2020 and has been more concretely bedded-in during the period, has already shown to be a great benefit as we face the challenges brought by the pandemic.

E GOING CONCERN

The Orchestra relies substantially on funding by grants from Arts Council England (ACE) for its current and future commitments. This funding is primarily via National Portfolio Organisations (NPO) annual revenue funding and also via other ACE funding programmes.

In response to an application for NPO funding for 2018-22, the Orchestra received notification that NPO funding for this year would be maintained at existing levels, that its application for ACE's NPO funding extension year of April 2022 to March 2023 has been successful and believes its plans to be robust, appealing, and deserving of funding. The Orchestra successfully submitted an application for continued NPO funding for the three-year period 2023-26 as noted above.

Despite the uncertainty brought about by COVID-19 pandemic, the cost of living crisis and future ACE funding levels, the merger in March 2020 between Philharmonia Limited and Philharmonia Trust Limited has boosted the Orchestra's financial resilience, fundraising abilities and charitable governance. The merger increased the fixed assets held by Philharmonia Limited with the transfer of the property at Chancel Street to Philharmonia Limited's balance sheet. It also provided access to draw upon the 2005 Endowment Fund (£2.8m at 31 March 2021), an endowment previously held within the investment portfolio of Philharmonia Trust. Although not desirable to take from this fund at such a time, it is reassuring to know that the investment fund is available to the Orchestra on demand.

In addition, from April 2022 DCMS / Arts Council England and the Charities Commission have removed restrictions on the usage of the Catalyst endowment fund to improve cashflow and enable appropriate investment in the organisation in response to the difficulties faced during, and after, the pandemic. This has been transferred to designated unrestricted funds in the financial statements. All usage of the original Catalyst fund will be repaid to a restricted similar Fund with repayments commencing on a straight-line basis from 2017 to 2035. Income from the restricted fund will have the same conditions around income usage for touring and out of London activity as the original Catalyst Fund.

A detailed budgeting process takes place every year. Across the pandemic, and in the current time, particular scrutiny has been and is being given to budgeting and financial management. Having considered all the above matters and regarding the value of property and investments, the Trustees consider that the 'going concern' status of Philharmonia Limited is an appropriate assumption for the preparation of these financial statements.

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Report of the Board of Trustees, including Strategic Report

F INVESTMENT PRINCIPLES

During the year the Orchestra, led by its Board alongside the Equalities Group, continued its strong work on Inclusivity and Relevance, Dynamism, Artistic Quality and Sustainability with new initiatives launched in each of these areas, and data and evaluation methodology adopted throughout. Many of these speak directly to the priorities identified by Arts Council England as being germane to the Creative Case for Diversity and the 'Let's Create' strategy, as well as helping the Orchestra create a more sustainable and relevant business model:

Workforce, Governance and Membership: Philharmonia commits to achieving a more diverse workforce, Board of Trustees, and Membership of the Orchestra, ensuring we are representative of the UK's diversity. We must create and maintain an inclusive environment to ensure everyone is safe and comfortable in their workplace, can work to the best of their abilities, and can utilise this diversity to co-create a sustainable, relevant, and forward-thinking organisation.

Artists, Programme & Partnerships: Philharmonia will programme performances, artistic series, artists and form partnerships that are relevant to and representative of our diverse residency communities.

Audience & Participants: Audiences, participants and those engaging with Philharmonia, both digitally and live, will be representative of the diversity of the communities we serve.

Dynamism: Philharmonia continues to invest in data analysis and strategic planning, utilising its digital expertise to adapt music in new formats.

Artistic Planning: Philharmonia continues to support the widest range of programming, promoting and supporting emerging artists, and bringing classical music to new audiences.

G EQUAL OPPORTUNITIES

Our Inclusivity & Relevance Action Plan is targeted towards growing the numbers of people and participants from protected characteristics groups who access our work, and on developing our workforce and Boards. Our focus is on age, disability, gender, ethnicity, class and socio-economic status.

We have developed our Equalities Group, with junior to senior representation across all departments in the administration, and with representatives from the player group and Board. The Group's priorities are driven by Inclusivity & Relevance Action Plan, and initiatives are prioritised accordingly.

The Philharmonia continues to provide equality of opportunity to current staff, applicants for administrative posts, Orchestra Members, extras, conductors, soloists and guest artists, outreach and engagement participants and concert attendees, and is actively engaged, through its Inclusivity & Relevance Action Plan, in improving ways the Orchestra interacts with, and encourages applications and participation from, those with underrepresented, protected characteristics.

H SUSTAINABILITY

The Orchestra is committed to reducing the negative environmental impact of our activities, in particular those relating to office waste and energy consumption, business travel, staff commuting and business services. As a touring orchestra, much of our environmental impact relates to concert touring nationally and internationally, including Orchestra and artist travel, instrument transport (including freight) and the impact of the venues where we rehearse and perform.

We have renewed our commitment to the environment and develop clear plans to reduce our environmental impact. As a touring organisation we have a specific and acute impact on the environment. We have a responsibility to incorporate sustainability as a fundamental part of our ethos, something which we are working towards across the organisation. We are using our brand as a platform for change, delivering Human:Nature (exploring nature and our relationship with the natural world), and partnering with organisations such as Reboot the Future and RSPB for events, to raise awareness about environmental issues and increase audience for each other's work. We used the season to relaunch our environmental work making immediate changes to the ways we work and creating an ambitious new Policy and Action Plan with data capture at its heart, keeping us accountable.

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Progress during 21/22:

- All brochures and programmes are now on recycled paper.
- We've implemented e-ticketing (now chosen by c.80% of our bookers).
- Printed tickets are now recycled and recyclable.
- We stopped using polywrap altogether and (successfully) encouraged our mailing house to do the same.
- Reception events are entirely vegetarian.
- Environmental sustainability is now part of our procurement process, including catering.
- Our wine partner is certified bee-friendly (Bumblebee Conservation Trust).
- We have changed some concert timings to allow Players to get public transport rather than driving.
- We worked with The Climate Coalition, the RSPB and Reboot the Future to promote the series and share audiences.

New Action Plan summary:

1. Reduce unrecycled waste by 30% by 2026.
2. Move to 100% recycled paper by 2023, recycle 100% of paper used at events and in office, and only 5% of supporters to receive paper post by 2026.
3. Switch to 100% renewable electricity by 2023.
4. Reduce carbon emissions from travel (reduction of at least 18% by 2024).
5. Cut non-green financial investments by at least 50% by 2026 and replace computer/mobiles with greener alternatives by 2023.

We will raise environmental questions in upcoming programming, including our 24/25 season focusing on water sustainability and using this theme for both concerts and commissions, including our Artist in Residence programme.

The Orchestra's flagship project for the 2021-22 Season (Santtu-Matias Rouvali's first as Principal Conductor), *Human:Nature: Music for a Precious Planet*, focused on nature and the environment, placing environmental issues at the heart of our artistic programming and core activity. This season of concerts – developed across the year – allowed the Orchestra to showcase great works of art inspired by the environment alongside music with a harder-hitting environmental message, bringing nature and our lives, and the interaction between mankind and the natural world, to the forefront of audience's minds during the season. The Human:Nature Series was supported by Kate and Andrew Davis and the Shelby Cullom Davis Charitable Fund.

The Artist in Residence for the upcoming 2022-23 season is Love Ssega, a London-born artist, songwriter, and producer, who will be exploring themes that link together social justice and climate change.

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Report of the Board of Trustees, including Strategic Report

I FUNDRAISING STATEMENT

The 21/22 fundraising year started with a sense of optimism and renewal. Optimism, as the Philharmonia opened its first uninterrupted concert season for three years, and renewal, as the orchestra welcomed Santtu-Matias Rouvali as our new Principal Conductor. Following a period of significant disruption, venue closure, social distancing and concert cancellation, we welcomed over 120 guests, donors and stakeholders to celebrate the season opening on 30th September 2021 at Royal Festival Hall.

Following the success of the Keep the Philharmonia Playing appeal for unrestricted funding, fundraising activity reverted as forecast to a predominance of restricted income. Major gifts continued in growth for the period (146% increase since 2019/20 period) accounting for 40% of total income.

The Human:Nature series opened Santtu's tenure with a timely focus of music, the natural world, and composers' responses to the present climate crisis. We are grateful for the significant fundraising support this received, including a landmark major gift from Philharmonia Foundation Inc in New York that was enabled by *Kate and Andrew Davis and The Shelby Cullom Davis Charitable Fund*. Concert support accounted for 63% restricted income, and 28% of total income was restricted to the Human:Nature series (£341k).

As our concert activity returned to normal, so too did the Philharmonia's sector-leading work in Learning & Engagement and our vital work withing our communities and residencies. We are grateful to De Montfort University, the Harpur Trust, the Eranda Rothschild Foundation, the Sidney Perry Foundation, the Laurence Modiano Charitable Trust, The Michael and Nicola Sacher Charitable Trust and the EC Sosnow Charitable Trust for their support of this important work.

Additionally, we give our thanks to the David and Elaine Potter Foundation for their support of the organisation.

We were additionally able to reconnect in person with our Philharmonia family during the 21/22 period. The Development department held over 40 events, including Members Lounges at the Festival Hall, open rehearsals, cultivation, and stewardship events, with over 2,500 attendances across the season. Philharmonia's prospective supporter base grew significantly, with 70% attendees at events being new introductions to us, in particular through trustees and concert supporters.

All voluntary fundraising at the Philharmonia is carried out by an internally managed Development department. Philharmonia Ltd. Is committed to ensuring that its fundraising activities are carried out with the utmost integrity and takes account of the Charity Commission Code of Fundraising Practice. Philharmonia Ltd is registered with the Fundraising Regulator and works to its standards of charitable fundraising, to ensure honesty and transparency with our donors, and that fundraising activities are legal, respectful, open honest and accountable to the public. There were no fundraising complaints recorded during the current or previous financial periods.

J STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Philharmonia Limited is a charitable Company limited by guarantee, governed by its Memorandum of Association as amended most recently by Special Resolutions on 1 April 2020 and 26 May 2020 and its Articles of Association as amended most recently by Special Resolutions on 19 March 2020, 1 April 2020 and 26 May 2020. It is a charity registered with the Charity Commission. At 31 August 2022 there were 72 members (31 August 2021: 73).

Appointment of the Board of Trustees

The Board of trustees comprises nine playing members of the Orchestra, plus eight non-playing members.

The members of the Board of Trustees are appointed by the members of the Company. A vote is conducted at each Annual General Meeting to elect nominated members to fill vacancies created by the retirement of existing members of the Council. Exceptionally, a member may be elected at an Extraordinary General Meeting. The non-playing members of the Board are co-opted at each Annual General Meeting. The Board sets and reviews orchestral policy, financial policy and strategy. It reviews agreements with Arts Council England and other major funders. The Board makes major decisions,

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Report of the Board of Trustees, including Strategic Report

including the appointment of titled conductors, the Managing Director and orchestral members. The Board approves the financial budgets and accounts and appoints the auditor. It receives and monitors reports from the Orchestra Committee, Artistic Committee, Development Board, Finance Committee, and Nominations Committee, and regularly reviews the skills available on sub-committees. To facilitate effective operations, the CEO has delegated authority, within terms of delegation approved by the Board, for operational matters including finance, employment and artistic performance-related activity.

Induction and training of the Board of Trustees

New members of the Board of Trustees receive a formal induction session from the Chair, the CEO, key employees and other members of the Board.

Organisation

The Board is supported by five sub-committees: the Orchestra Committee, the Finance Committee, the Artistic Committee, the Nominations Committee, and the Development Board. The Orchestra Committee consists of the player members of the Board (currently nine) chaired by the President of the Board. The Orchestra Committee meets approximately every two weeks and is responsible for day-to-day Orchestra matters. It reports to the Board on the management of orchestral and musical issues generally. It deals with Orchestra issues arising in accordance with policy guidelines provided by the Board.

The Finance Committee consists of five non-player members, four of whom are also members of the Board, plus the President and Deputy President of the Board. It is chaired by a non-player. It meets four times a year prior to the meetings of the Board. Reporting to the Board, it proposes financial budgets, reviews financial performance against budgets and deals with financial issues arising in accordance with policy guidelines provided by the Board. It proposes guidelines for players' fees increases.

The Artistic Committee consists of 5 players elected by the members of the Charity at an AGM, one non-player, and one further player appointed by the Orchestra Committee from amongst its members. The Committee meets a minimum of 3 times per Season, with the Director of Artistic Planning and/or CEO (or delegate) in attendance. The Committee is advisory to the Board with key responsibility to identify and collate Orchestra members' artistic views in relation to Philharmonia Limited's business plan and long-term strategy.

The Development Board consists of up to 18 members. These include a non-playing member of the main Board who also acts as Chair of the Development Board; two playing members of the Orchestra, of whom at least one shall be a main Board member; the Development Director; the CEO; and other personnel invited to join. It meets twice a year and reports to the Board of Trustees. Its role is to support the Development Department in achieving budgeted fundraising targets. The Development Board helps to raise funds for the Orchestra's programme of activity in the UK and overseas.

Senior staff

Day to day operating decisions are delegated to the Senior Management team which comprises the CEO, Director of Artistic Planning, Chief Operating Officer, Director of Development, Director of Marketing & Communications and Director of Learning & Engagement. Pay for senior staff is benchmarked against industry norms and overseen by the Nominations Committee; that for the Chief Executive Officer is approved by the Board of Trustees.

Related parties

The Company has previously had a related party relationship with Philharmonia Trust Limited, which shared some of the Trustees of Philharmonia Limited. These two entities merged on 1 April 2020. Both entities continued to exist during the year.

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Statement of Trustees' Responsibilities

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Board of Trustees (who are also the directors of the charity for the purposes of Company law) is responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable Company and the group and of its incoming resources and application of resources, including the income and expenditure of the charitable group, for that year. In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Board of Trustees is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable Company and enable it to ensure that the financial statements comply with the Companies Act 2006. It is also responsible for safeguarding the assets of the charitable Company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CHARITY GOVERNANCE CODE

Philharmonia Limited recognises that good governance in a charity is fundamental to its success. Philharmonia Limited and its Board are continually working towards achieving the highest standards of governance, by reference to the principles and recommended practice of the charity governance code. The merger between Philharmonia Ltd and Philharmonia Trust Ltd, referred to on page 16, will improve the governance structure to make the organisation more sustainable in the long term.

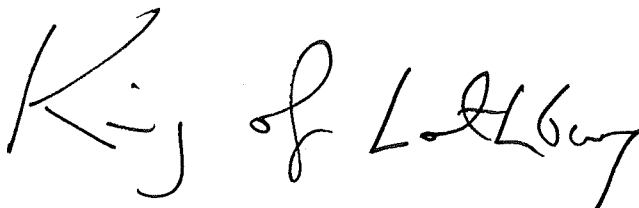
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The members of the Board who were present on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the members have confirmed that they have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

BDO LLP have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

This report, including the Strategic Report, was approved by the Board of Trustees on 7th February 2023



LORD KING OF LOTHBURY

Chair of the Board of Trustees of Philharmonia Limited

Philharmonia Limited (Limited by Guarantee)

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHILHARMONIA LIMITED

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 August 2022 and of the Group's incoming resources and application of resources 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.

We have audited the financial statements of Philharmonia Limited ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities (incorporating the Income and Expenditure Account), the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charitable Company in accordance with the ethical requirements 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.

Conclusions related 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 Group and the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Financial Statements, 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 there is 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.

Other Companies Act 2006 reporting

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

Philharmonia Limited (Limited by Guarantee)

Independent Auditor's Report (continued)

- the Strategic report and the Directors' Report, which are included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or 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 accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent 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 Group or the Parent 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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

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

- We inquired of management, and the Finance Committee, including obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group. These include, but are not limited to, compliance with the Companies Act 2006, and UK GAAP.

Philharmonia Limited (Limited by Guarantee)

Independent Auditor's Report (continued)

- In addition, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law and data protection.
- We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.
- We also communicated relevant identified laws and regulations, potential fraud risks and the fact that there were no known matters of significant non-compliance with laws and regulations, to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit

Audit response to risks identified

- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- We made enquiries of the Finance Committee and management;
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- We read minutes of meetings of those charged with governance, and reviewed correspondence with HMRC and the Charity Commission; and
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.
- We challenged assumptions made by management in their significant accounting estimates in particular in relation to the assumptions related to the allocation of costs including apportionment of support costs, deferral of income, recognition of grants, and depreciation rates for assets.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:

Fiona Condron

BC8C15A11E9748F
Fiona Condron (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Gatwick, UK

Date: 17 February 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Philharmonia Limited (Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Incorporating the Income and Expenditure Account for the year ended 31 August 2022
(Comparatives are stated for the 17-month period ended 31 August 2021)

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 17 months ending 31 August 2021
		£	£	£	£	£	£	£	£
Income from:									
Donations and legacies	1	3,025,602	705,604	-	3,731,206	5,350,386	722,308	-	6,072,694
Charitable activities	2	3,879,249	70,502	-	3,949,751	1,036,174	(1,003)	-	1,035,171
Other trading activities		62,976	-	-	62,976	59,456	-	-	59,456
Investment income	7	71	57,912	42,209	100,192	335	71,918	53,766	126,019
Other income	1a	853,616	-	-	853,616	141,946	-	-	141,946
Asset transfer - Philharmonia Trust	8	-	-	-	-	973,143	2,338,039	2,185,759	5,496,941
Total operating income		7,821,514	834,018	42,209	8,697,741	7,561,440	3,131,262	2,239,525	12,932,227
Expenditure on:									
Raising funds	3	408,853	49,374	-	458,227	657,732	41,195	-	698,927
Charitable activities	4	7,234,521	703,268	17,336	7,955,125	6,223,692	818,508	22,686	7,064,886
Total expenditure		7,643,374	752,642	17,336	8,413,352	6,881,424	859,703	22,686	7,763,813
Net Income before other gains and losses		178,140	81,376	24,873	284,389	680,016	2,271,559	2,216,839	5,168,414
Net (losses)/gains on investments	12	-	(75,456)	(157,165)	(232,621)	-	642,652	581,916	1,224,568
Net income/(expenditure) before transfers	6	178,140	5,920	(132,292)	51,768	680,016	2,914,211	2,798,755	6,392,982
Transfers between funds	20	68,928	(2,942,184)	2,873,256	-	23,277	(23,277)	-	-
Net movement in funds		247,068	(2,936,264)	2,740,964	51,768	703,293	2,890,934	2,798,755	6,392,982
Total funds brought forward	21	2,288,323	3,145,198	2,983,239	8,416,760	1,585,030	254,264	184,484	2,023,778
Total funds carried forward		2,535,391	208,934	5,724,203	8,468,528	2,288,323	3,145,198	2,983,239	8,416,760

All of the above results are derived on continuing activities. All gains and losses recognised in the period are included above. The notes from pages 30 to 48 form an integral part of these financial statements.

Philharmonia Limited (Limited by Guarantee)

BALANCE SHEETS

As at 31 August 2022

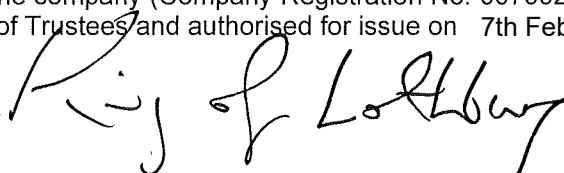
(Comparatives as at 17 month period ended 31 August 2021)

	Note	Group		Charity	
		2022 £	2021 £	2022 £	2021 £
Fixed assets					
Tangible assets	10	3,846,909	3,916,239	3,836,645	3,905,653
Intangible assets	10	-	57,333	-	57,333
Investments	12	4,907,195	5,070,573	4,907,295	5,070,673
Total fixed assets		<u>8,754,104</u>	<u>9,044,145</u>	<u>8,743,940</u>	<u>9,033,659</u>
Current assets					
Debtors	13	1,523,098	920,720	1,626,128	997,928
Cash at bank and in hand		1,234,607	1,497,128	877,154	1,094,697
Total current assets		<u>2,757,705</u>	<u>2,417,848</u>	<u>2,503,282</u>	<u>2,092,625</u>
Creditors falling due <1 year	14	(1,519,025)	(1,468,556)	(1,507,298)	(1,429,593)
Net current assets		<u>1,238,680</u>	<u>949,292</u>	<u>995,984</u>	<u>663,032</u>
Total assets less current liabilities		<u>9,992,784</u>	<u>9,993,437</u>	<u>9,739,924</u>	<u>1,692,356</u>
Creditors falling due > 1 year	14	(1,524,256)	(1,576,677)	(1,524,256)	(1,576,677)
Net assets		<u>8,468,528</u>	<u>8,416,760</u>	<u>8,215,668</u>	<u>8,120,014</u>
The funds of the Charity:	22				
Restricted funds					
MMSF Restricted funds		91,596	112,262	-	-
Instrument Loans Fund		117,338	117,338	117,338	117,338
Catalyst Investment Fund		-	2,915,597	-	2,915,597
		<u>208,934</u>	<u>3,145,197</u>	<u>117,338</u>	<u>3,032,935</u>
Endowment funds					
MMSF Endowment funds		174,498	184,484	-	-
Trust Endowment funds		2,666,463	2,798,755	2,666,463	2,798,755
Catalyst Endowment Funds		2,883,242	-	2,883,242	-
		<u>5,724,203</u>	<u>2,983,239</u>	<u>5,549,705</u>	<u>2,798,755</u>
Unrestricted funds					
Designated funds		1,337,597	1,440,705	1,350,831	1,440,705
General funds		1,197,794	847,619	1,197,794	847,619
Total unrestricted funds		<u>2,535,391</u>	<u>2,288,324</u>	<u>2,548,625</u>	<u>2,288,324</u>
Total funds		<u>8,468,528</u>	<u>8,416,760</u>	<u>8,215,668</u>	<u>8,120,014</u>

No Statement of Financial Activities (SOFA) or Income and Expenditure of the charity has been presented as permitted by Section 408 of the Companies Act 2006. The net income for the Charity for the year was £95,653.

The financial statements for the company (Company Registration No. 00799297 and Charity Registration No. 250277) were approved by the Board of Trustees and authorised for issue on 7th February 2023

and signed on its behalf by:
LORD KING OF LOTHBURY



The notes from pages 30 to 48 form an integral part of these financial statements.

Philharmonia Limited (Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 August 2022

(Comparatives are stated for the 17 month period ended 31 August 2021)

	Note	2022 £	17 months ending 31 August 2021 £
Cashflows from operating activities			
Net cash used in/provided by operating activities		(199,640)	344,610
Cash flows from investing activities			
Dividends, interest and rent from investments		71	335
Mortgage interest		(49,626)	(42,780)
Proceeds from sale of fixed assets		-	-
Purchase of tangible fixed assets		(13,325)	(140,679)
Purchase of intangible fixed assets		-	-
Net cash (used in) investing activities		<u>(62,880)</u>	<u>(183,124)</u>
Cash flows from financing activities:			
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the reporting year		<u>(262,520)</u>	<u>161,486</u>
Cash and cash equivalents at the beginning of the reporting year		<u>1,497,127</u>	<u>1,335,641</u>
Cash and cash equivalents at the end of the reporting year	16	<u><u>1,234,607</u></u>	<u><u>1,497,127</u></u>
		2022	17 months ending 31 August 2021
		£	£
Net operating income/(expenditure) for the reporting year (as per the statement of financial activities)		51,768	6,392,980
Adjustments for:			
Gift from Philharmonia Limited		-	(5,496,941)
Net gains/(losses) on investments		232,621	(1,224,568)
Depreciation		77,604	145,740
Amortisation		57,333	22,667
Loss on disposal of fixed assets		5,047	4,560
Mortgage loan interest		49,626	42,780
Interest on cash deposits		(71)	(335)
Investment income		(99,972)	(125,684)
Investment management fees		31,999	0
(Gain)/Loss on investment exchange differences		(1,270)	0
(Increase)/Decrease in debtors		(602,375)	584,781
Increase/(Decrease) in creditors		(1,950)	(1,370)
Net cash (used in)/provided by operating activities		<u><u>(199,640)</u></u>	<u><u>344,610</u></u>

Philharmonia Limited (Limited by Guarantee)

ACCOUNTING POLICIES

For the year ended 31 August 2022

(Comparatives are stated for the 17 month period ended 31 August 2021)

A summary of the principal accounting policies for the year ended 31 August 2022, all of which have been applied consistently throughout the year and the preceding year is set out below.

BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis under the historic cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102 (effective 1 January 2015 (Charities SORP FRS 102) the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared for the year ending 31 August 2022 with the comparatives for the 17-month period to 31st August 2021. The rationale of the change being that this brings the company's financial year end in line with the concert season.

GOING CONCERN

For the year ended 31 August 2022 the Orchestra relied substantially on funding by grants from Arts Council England (ACE) for its current and future commitments. This funding is primarily via National Portfolio Organisations (NPO) annual revenue funding, but also via other ACE funding programmes.

The current ACE funding is in place to 31 March 2023. In response to an application for NPO funding for 2023-26, the Orchestra has received notification that NPO funding for the next funding cycle would be maintained at a 12% reduction on previous annual funding levels.

Despite the uncertainty brought about by COVID-19 pandemic, the cost of living crisis and future ACE funding levels, the merger in March 2020 between Philharmonia Limited and Philharmonia Trust Limited has boosted the Orchestra's financial resilience, fundraising abilities and charitable governance. The merger increased the fixed assets held by Philharmonia Limited with the transfer of the property at Chancel Street to Philharmonia Limited's balance sheet. It also provided access to draw upon the 2005 Endowment Fund (£2.7m at 31 August 2022), an endowment previously held within the investment portfolio of Philharmonia Trust. Although not desirable to take from this fund at such a time, it is reassuring to know that the investment fund is available to the Orchestra on demand.

In addition, from April 2022 DCMS / Arts Council England and the Charities Commission have removed restrictions on the usage of the Catalyst endowment fund to improve cashflow and enable appropriate investment in the organisation in response to the difficulties faced during, and after, the pandemic. This has been transferred to designated unrestricted funds in the financial statements. All usage of the original Catalyst fund will be repaid to a restricted similar fund with repayments commencing on a straight-line basis from 2017 to 2037, with income from the fund having the same conditions around touring and out of London activity as the original Catalyst Fund.

A detailed budgeting process takes place every year. Across the pandemic, and in the current time, particular scrutiny has been and is being given to budgeting and financial management. Having considered all the above matters and with particular regard to the value of property and investments, the Trustees consider that the 'going concern' status of Philharmonia Limited is an appropriate assumption for the preparation of these financial statements.

CONSOLIDATION

The consolidated financial statements include the results of Philharmonia Limited and its subsidiary undertakings Rite Digital Limited, The Martin Musical Scholarship Fund and Philharmonia Trust Limited, which are all controlled by Philharmonia Limited. All financial statements for subsidiaries are made up to 31 August 2022. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

KEY AREAS OF SIGNIFICANT JUDGEMENTS AND ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying value 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 which are considered relevant. Actual results may differ from these estimates.

The only significant judgement was to maintain the value of the music library at its existing net book value on transfer from the Philharmonia Trust Limited. The Directors decided not to increase the value, due to the uncertainty of the valuation.

Philharmonia Limited (Limited by Guarantee)

ACCOUNTING POLICIES

For the year ended 31 August 2022

(Comparatives are stated for the 17 month period ended 31 August 2021)

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year of the revision and future years if the revision affects the current and future years. The directors consider that no significant judgements or estimates were made in the preparation of these financial statements.

INCOME

Voluntary income, including donations, gifts and legacies, as well as grants that provide core funding or are of a general nature are recognised where there is entitlement, receipt is probable, and the amount can be measured with sufficient reliability. Such income is only deferred if the donor has requested the amount to be allocated to specific concerts, engagements or projects, in which case it is allocated to the financial year in which the work takes place, or the donor has imposed conditions which must be met before the Charity has unconditional entitlement.

Other categories of income are recognised on an accruals basis, (excluding value added tax), with income relating to advanced ticket sales being held as deferred income and released only when the concert takes place. Engagement and Touring fees are recognised when the activity has taken place. Rite Digital transfers its surplus to Philharmonia Limited under the terms of Gift Aid at year end or carries forward any deficit to future years.

EXPENDITURE

Expenditure is recognised when a liability is incurred and on an accruals basis. Expenditure is classified as either *Raising Funds* or *Expenditure on Charitable Activity*. Both categories of expenditure include an apportionment of support costs, which have been allocated to activity cost categories on a headcount basis.

LEASES

Rentals under operating leases are charged to the statement of financial activities on a straight-line basis over the year of the lease.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Fixed assets include musical instruments which have been valued at deemed cost at the transition date of FRS102. Other fixed assets are stated at cost less provision for depreciation. As a general rule, purchases less than £1,000 are not considered for capitalisation unless for security reasons they need to be recorded in the fixed asset register (e.g. laptop computers).

Depreciation is provided on all tangible fixed assets except those which are considered to be of high residual value where the annual depreciation charge would therefore be immaterial, at rates calculated to write off the cost of the assets down to its estimated residual value evenly over its expected useful life, on a straight line basis, as follows:

Fixtures and fittings	5 years
Musical Instruments	10 years
Computer equipment	3 years
Property improvements	20 years
Property	50 years
Music library	50 years

The carrying values of tangible fixed assets are reviewed from time to time for impairment should events or changes in circumstances indicate the carrying value may not be recoverable.

INTANGIBLE ASSETS

Intangible assets are capitalised where it is probable that the expected economic gains that are attributable to the asset will flow to the entity. Website development costs will therefore fall into this category and have been included on the balance sheet at cost. In the financial year 2022 the website has been fully depreciated on an accelerated basis to reflect the actual useful economic life of the asset.

Website development costs	2-5 years
---------------------------	-----------

FINANCIAL INSTRUMENTS

The charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Financial assets comprise cash at bank and in hand, short trade and other debtors. These are reviewed at regular intervals for impairment and are written down accordingly if required. Financial liabilities include trade and other creditor and loans and are recognised at transaction value.

Philharmonia Limited (Limited by Guarantee)

ACCOUNTING POLICIES

For the year ended 31 August 2022

(Comparatives are stated for the 17 month period ended 31 August 2021)

INVESTMENTS

Investments held as fixed assets are revalued at open market value at the balance sheet date and the gain or loss is taken to the Statement of Financial Activities.

DEBTORS

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

BANK

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

CREDITORS AND PROVISIONS

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

FUNDS

Unrestricted funds are donations or income receivable or generated for the objectives of the charity without a required purpose and are available as general funds. Designated funds are unrestricted funds designated by the Trustees for particular purposes. Restricted funds are to be used for required purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs. The endowment fund represents those assets held permanently by the charity. Income arising on the endowment fund is to be used to provide grants through the grant fund. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

FOREIGN EXCHANGE TRANSACTIONS

Transactions in foreign currencies are translated at the actual rate at the time of the transaction. Assets and liabilities held on the balance sheet in foreign currencies are translated at the closing rate at the balance sheet date. All differences are taken to the Statement of Financial Activities.

PENSION CONTRIBUTIONS

The charitable Company operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

CONNECTED CHARITIES

Philharmonia Foundation Inc is based in the United States and is connected to Philharmonia Limited as some of the Trustees of Philharmonia Limited are also on the Board of the US entity. The Philharmonia Orchestra in Bedford Trust (registered charity number 1170495) is connected to Philharmonia Limited but has no Trustees in common. The Philharmonia Benevolent Fund (registered charity number 280370) is connected to Philharmonia Limited but also has no Trustees in common.

Philharmonia Limited (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

1. INCOME FROM DONATIONS AND LEGACIES

	2022			17 months ending 31 August 2021
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Arts Council - core grant	2,057,877	-	2,057,877	2,968,301
Arts Council - cultural recovery fund	412,690	-	412,690	1,408,099
Grant income -other	-	-	-	200,288
Donations from charitable foundations	-	234,342	234,342	77,979
Donations from Philharmonia Trust	-	-	-	-
Other donations and legacies	555,035	-	555,035	973,586
Sponsorship donations	-	471,262	471,262	444,440
	<u>3,025,602</u>	<u>705,604</u>	<u>3,731,206</u>	<u>6,072,694</u>

1a. OTHER INCOME

	2022			17 months ending 31 August 2021
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Orchestral Tax Relief	852,591	-	852,591	-
Furlough Income	994	-	994	141,946
Royalties Received	31	-	31	-
	<u>853,616</u>	<u>-</u>	<u>853,616</u>	<u>141,946</u>

2. INCOME FROM CHARITABLE ACTIVITIES

	2022			17 months ending 31 August 2021
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Own promotion concerts	949,135	43,175	992,310	26,447
Recordings & Film	159,401	-	159,401	280,617
Engagements	828,866	3,881	832,747	80,875
Co Promotions	618,383	23,300	641,683	564,894
Tours	1,270,331	-	1,270,331	-
Education & Digital projects	50,501	146	50,647	80,440
Other activities	2,632	-	2,632	1,898
	<u>3,879,249</u>	<u>70,502</u>	<u>3,949,751</u>	<u>1,035,171</u>

Philharmonia Limited (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

3. EXPENDITURE ON RAISING FUNDS

	Unrestricted	Restricted	2022 Total	17 months ending 31 August 2021 Total
	£	£	£	£
Allocation of support costs (see note 5)	378,966	49,374	428,340	697,636
Direct expenditure	29,887	-	29,887	1,291
	<u>408,853</u>	<u>49,374</u>	<u>458,227</u>	<u>698,927</u>

4. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted	Restricted	Endowment	2022 Total	17 months ending 31 August 2021 Total
	£	£	£	£	£
Concert, relay fees and player support	3,450,383	330,375	-	3,780,758	2,704,336
Travel and transport of instruments	432,487	134,039	-	566,526	160,370
Music and instrument hire	76,303	33,152	-	109,455	71,816
Hall hire and box office commission	422,754	15,732	-	438,486	201,399
Programme expenditure	166,611	571	-	167,182	26,061
Grants payable	-	80,802	-	80,802	49,931
Allocation of support costs (see note 5)	2,296,670	-	-	2,296,670	2,911,155
Other expenditure	339,686	93,935	-	433,621	854,934
Interest payable on mortgage loan	49,626	-	-	49,626	42,780
Investment management fees	-	14,663	17,336	31,999	42,104
	<u>7,234,520</u>	<u>703,269</u>	<u>17,336</u>	<u>7,955,125</u>	<u>7,064,886</u>

5. ALLOCATION OF SUPPORT COSTS

2022	Expenditure on raising funds £	Expenditure on charitable activities £	Total £
Employment costs	309,034	1,461,464	1,770,498
Travel, subsistence and entertaining	17,826	141,517	159,343
Occupation and office costs	56,145	302,842	358,986
Bank interest and charges	4,056	17,244	21,300
Orchestral overheads	-	106,715	106,715
Governance cost	-	48,206	48,206
Other costs	41,279	218,681	259,960
	<u>428,340</u>	<u>2,296,669</u>	<u>2,725,008</u>

Philharmonia Limited (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

17 months ending 31 August 2021	Expenditure on raising funds	Expenditure on charitable activities	Total
	£	£	£
Employment costs	543,670	1,887,933	2,431,603
Travel, subsistence and entertaining	162	274,606	274,768
Occupation and office costs	76,356	298,520	374,876
Bank interest and charges	3,308	12,688	15,996
Orchestral overheads	-	95,755	95,755
Governance cost	-	73,435	73,435
Other costs	74,140	268,218	342,358
	<u>697,636</u>	<u>2,911,155</u>	<u>3,608,791</u>

6. NET INCOME FOR THE YEAR IS STATED AFTER CHARGING:

	2022	17 months ending 31 August 2021
	£	£
Auditor's remuneration - audit fee	52,800	44,000
Auditor's remuneration - other fees	14,005	17,166
Operating Lease - Land and buildings	-	5,023
Operating Lease - Plant and machinery	19,117	17,107
Depreciation	77,604	168,405

Philharmonia Limited (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

7. INVESTMENT INCOME AND INTEREST RECEIVABLE

	2022	17 months ending 31 August 2021
	£	£
Investment income	99,972	125,684
Interest on deposits	220	335
	<u>100,192</u>	<u>126,019</u>

8. ASSET TRANSFER – PHILHARMONIA TRUST 1 APRIL 2020

The assets and liabilities transferred from Philharmonia Trust Limited to Philharmonia Limited on 1st April 2020 were:

	1 April 2020
	£
Music library	219,500
Buildings – cost less leasehold improvements carrying value	3,133,539
Cash	25,446
Investment Cash	188,614
Portfolio Investments	3,574,393
Sundry Debtors	61,376
Creditors brought forward	(24,112)
Mortgage liability due to Philharmonia Trust Limited	<u>(1,681,815)</u>
	<u>5,496,941</u>

The building was carried in Philharmonia Trust Limited at £3.6m and was subject to a fair value adjustment of £466,461, reflecting the carrying value of building improvements already held in Philharmonia Limited.

Philharmonia Limited (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

9. EMPLOYEES

Staff costs were as follows:	Year ended 31 August 2022	17 months ending 31 August 2021
	£	£
Wages and salaries	1,475,974	1,904,791
Employer NI costs	158,665	185,884
Employer Pension costs	72,734	99,608
Temporary staff	64,629	290,431
	<u>1,772,002</u>	<u>2,480,714</u>

The key management personnel of the charity during the year were the Senior Management team which comprises the CEO, Director of Artistic Planning, Chief Operating Officer, Director of Development, Director of Marketing & Communications and Director of Learning & Engagement.

Aggregate remuneration for the year for the key management personnel was £540,786 (17 month period ending 31 August 2021 - £754,532 for the equivalent Senior Management Team).

The number of employees whose salaries exceeded £60,000 are as follows:	Year ended 31 August 2022	17 months ending 31 August 2021
	no.	no.
£60,001 - £70,000	2	3
£70,001 - £80,000	-	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	1
£110,001 - £120,000	-	-
£120,001 - £130,000	1	-
£130,001 - £140,000	-	1
£140,001 - £150,000	-	1
£150,001 - £160,000	-	-
£160,001 - £170,000	1	-

The average number of employees, by headcount, during the year is as follows:

	Year ended 31 August 2022	17 months ending 31 August 2021
Library	2	2
Finance	6	3
Marketing	8	6
Education	4	4
Concerts	7	7
New Media	2	5
Development	6	7
Management	3	2
	<u>38</u>	<u>36</u>

Philharmonia Limited (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

BOARD OF TRUSTEES

Emoluments to any Player Member serving on the Board of Trustees (formerly Council of Management) is authorised in the Articles of Association. No emoluments were paid for services as Trustees. The Board of Trustees emoluments (including pension contributions) in the year were as follows:

	Salary £	Pension £	2022 Total £	17 months ending 31 August 2021 Total £
Honoraria for services as Deputy Chair of the Orchestra Victoria Irish (resigned 17 January 2021)	-	-	-	10,006
Remuneration for services as Managing Director: Mike Fuller (resigned 1 September 2020)	-	-	-	45,562
Honoraria for services as President: Kira Doherty (appointed 11 March 2021)	13,683	758	14,441	6,092
Honoraria for services as Deputy President: Cheremie Hamilton-Miller (appointed 1 April 2020)	7,012	421	7,433	9,389

None of the Trustees received any reimbursed expenses during the year (17 months ending 31 August 2021 - £nil).

Philharmonia Limited (limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

10. TANGIBLE AND INTANGIBLE FIXED ASSETS

Consolidated	Long Leasehold Property	Musical instruments	Music Library	Computer equipment	Fixtures and fittings	Assets under construction	Total Tangible Assets	Intangible Asset
	£	£	£	£	£	£	£	£
Cost at 1 September 2021	3,819,441	490,966	219,500	139,258	78,833	65,049	4,813,047	80,000
Additions	-	-	1,148	12,177	-	-	13,325	-
Disposals	-	(132,248)	-	(13,265)	(5,408)	(5,900)	(156,821)	-
as at 31 August 2022	3,819,441	358,718	220,648	138,170	73,425	59,149	4,669,551	80,000
Depreciation								
As at 1 September 2021	(286,574)	(390,192)	(19,795)	(123,380)	(76,869)	-	(896,810)	(22,667)
Charge in year	(36,784)	(15,730)	(14,003)	(10,539)	(548)	-	(77,604)	(57,333)
Disposals	-	134,515	-	13,265	3,992	-	151,772	-
As at 31 August 2022	(323,358)	(271,407)	(33,798)	(120,654)	(73,425)	-	(822,642)	(80,000)
Net book value								
31 August 2022	3,496,083	87,311	186,850	17,519	-	59,149	3,846,909	-
31 August 2021	3,532,866	100,774	199,705	15,882	1,966	65,049	3,916,239	57,333

Philharmonia Limited (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

TANGIBLE AND INTANGIBLE FIXED ASSETS (CONTINUED)

Charity only	Long Leasehold Property	Musical instruments	Music Library	Computer equipment	Fixtures and fittings	Assets under construction	Total Tangible Assets	Intangible Asset
	£	£	£	£	£	£	£	£
As at 1 September 2021	3,819,440	474,967	219,500	132,822	78,833	65,049	4,790,611	80,000
Additions	-	-	1,148	12,177	-	-	13,325	-
Disposals	-	(132,248)	-	(13,265)	(5,408)	(5,900)	(156,821)	-
at 31 August 2022	3,819,440	342,719	220,648	131,734	73,425	59,149	4,647,115	80,000
Depreciation								
As at 1 September 2021	(286,574)	(384,780)	(19,795)	(116,940)	(76,869)	-	(884,958)	(22,667)
Charge in year	(36,784)	(15,410)	(14,003)	(10,539)	(548)	-	(77,284)	(57,333)
Disposals	-	134,515	-	13,265	3,992	-	151,772	-
As at 31 August 2022	(323,358)	(265,675)	(33,798)	(114,214)	(73,425)	-	(810,470)	(80,000)
Net book value								
31 August 2022	3,496,082	77,044	186,850	17,520	-	59,149	3,836,645	-
31 August 2021	3,532,866	90,187	199,705	15,882	1,964	65,049	3,905,653	57,333

Philharmonia Limited (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

11. FIXED ASSET INVESTMENT	31 August 2022 £	31 August 2021 £
Rite Digital Limited	100	100
Philharmonia Trust Limited	-	-
	<u>100</u>	<u>100</u>

The charity wholly owns the entire share capital (100 shares of £1 each) of Rite Digital Limited which is incorporated in England and Wales Company number 07565292 and Philharmonia Trust Limited Company number 913665.

12. INVESTMENTS

The movement in investments during the year was as follows:

	2022 £	2021 £
At 1 September 2021	5,070,573	3,574,393
Addition of investment cash opening balance	-	188,614
Additions to investments at cost	456,478	239,995
Disposal of investments at valuation	(678,477)	(137,564)
Net gain on revaluation (based on open market valuation at year end)	(10,622)	1,122,137
Income from investment	99,972	125,429
Management fees	(31,999)	(42,104)
Exchange differences	1,270	(327)
At 31 August 2022	<u>4,907,195</u>	<u>5,070,573</u>

The net gain on revaluation is based on open market valuation at year end. The 2022 valuation is comprised of the following:

	2022 £	2021 £
Cash	452,062	161,794
Corporate bonds	379,664	460,632
UK equity	1,215,146	1,310,776
Global equity	1,855,657	2,198,729
Emerging Markets	429,957	451,254
Property	574,709	487,388
	<u>4,907,195</u>	<u>5,070,573</u>

Philharmonia Limited (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

13. DEBTORS

Due within one year:	Group		Charity	
	31 August 2022 £	31 August 2021 £	31 August 2022 £	31 August 2021 £
Trade debtors	205,310	513,554	205,210	475,607
Other debtors	168,938	136,056	168,938	136,056
Amounts owed by Philharmonia Foundation	29,022	78,617	29,022	78,617
Amounts owed by RDL	-	-	42,405	109,108
Amounts owed by MMSF	-	-	60,725	6,045
Tax recoverable	852,591	-	852,591	-
Prepayments and accrued income	267,237	192,493	267,237	192,495
	<u>1,523,098</u>	<u>920,720</u>	<u>1,626,128</u>	<u>997,928</u>

14. CREDITORS:

Amounts falling due within one year	Group		Charity	
	31 August 2022 £	31 August 2021 £	31 August 2022 £	31 August 2021 £
Trade creditors	495,134	341,712	495,134	338,712
Other creditors	24,934	35,279	20,307	26,086
Mortgage loan	61,593	70,955	61,593	70,955
Other taxation and social security costs	85,559	39,662	85,559	39,662
Accruals	345,324	239,657	338,224	212,887
Deferred income	506,481	741,291	506,481	741,291
	<u>1,519,025</u>	<u>1,468,556</u>	<u>1,507,298</u>	<u>1,429,593</u>

Amounts falling due after more than one year

	2022 £	2021 £	2022 £	2021 £
Creditors greater than 1 year				
Amounts repayable in 1 to 2 years	140,652	72,722	140,652	72,722
Amounts repayable in 2 to 5 years	351,632	229,212	351,632	229,212
Amounts repayable in < than 5 years	1,031,972	1,274,743	1,031,972	1,274,743
	<u>1,524,256</u>	<u>1,576,677</u>	<u>1,524,256</u>	<u>1,576,677</u>

The amounts repayable relate to a mortgage loan from Barclays Bank on the property at 6 Chancel Street. At the year-end the outstanding balance was £1,585,849. The loan rate is 2.49% per annum (fixed) repayable over the loan term of 23 years.

Philharmonia Limited (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

15. DEFERRED INCOME

Deferred income relates to ticket sales in advance and various sponsorship agreements where the project or concert has not yet been delivered.

	31 August 2022	Group 31 August 2021	31 August 2022	Charity 31 August 2021
	£	£	£	£
Balance brought forward at 1 September 2021	741,291	369,839	741,291	369,839
Deferred income released in year	(427,297)	(378,442)	(427,297)	(378,442)
Income deferred in year	735,524	749,894	735,524	749,894
	<u>506,481</u>	<u>741,291</u>	<u>506,482</u>	<u>741,291</u>

16. RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET DEBT

	1 September 2021	Cash flows	Non-cash changes	31 August 2022
	£	£	£	£
Cash at bank and in hand	1,497,127	(262,520)		1,234,607
Cash and cash equivalents	<u>1,497,127</u>	<u>(262,520)</u>		<u>1,234,607</u>
Debt due within one year	(70,955)	-	9,362	(61,593)
Debt due after one year	(1,576,676)	(49,626)	102,046	(1,524,256)
Total Borrowings	<u>(1,647,631)</u>	<u>(49,626)</u>	<u>111,408</u>	<u>(1,585,849)</u>
Total movement in net debt	<u>(150,504)</u>	<u>(312,146)</u>	<u>111,408</u>	<u>(351,242)</u>

Philharmonia Limited (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

17. LIABILITY OF MEMBERS

All members have a liability not exceeding £1 per member. There were 72 members at 31 August 2022 (2021 - 73).

18. COMMITMENTS

The minimum annual lease payments under non-cancellable operating leases were as follows:

	Office equipment	31 August 2022 Total	31 August 2021 Total
	£	£	£
Operating leases which expire:			
Less than one year	10,608	10,608	10,608
Between two and five years	17,444	17,444	28,053
later than five years	-	-	-
	<u>28,052</u>	<u>28,052</u>	<u>38,661</u>

The value of lease payments recognised as expense in the year were:

	Office equipment	31 August 2022 Total	17 months ending 31 August 2021 Total
	£	£	£
Lease expense payments in the year	<u>19,117</u>	<u>19,117</u>	<u>22,130</u>

Philharmonia Limited (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

19. RELATED PARTY TRANSACTIONS

Payments were made to all playing members of the Board (formerly the Council of Management), including the Chair and Deputy Chair, in respect of the work they have carried out with the Orchestra. During the year, playing members of the Board were paid no additional income for duties, however payments were made under the SEISS and MSS initiatives resulting from being members of the Board.

Rite Digital Limited gifts its profits to the charity making a nil gain nil loss each year. At the year-end Rite Digital owed Philharmonia Limited £42,405 (2021 - £109,108).

The Company had a related party relationship with MMSF by virtue of its trustees. At the year-end MMSF owed Philharmonia Limited £60,725 (2021 – amount owed £6,045).

The Company has a related party relationship with the Philharmonia Foundation Inc, registered in the US, by virtue of having two Trustees in common. During the year Philharmonia Foundation made payments totalling £237,197 (17 months ending 31 August 2021 - £nil) in respect of a grant to support the Human Nature series and expenses repaid to Philharmonia Limited for a recital in New York in February 2022. At the year-end Philharmonia Foundation owed Philharmonia Limited £29,022 (2021 - £78,617)

Philharmonia Limited (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 month period ended 31 August 2021)

20. CONSOLIDATED MOVEMENT IN FUNDS FOR THE YEAR END 31 AUGUST 2022

	At 1 September 2021		Income		Expenditure		Transfers		At 31 August 2022	
	£	£	£	£	£	£	£	£	£	£
Restricted funds										
Philharmonia Projects Fund	-	726,106	(657,177)	(68,929)	-	-	-	-	-	-
Martin Musical Scholarship Grant Fund	14,053	50,000	(50,554)	-	13,499	-	-	-	13,499	-
MMSF General Fund	87,622	150	(29,928)	9,9867	67,830	-	-	-	67,830	-
MMSF Donated Assets	10,587	-	(320)	-	10,267	-	-	-	10,267	-
Instrument Loans Fund	117,338	-	-	-	117,338	-	-	-	117,338	-
Catalyst Investment Fund	2,915,598	(17,693)	(14,663)	(2,883,242)	-	-	-	-	-	-
Total restricted	3,145,198	758,562	(752,642)	(2,942,184)	208,934					
Endowment Funds										
Martin Musical Scholarship Fund	184,484	-	-	(9,986)	174,498	-	-	-	174,498	-
Endowment – Catalyst Fund	-	-	-	2,883,242	2,883,242	-	-	-	2,883,242	-
Endowment 2005 Fund	2,798,755	(114,956)	(17,336)	-	2,666,463	-	-	-	2,666,463	-
Total endowment	2,983,239	(114,956)	(17,336)	2,873,256	5,724,203					
Unrestricted funds										
Designated Fund – Fixed Assets	440,705	-	-	(89,874)	350,831	-	-	-	350,831	-
Designated Fund – Special Projects and Covid Risk	1,000,000	-	-	-	1,000,000	-	-	-	1,000,000	-
Rite Digital	-	62,976	(76,209)	-	(13,233)	-	-	-	(13,233)	-
Philharmonia General Fund	847,618	7,758,537	(7,567,165)	158,803	1,197,793	-	-	-	1,197,793	-
Total unrestricted	2,288,323	7,821,513	(7,643,374)	68,928	2,535,391					
TOTAL FUNDS	8,416,760	8,465,119	(8,413,352)	-	8,468,528					

Transfers in the year relate to reclassification of the Catalyst Endowment fund set out in the accounting policies section on page 28.

Philharmonia Limited (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

CHARITY MOVEMENT IN FUNDS FOR THE YEAR END 31 AUGUST 2022

	At 1 September 2021	Income £	Expenditure £	Transfers £	At 31 August 2022 £
Restricted funds					
Philharmonia Projects Fund	-	726,106	(657,177)	(68,929)	-
Instrument Loans Fund	117,338	-	-	-	117,338
Catalyst Investment Fund	2,915,598	(17,693)	(14,663)	(2,883,242)	-
Total restricted	3,032,936	708,413	(671,840)	(2,952,171)	117,338
Endowment Funds					
Endowment – Catalyst Fund	-	-	-	2,883,242	2,883,242
Endowment 2005 Fund	2,798,755	(114,956)	(17,336)	-	2,666,463
Total endowment	2,983,239	(114,956)	(17,336)	2,883,242	5,549,705
Unrestricted funds					
Designated Fund – Fixed Assets	440,705	-	-	(89,874)	350,831
Designated Fund – Special Projects and Covid Risk	1,000,000	-	-	-	1,000,000
Philharmonia General Fund	847,618	7,758,538	(7,567,165)	158,803	1,197,794
Total unrestricted	2,288,323	7,758,538	(7,567,165)	68,928	2,548,625
TOTAL FUNDS	8,120,014	8,351,995	(8,256,341)	-	8,215,668

Philharmonia Limited (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

21. CONSOLIDATED MOVEMENT IN FUNDS FOR THE 17 MONTH PERIOD ENDED 31 AUGUST 2021

	At 1 April 2020	Income	Expenditure	Philharmonia Trust Limited transfer	Transfers	At 31 August 2021
	£	£	£	£	£	£
Restricted funds						
Philharmonia Projects Fund	107,327	516,416	(600,466)	-	(23,277)	-
Martin Musical Scholarship Grant Fund	48,108	15,000	(49,375)	-	320	14,053
MMSF General Fund	87,149	255	(102)	-	320	87,622
MMSF Donated Assets	11,680	-	(453)	-	(640)	10,587
Rite Digital	-	189,888	(189,888)	-	-	-
Instrument Loans Fund	-	-	-	117,338	-	117,338
Catalyst Investment Fund	-	714,315	(19,418)	2,220,701	-	2,915,598
Total restricted	254,264	1,435,874	(859,702)	2,338,039	(23,277)	3,145,198
Endowment Funds						
Martin Musical Scholarship Fund	184,484	-	-	-	-	184,484
Endowment 2005 Fund	-	635,682	(22,686)	2,185,759	-	2,798,755
Total endowment	184,484	635,682	(22,686)	2,185,759	-	2,983,239
Unrestricted funds						
Designated Fund – Fixed Assets	-	-	-	-	440,705	440,705
Designated Fund – Special Projects and Covid Risk	-	-	-	-	1,000,000	1,000,000
Designated Fund – Property	412,363	-	-	-	(412,363)	-
Revaluation reserve	75,046	-	-	-	(75,046)	-
Philharmonia General Fund	1,097,621	6,588,297	(6,881,424)	973,143	(930,019)	847,618
Total unrestricted	1,585,030	6,588,297	(6,881,424)	973,143	23,277	2,288,323
TOTAL FUNDS	2,023,778	8,659,853	(7,763,812)	5,496,941	-	8,416,760

Transfers in the year relate to the merger of the assets of the Philharmonia Trust, including the Chancel Street property and the establishment of a Designated Fund – for Special Projects and Covid risk to support operational recovery.

Philharmonia Limited (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 period ended 31 August 2021)

CHARITY MOVEMENT IN FUNDS FOR THE 17 MONTH PERIOD ENDED 31 AUGUST 2021

	At 1 April 2020		Income		Expenditure		Philharmonia Trust Limited asset transfer		Transfers		At 31 August 2021	
	£	£	£	£	£	£	£	£	£	£	£	£
Restricted funds												
Philharmonia Projects Fund	107,327	516,416	(600,466)	-	(23,277)	-	-	-			-	-
Instrument Loans Fund	-	-	-	117,338	-	-	117,338	-			117,338	-
Catalyst Investment Fund	-	714,315	(19,418)	2,220,701	-	-	2,220,701	-			2,915,598	-
Total restricted	107,326	1,230,731	(619,884)	2,338,039	(23,277)	-	2,338,039	(23,277)			3,032,936	-
Endowment Funds												
Endowment 2005 Fund	-	635,682	(22,686)	2,185,759	-	-	2,185,759	-			2,798,755	-
Total endowment	-	635,682	(22,686)	2,185,759	-	-	2,185,759	-			2,798,755	-
Unrestricted funds												
Designated Fund – Fixed Assets	-	-	-	-	440,705	-	-	-			440,705	-
Designated Fund – Special Projects and Covid Risk	-	-	-	-	1,000,000	-	-	-			1,000,000	-
Designated Fund – Property	412,363	-	-	-	(412,363)	-	-	-			-	-
Revaluation reserve	75,046	-	-	-	(75,046)	-	-	-			-	-
Philharmonia General Fund	1,097,621	6,588,297	(6,881,424)	973,143	(930,019)	-	973,143	-			847,618	-
Total unrestricted	1,585,030	6,588,297	(6,881,424)	973,143	23,277	-	973,143	23,277			2,288,323	-
TOTAL FUNDS												

Philharmonia Limited (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 month period ended 31 August 2021)

Restricted Funds:

Philharmonia Projects Fund:

Refers to sponsored activity in the following areas, Own Promotion, Engagements, Residencies Concerts, Education and Digital Projects and International Touring Concerts.

Martin Musical Scholarship Fund and MMSF General Fund

Martin Musical Scholarship Fund (MMSF) is a subsidiary charity of Philharmonia Ltd, which supports young musicians. Funds are split between restricted and endowment funds according to their nature.

MMSF Donated Assets

Relates to a piano.

Rite Digital

Digital and technological income and expenditure.

Instrument Loans Fund

Instrument Loans

Catalyst Investment Fund

Transferred from Philharmonia Trust

Endowments:

Endowment – Catalyst Fund

The Fund includes investments previously within the restricted Catalyst Endowment Fund as set out on page 28. The fund will be utilised to support orchestra activity.

Unrestricted Funds:

Designated Fund – Property

The property reserve related to funds for the fit out of 6 Chancel Street, which have now been written down as they are included within the fair value of the property transfer in 2020 (see note 8).

Designated Fund – Fixed Assets

The fixed asset reserve comprises the net book value of all fixed assets excluding property

Designated Fund – Special Projects and Covid Risk

These funds have been set aside to support the Orchestra to maintain its activities in light of the particularly challenging environment caused by the pandemic and to further invest in dynamic artistic special projects and innovation to grow future revenue and activity.

Philharmonia Limited (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

(Comparatives are stated for the 17 month period ended 31 August 2021)

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

AT 31 AUGUST 2022	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Tangible fixed asset	8,743,840	10,267	-	8,754,107
Current assets	(3,228,392)	261,891	5,724,203	2,757,702
Current liabilities	(1,455,800)	(63,224)	-	(1,519,024)
Long term liabilities	(1,524,257)	-	-	(1,524,257)
	<u>2,535,391</u>	<u>208,934</u>	<u>5,724,203</u>	<u>8,468,528</u>

AT 31 AUGUST 2021	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Tangible fixed asset	9,033,561	10,587	-	9,044,148
Current assets	(3,732,819)	3,167,425	2,983,239	2,417,845
Current liabilities	(1,435,741)	(32,815)	-	(1,468,556)
Long term liabilities	(1,576,677)	-	-	(1,576,677)
	<u>2,288,324</u>	<u>3,145,197</u>	<u>2,983,239</u>	<u>8,416,760</u>

PHILHARMONIA LTD

England & Wales - Charity number 250277

Accounts

Philharmonia

Financial Statements
2020/21



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Reference and administrative details

Charity Registration number: 250277

Company Registration number: 00799297

Registered office: 6 Chancel Street
London SE1 0UX

Auditor: BDO LLP
2 City Place
Beehive Ring Road
Gatwick
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Heron Tower
110 Bishopsgate
London EC2N 4AY

Stone King LLP
Boundary House
90 Charterhouse Street
London EC1M 6HR

Directors and Trustees

The directors of the charitable Company are its trustees for the purpose of charity law. Throughout this report they are collectively referred to as the Board of Trustees.

The Board members serving during the period and since the period end were as follows:

Chair

Lord Mervyn King (*appointed Chair 10 September 2020*)

Saul Nathan (*resigned 10 September 2020 but remains on the Board*)

Deputy Chair

Victoria Irish (*resigned 10 September 2020*)

Saul Nathan (*appointed 10 September 2020*)

President (player member)

Victoria Irish (*resigned 17 January 2021*)

Kira Doherty (*appointed 11 March 2021*)

Deputy President (player member)

Cheremie Hamilton-Miller

Managing Director

Michael Fuller

(*Interim, not a Trustee, resigned 31 August 2020*)

Chief Executive Officer

Alexander Van Ingen

(*not a Trustee, appointed 1 September 2020, resigned 28 January 2022*)

Interim Chief Executive Officer

Kate Collis (*appointed 28 January 2022*)

Other player members

Laurent Ben Slimane

Nuno Carapina

Byron Fulcher (*appointed 10 September 2020 resigned 10 December 2020*)

Michael Fuller (*appointed 10 September 2020*)

Carol Hultmark (*resigned 10 December 2020*)

Jan Regulski (*resigned 10 December 2020*)

Antoine Sigure (*appointed 10 September 2020*)

Heidi Krutzen (*appointed 10 December 2020*)

James Buckle (*appointed 9 February 2021*)

Lawrence Rolton (*appointed 10 December 2020*)

Kira Doherty (*appointed 10 December 2020*)

Other non-player members

Michael Brindle

Rupert Darbyshire (Chair of the Finance Committee)

Daniel Knottenbelt

Sir Peter Middleton

Lorenzo Modiano

Julia Zilberman

Secretary

Linda Barry (*resigned 28 October 2020*)

Kim Lassemillante (*appointed 28 October 2020, resigned 13 April 2021*)

Katherine Collis (*appointed 13 April 2021*)

Independent Finance Committee member

Nick Bishop

The Trustees present their report together with the financial statements of Philharmonia Limited ("the Company") for the seventeen month period ended 31 August 2021.

Report of the Trustees

Objectives and activities

The charitable objectives of the Company are as follows: the advancement of public education through the promotion and support of the art of music (including opera, music, drama, ballet and all art forms consisting in whole or in part of music), particularly by the promotion and encouragement of orchestral music; and the relief of poverty and distress amongst playing members of any symphony orchestra for the time being maintained by the Charity and the dependents of such persons. The Company achieves these objectives by maintaining a symphony orchestra of the highest quality.

The Company aims to raise the public appreciation of music by maintaining and developing its position as one of the world's leading symphony orchestras, through the quality of its playing, its creative programming, the commissioning of new music, the provision of its learning & engagement programme, and the use of digital technologies to bring its performances to the largest and most diverse audience possible.

The Company has a Mission to create thrilling experiences in music; and a Vision that the Philharmonia Orchestra, both live and digitally, will have a transformative impact on the widest possible audience, through its four key values: fearless, pioneering, open, and global. Its main objectives for the period were: the provision of "Own Promotion" concerts at the Southbank Centre; residencies in Bedford, Leicester, Basingstoke, Canterbury, at the Three Choirs Festival and Garsington Opera; engagements by third party promoters; both live and online learning and engagement programmes; recorded performances of the highest standard; outreach via the website and other digital media. These objectives adapted rapidly with the on-set of the Coronavirus pandemic during the period, and a renewed programme of activity primarily online sought to deliver significant impact for the same goals.

The strategies employed to achieve the Company's objectives are:

- To maintain, improve and secure the quality and status of the playing ensemble, through the quality of artistic opportunity and the quantity and quality of the Orchestra's schedule;
- To develop the Orchestra's role as an originator and producer of new work, through commissioning and collaboration across art forms;
- To develop, promote and market the Orchestra's live performing programme in London, its residencies, throughout the UK and internationally;
- To expand the Orchestra's role as a pioneer, leader and creative innovator in the use of digital technologies to reach the widest possible global audience;
- To nurture interest in, and knowledge of, orchestral music through education, work with local communities, audience development, digital activity and recordings;
- A commitment to being an inclusive and relevant organisation, working to ensure equality of opportunity; inclusion of diverse viewpoints and backgrounds; closer working with the communities the Orchestra serves; ensuring a diverse workforce and governance; and embedding the Creative Case for Diversity
- To commit to knowledge and experience sharing with other arts organisations at a strategic level, notably in the fields of digital development, philanthropy, marketing, environmental sustainability and programme-planning.

Public benefit

When reviewing the charitable Company's objectives and activities and devising the future programme of the charitable Company for the next period, the Board of Trustees confirms that it has referred to the Charity Commission's general guidance on public benefit and complied with its duty under the Charities Act 2011.

The Company's aims and objectives stated above are directed at the public at large: the Orchestra's concert-goers throughout the UK and abroad; visitors to its website; those who listen to its recordings; those in the local communities where the Orchestra works, and the wider communities the Orchestra serves; and those who participate in the Orchestra's various learning & engagement work.

The Orchestra's Own Promotion concerts at Southbank Centre are open to the public without restriction. Discounted tickets are available for disabled concert-goers, those on income support, students and under-18s. The Orchestra also offers an extensive programme of chamber concerts, contemporary music, talks and foyer events with free entry. The Orchestra performs throughout the UK in public venues that have similarly inclusive policies.

The Orchestra aims to increase the numbers and diversity of its audiences and participants through sophisticated audience engagement strategies including its world-leading digital programme, online content available free through its website and other platforms; and its work with communities. The Orchestra will also benefit future generations through its learning & engagement programmes, its recordings and through its dedication to training the next generation of orchestral musicians.



The Philharmonia Sessions © Luca Migliore

Strategic report: Achievements and performance



Inside Out © Southbank Centre / BBC / Mark Allan

The charitable objectives of the Company are as follows: 2020-2021 was not the year that anyone was expecting, and the Coronavirus pandemic – with ensuing public health and travel restrictions - had a significant impact on the Orchestra's activities and operations, completely derailing the Orchestra's planned activity from March 2020 onwards. For the majority of the period, concert halls and other public spaces were closed, and in the periods of time when some venues were open to the public there were significant reductions, due to social distancing requirements, in the possible sizes of both audiences and the Orchestra.

The Philharmonia responded quickly to the shutdown caused by the COVID-19 pandemic and was the first British symphony orchestra to launch a new programme of orchestral work online. The Orchestra is proud to have swiftly developed a robust and wide-reaching online alternative to its usual live concert format, providing free access to its exceptional first-class music-making to audiences internationally. Despite the pandemic, the Orchestra has continued to develop, with players, staff, audiences, supporters, participants, guest conductors and soloists alike coming together to show substantial creativity. Seeking to be accessible to both existing and new audiences, online concerts featured musicians, conductors, and other experts talking about their music making and the context of the music performed. These,

along with other activity, have given access to the Orchestra's music-making not just to extant audiences, but also to new audiences around the world.

The Orchestra launched the 'Keep the Philharmonia Playing' fundraising campaign at the end of March 2020 in response to the pandemic, seeking to connect players and donors and encouraging both donations and also a long-lasting relationship with the Orchestra. Fundraising messaging was embedded in all public activity to highlight the challenges faced and proved highly successful in securing support. Additional success was seen at the start of lockdown asking ticket purchasers to donate the value of their tickets to cancelled concerts, which many chose to do; along with an innovative corporate digital partnership with Citi.

Across the pandemic, concerts were cut in London and all regular residencies (Bedford, Leicester, Canterbury, Basingstoke), plus summer residencies in 2020 (Garsington Opera, Three Choirs Festival). Coupled with all international touring being cancelled right across the period and similarly cancelled recording sessions, the Orchestra predicted a very significant loss of revenue.

Through the pandemic, the Orchestra was proactive in using government schemes, initially furloughing 30% of staff, and then operating flexible furlough across 72% of staff. Salary freezes, and cuts of up to 30%, were made by senior staff, and across most of the period, hiring was frozen. Guest artists, publishers and other third parties were asked to reduce their rates. The Orchestra's player members are freelance contractors, and many found themselves ineligible for government support. The Orchestra initially established a Player Loan Scheme to help those in immediate need, and then developed a Philharmonia Goodwill SEISS Top-Up Scheme to support members who were unable to claim fully through the government's SEISS Scheme. By the end of 2020, the Orchestra additionally introduced a temporary Member Support Scheme, which provided members with a guaranteed level of income across a defined period. Through these emergency support mechanisms, and gradually increasing volumes of performing work across 2021, the Orchestra was able to support players across this period. The Orchestra's Goodwill SEISS Top-Up and Member Support schemes have distributed £1,017,250 to members.

The Orchestra was able to adapt the way it conducts business to find new ways of making great art and exceptional musical experiences available, and as a result was able to find new routes to bring people together outside traditional activity. The Orchestra has already begun to adopt learnings from the pandemic in the latter parts of this period, and will continue to analyse, reflect, and learn from the experiences of the pandemic to inform future projects. The Philharmonia Orchestra maintained its reputation as a world-class symphony orchestra through its new online activity and then again in the concert hall and at Garsington Opera, Three Choirs Festival, the BBC Proms, and then the Bold Tendencies Festival in August 2021. The Orchestra presented a broad range of music from mainstream core repertoire to new commissions, and collaborated with an array of distinguished conductors and soloists, showcasing a more diverse season of music and guest artists than in previous years. The organisation has sought to safeguard the Orchestra, and ensure that it is in the strongest position for 2021-2022 where restrictions are likely to be fewer. Investment during this period had an immediate positive impact, and helped to put the Orchestra in a place to catalyse its recovery, supporting a future focus on Arts Council England's Let's Create objectives.

DCMS and ACE provided much needed financial security to the arts sector through the Cultural Recovery Fund. The Philharmonia is extremely grateful for the two substantial grants received during this period which allowed us to keep the 77 Philharmonia Orchestra members together and provide much needed work through our online concert series.

Concerts & projects

The Orchestra presented eleven ticketed online-only concerts, distributed via various ticketing platforms. Featuring the Orchestra's Principal Conductor and Artistic Advisor, Esa-Pekka Salonen; Principal Conductor Designate Santtu-Matias Rouvali; and a superb array of guest soloists, conductors and repertoire, these concerts met with great acclaim for their artistry and for their high production values technically. Nearly half of viewers watched the concert more than once, and many more than three times. 90% of survey respondents rated the concerts as 5/5 (with the remaining 10% at 4/5); most watched each concert along with other people; and over a third of viewers hadn't previously been to a Philharmonia concert. A roughly even split amongst viewers of gender identity, along with sexual orientation was reported which



Esa-Pekka Salonen © Luca Migliore



Garsington Opera 2020

broadly mirrors the UK population as a whole; along with 10% of viewers identifying as having a disability; and reported ethnicity showing a greater non-white audience reach than the UK population as a whole. The Philharmonia would like to thank Esa-Pekka Salonen for his support of Salonen conducts Britten and Ravel, and the American Patrons of the Philharmonia Foundation for their support of the *American Dreams* concert.

In addition, the Orchestra recorded six free-to-air concerts, The Philharmonia Sessions, specially conceived and made for camera. Filmed in the Battersea Arts Centre rather than a traditional concert hall, the style of cinematography was designed to bring the viewer into the music more than is usually possible in a traditional filmed concert, and these concerts saw approaching 250,000 views over the period. These included schools and families concerts featuring women and BAME composers, conductors and presenters, and a BSL interpreter. The Philharmonia Sessions were generously supported by Goldman Sachs Gives, John and Carol Wates, The Wates Foundation and Lark Music. Support for the Philharmonia Sessions: Orchestra Unwrapped Family concert for schools and families was received from the Harpur Trust, with additional support from the Philharmonia Orchestra in Bedford Trust.

The Orchestra launched a new annual Artist-in-Residence programme, and appointed House of Absolute, a woman-led hip-hop dance and arts collective, following a large-scale public recruitment process. This successful collaboration has been extended across the 2021-2022 season to enable a greater range of joint in-person work to be delivered alongside the digital offering. Across their first year, HOA worked with 31 members of the Orchestra and MMSF fellows, offered six of those long patches of work that received incredibly good feedback about improving player wellbeing and engagement, performed live to a sold out audience in Streatham Space (a new venue for Philharmonia with a new and diverse audience), held two separate online events across the year reaching over 200 audience members, held an audio recording of new music by diverse composers (including diverse mentorship from new composer) with 15 musicians, and have a behind-the-scenes documentary ready to share when the final work is produced. Over the next year, they are working on the production of a dance film to go alongside the recording, and a live performance at Sadlers Wells. Recruitment for the 22/23 Artist in Residence will begin early in 2022.

Despite all the restrictions on the sector, across the period the Orchestra produced some 50 different projects, and over 70 different performances or recordings. Of these, 26 contemporary composers were featured (e.g. Jesper Nordin, Dobrinka Tabakova, Jessie Montgomery, Anna Clyne, Jonathan Dove, Gwyneth Walker, Richard Birchall, Bryan Tyler, Marten Jansson, Esa-Pekka Salonen); a further 26 composers who are a part of the core canon of classical works (from Bach to Stravinsky); plus nine composers who might be considered unfairly marginalised (e.g. Ruth Gipps, Samuel Coleridge-Taylor, Cecil Armstrong Gibbs, Grace Williams, Ethyl Smyth).

Fourteen female featured guest artists (conductors and soloists) made their first main appearance on-stage with the Philharmonia; as did fourteen male featured guest artists. Of over 100 works performed, a third of the composers were female. Significant artistic planning work was made to keep the whole of the Orchestra playing through the programming of varied repertoire; and to positively increase the representation on our virtual (and then physical) stages of composers and artists with protected characteristics, whilst maintaining the exceptional high level of quality for which the Orchestra is known. Guest artists included Julia Bullock, Nicola Benedetti, Sheku Kanneh-Mason,

Anna-Maria Helsing, Pekka Kuusisto, Sir John Eliot Gardiner, Elim Chan, Jordan de Souza, Ryan Bancroft, Benjamin Grosvenor, Rebecca Tong, Alice Coote, Zeb Soanes, Njabulo Madlala and many more.

Live performances returned to the sector more than once through the period, and the Philharmonia is proud to have been the first UK orchestra to return to live opera (*Fidelio*, together with Garsington, September 2020), to be the orchestra that re-opened the Southbank Centre to live performances in June 2021, and the first orchestra to return to non-distanced performances to full capacity venues (Three Choirs Festival, July 2021). In September 2021 the Orchestra opened the Southbank Centre's new classical season in a real statement concert: a new Principal Conductor on stage, a full-capacity hall for the audience, a concert filmed and streamed for those unable to attend in person, and with 136 performers on stage – a concert that reaches across the sector and showcases optimism for the future.

The Orchestra continued its drive to promote new classical music, and to develop the classical canon of tomorrow. New works were commissioned from Anna Clyne, Isobel Waller-Bridge, Bryce Dessner and Luke Styles (for performance in future seasons); and from Debbie Wiseman



Julia Bullock © Southbank Centre / BBC / Mark Allan

and Rebecca Dale (recorded in this period). A previously commissioned work by Jonathan Dove was also recorded in this period, and recordings also made of works by Richard Birchall (world premiere recordings of both his cello concerto, *Labyrinth*, and his clarinet concerto), John Adams, Samuel Barber, Christoph Schonberger, Laufey Lin, Paul Mealer, and Marten Jansson.

A special Christmas commission by Citi in November/December 2020 additionally saw new works from Roderick Williams and John Lenehan, premiere recordings of works by Ed Peak, and new 'COVID-forces' arrangements of traditional classics.

The Orchestra was a key partner in *Dream*, a multi-partner collaborative exploration of new digital technologies led by the Royal Shakespeare Company, and funded by UK Research & Innovation as part of their Audiences Of The Future Programme and Epic Games through Epic MegaGrants. *Dream* explored how audiences can experience and interact with live performance remotely, and was adapted for pandemic situation to still achieve a major piece of cutting-edge research and development. This pioneering collaboration explored how audiences can experience live performance in the future in addition to a regular visit to a performance venue, and saw 66,000 audience members accessing the shows online with a social media campaign reaching some 3.5m people. The majority of the audience watching the show were (58%) aged 18-44, with 21% from a global majority ethnicity, 58% based internationally, and one-in-four were new to all four of the lead producing partners.

The Philharmonia achieved a very strong series of media coverage across the year from interviews to reviews. Principal Conductor Designate Santtu-Matias Rouvali's recording of Prokofiev's *Symphony No. 5* with the Orchestra was released to great critical acclaim, and this recording secured the Philharmonia a nomination for *Gramophone Magazine's* prestigious Orchestra of the Year Award – the only UK symphony orchestra to be so nominated. An ambitious rebrand and website project launched in February 2020, and bedded in during this period with the new, more modern, adaptable, and recognisable brand identity rolled out more widely. At the same time the Orchestra overhauled its leading digital asset, philharmonia.co.uk, and this has been well received by our audiences and stakeholder group. All aspects of the Philharmonia's programme are now bound together by this new visual identity, which will strengthen the Orchestra's position in the market.

Organisation

During the period the Orchestra adopted a new five-year strategic plan, which contains the following aims:

- to offer bolder, braver and broader programming, speaking to a greater audience
- to deliver significant impact through strong, season-long stories and associations
- to be well-connected and working in collaboration with the communities we serve
- to build our brand through high-quality content with notable impact
- to have a well-established 'Philharmonia family' donor-base
- to demonstrate clearly our inclusive nature as an organisation, relevant to all
- to be financially stable, increasingly able to re-invest in the Orchestra, in our communities and in our art-form

To better enable the Orchestra to deliver on its Vision and Mission through its five-year plan, the organisation underwent a notable restructure during the period. Successfully concluded by the end of the period, the restructure has consolidated departments leading to more efficient working and better internal communication and has reduced headcount and overall cost whilst focussing activity and outcomes more strongly.

In September 2020, Lord King of Lothbury joined the Board as Chair, and Alexander Van Ingen joined the Orchestra as Chief Executive Officer. The organisation thanks Saul Nathan and Mike Fuller for their service as interim Chair and interim Managing Director respectively, and in particular for their, and their colleagues', substantial and successful efforts to stabilise the organisation and underpin activity at the start of the pandemic. During the period, further senior appointments were made, with Ben Larpent joining as Director of Artistic Planning, Kate Collis joining in the newly re-shaped role of Director of Finance & Operations, and towards the end of the period Rebekah Holloway joining as Director of Marketing and Communications.

The Orchestra played a strong role as a sector representative, working closely with colleagues at the Association of British Orchestra, the MU, and in Government working groups both on COVID response (developing safe working practices and guidelines to allow the return of recordings and performances), and on work around the UK's exit from the European Union.

Audience development

All audience development work undertaken across the Marketing, Learning & Engagement, Concerts and Digital teams aims to increase and diversify our audiences, and to develop deeper relationships with existing audiences, whether live or online. Through this period, much of this work necessarily moved online, and success was had in developing stronger and more engaging online content as part of the Orchestra's core artistic offering.

Shortly before pandemic restrictions forced event cancellations, three family concerts took place across the Orchestra's residencies attracting audiences of over 1,800 in February and March 2020 in Leicester, Bedford and Canterbury. An extensive period of workshops with community groups preceded the concert performances, with vulnerable community groups offered free tickets to attend. During the period, the Orchestra continued to support research and community discussions around family concerts, relaxed concerts, and community ambassadors, with a view to swiftly putting many of the organisation's plans in to practice once restrictions lift sufficiently. The Orchestra plans to return to build on previous work with vulnerable audiences that may not ordinarily engage in orchestral music, including Bedford & District Cerebral Palsy Society and Querns Community Centre in Canterbury.

Core to all our audience development work is audience research, for which the Orchestra has developed practice across data insights, surveys and evaluation, and customer relationship management. Data insights research is centred on our ticketing system Tessitura, further complemented by use of the Audience Finder dashboard. The Orchestra's audience research now focuses on our wider residency audiences, rather than the London Own Promotion Season alone.

Learning and engagement

The Orchestra's Learning & Engagement Programme, (supported by the Garfield Weston Foundation and the Paul Hamlyn Foundation) reflects the diversity of the communities it serves, offering a high quality, relevant and compelling portfolio of participatory and educational projects that aim to inspire, excite, empower and engage a broad range of participants. Partnership working is embedded within the Orchestra's practice: projects are designed in collaboration with a wide range of organisations and stakeholders including residency venues, Music Education Hubs, schools, universities and conservatoires, community groups and Local Authorities. Inevitably, much of this activity had to adapt due to the pandemic.



Philharmonia Education Day 2020

Hear and Now is a flagship inter-generational community creative project based in the Queens Park area of Bedford. It is a longstanding, unique musical collaboration between: Tibbs Dementia Foundation's Music 4 Memory, a singing group for people living with dementia and their carers; Fusion Youth Singing, a teenage vocal and instrumental group; and members of the Philharmonia Orchestra. This multi-layered project is unique in its quality, creativity, diversity, scale, and age-span. Ten sessions ran online, bringing together young people and older people across residencies in both Bedford and Leicester, and culminated in the creation of a new work, recorded by the Orchestra in a studio in London alongside the project participants recorded in their homes via Zoom.

Creative workshops and get-together sessions were held for Looked After Children and their foster carers who connected with the Philharmonia through the Bullfrog Orchestra (supported by the J R Corah Foundation Fund, The Edith Murphy Foundation, The Maud Elkington Charitable Trust and the Rayne Foundation) programme in Leicester in the previous season; and a Soft Touch collaboration continued the work of Symphonize following a research and development project in March 2021.

The Orchestra released two family and schools-focused online concerts across the period. The first, *Philharmonia Sessions: Family Concert*, was recorded in August 2020 and built on the success of the pre-covid family concert series, with a diverse programme of composers represented on stage. *Philharmonia Orchestra: Orchestra Unwrapped* schools' concert, recorded in February 2021 and supported by The Harpur Trust, was released later in the year to our residency centres' primary schools. This had another exceptionally diverse group of composers (majority women or BAME composers). This concert was later released to a wider audience on YouTube. Both were presented by Lucy Drever and BSL interpreted by Angie Newman. These online concerts were released free-to-view via YouTube, seeing well over 10,000 views.



Lucy Drever © Luca Migliore

Emerging artists

Artistic talent continued to be developed through our Composers' Academy and MMSF Instrumental Fellowship programmes.

Composers' Academy

The Composers Academy is an annual programme (presented in partnership with the Royal Philharmonic Society) which supports emerging composers to write an original chamber work for a Philharmonia ensemble and benefit from masterclasses, mentoring and industry insight sessions. A planned concert performance of the compositions had to be cancelled due to pandemic restrictions, but the works will be recorded next season, and released in partnership with NMC Records.

MMSF Instrumental Fellowship Programme

The MMSF Programme helps Conservatoire-level instrumentalists each season to develop their orchestral careers, each supported by a bursary, a mentor drawn from the relevant Section of the Orchestra, masterclasses, paid concert work as part of the Orchestra, recital platforms, and work experience on outreach projects. We are grateful to Help Musicians UK for their ongoing support for this programme. Across the period, the Orchestra made efforts to widen the recruiting pool for MMSF Fellows, particularly aiming to increase the diversity of applicants. The applications received were the most diverse, and the most numerous ever recorded.

Strategic report: Financial review

Review of the financial period

The seventeen-month period to 31 August 2021 saw a consolidated net surplus of £6,392,982 (2020: net deficit of £664,922). The standalone charity result for Philharmonia Limited alone was a surplus of £6,427,656 (2020: deficit of £618,564).

These results include the transfer of the assets of the Philharmonia Trust of £5,496,941 on 1 April 2020 and an increase of £1,224,568 in the value of the investment portfolio. Underlying net operating deficit was £328,527 (2020: deficit of £664,922) including the support payments to players during the Covid 19 pandemic of £1,017,250 (2020: £nil).

Support costs were £3,608,791 (2020: £2,672,625).

Philharmonia Trust transferred its assets to Philharmonia Limited at 1 April 2020, thus Philharmonia Trust's results are now consolidated into the group accounts. The Martin Musical Scholarship Fund, whose financial results are also consolidated in these financial statements, made a deficit of £34,676 (2020: deficit of £46,359). Rite Digital Limited, Philharmonia Limited's fully owned trading subsidiary Company, made an operating surplus of £21,553 (2020: surplus of £476); Rite Digital Limited paid this surplus to Philharmonia Limited under the terms of Gift Aid.

Financial management policy

The Orchestra aims to budget two to three periods in advance, balancing the cost of orchestral concerts and other core work with grants and sponsorship income, as well as income directly generated by the work itself. If further activity is taken on once the budget has been set for the period ahead, it is only accepted if the work can be funded or if there is any remaining subsidy to be used. Regular communication with Arts Council England is also key to this advance budgeting.



Live from RFH – Annabelle Meare © Belinda Lawley

Reserves policy

Previously the Board of Trustees has considered it unnecessary to hold an excessive level of free reserves because of its symbiotic relationship with the Philharmonia Trust Limited. The Philharmonia Trust Limited supported the work of the Philharmonia Orchestra, primarily through an annual grant but also through the advance of additional finance when required.

Following the merger the Trustees have reviewed and refreshed their risk assessments and the Orchestra's reserve policy, particularly in light of the Covid 19 pandemic.

The Philharmonia Orchestra aims to have accessible free reserves to cover at least three months of overhead costs at any one time and no less than £750,000. This will be maintained through cash reserves and investments that can be readily converted to cash as required, any excess being used for designated projects and strategic investments and in the short term to be set aside to cover any deficits arising from Covid-19 over the following periods. An additional designated reserve will be maintained for the net book value of non-property fixed assets.

As at 31 August 2021 the total value of reserves was £8,416,760 (31 March 2020: £2,023,778). A breakdown of this is shown on the balance sheet and in the statement of funds note (note 22). Restricted and Endowment Funds are £6,128,436 of this amount (2020: £438,748) including £296,746 (2020: £331,421) of MMSF reserves.

Following the merger of the Philharmonia Trust and Philharmonia Ltd, the Chancel Street Property is now owned by Philharmonia Ltd and the previous designated property reserve of £412,363 has transferred into general funds and a new designated fixed asset reserve has been created of £440,705. Additional funds of £1,000,000 have been set aside to support the Orchestra to maintain its activities in light of the particularly challenging environment caused by the pandemic and to further invest in dynamic artistic special projects and innovation to grow future revenue and activity.

Free reserves in the general fund at 31 August 2021 were £847,618 (2020: £943,508).

Investment policy

The Orchestra has a policy of investing any surplus cash in investment vehicles that are low risk, are considered mainstream and allow for flexibility.

The Finance Committee reviews cash forecasts on a regular basis to identify in advance significant cash fluctuations and cash flow issues, and to ensure that reasonable returns are achieved, without risk to the capital, and to ensure that there is sufficient working capital for the organisation.



Philharmonia at the Anvil, Basingstoke © Belinda Lawley

Strategic report: Future plans



Santtu-Matias Rouvali © Kaupo Kikkas

The arrival of Santtu-Matias Rouvali as the sixth Principal Conductor in the Orchestra's history provides a catalyst for artistic and organisational development under the baton of an exciting and exceptional artistic talent. He will launch his tenure with the concert series *Human/Nature: Music for a Precious Planet*, with concerts in London and residencies. The *Human Nature* series will be supported by Kate and Andrew Davis and the Shelby Cullom Davis Charitable Fund, with additional support from the Human/Nature Syndicate.

The Philharmonia has ambitious plans across the next five years, and has adopted a new five-year strategic plan, noted above. A detailed response to evolving organisational change over the last six or more years, this new plan incorporates early learnings from the pandemic alongside a bold and ambitious vision for the Orchestra's future in the concert hall, in the classroom, and online.

The new strategy will see a well-supported, enthusiastic and engaged Orchestra work more closely with existing and new partners; work to be a more inclusive organisation which embraces the Creative Case for Diversity; and develop an enhanced concert experience making activity more relevant to both existing and new audiences.

The Orchestra will continue to broadcast widely, and plans an ongoing series of filmed and streamed concerts to maintain and develop a connection with audiences who cannot travel to a concert hall. A refreshed Learning and Engagement programme will relate closely to the main season of work, and provide persuasive routes in to the Orchestra's music-making.

The Orchestra's vitality of broad programming – from the baroque to contemporary and film score – will showcase something for everyone, and contain a programme running through each year exploring neglected and under-represented works. Giving opportunities to high-level artists from under-represented groups, the Orchestra will engage more closely with its audience to drive its vision, which reflects and responds to the needs and desires of audiences and communities extant and new.

The Philharmonia has a strong claim to be the UK's "national orchestra", with a widespread footprint serving local communities with in-depth musical experience. The Orchestra's programming will drive marketing strategy through media-worthy projects and content which increases visibility, in addition to forming a distinctive and strong musical identity through the bold and adventurous programming for which the Philharmonia has become known.

Strategic report:

Principal risks and uncertainties

The environment in which the Orchestra operates is inherently risky with the organisation exposed to many economic, geopolitical and artistic risks in the course of normal activities.

As the COVID-19 pandemic took hold in the early part of 2020 there followed extreme uncertainty around the Orchestra's ability to achieve its objectives; raise additional funds through donations and grants; as well as maintain the returns expected on investments. Whilst the return to live performances in 2021 has been welcome, the pandemic continues to impact on touring, logistics and audience development and remains a key risk for the foreseeable future.

In general Trustees try to minimise risk exposure to achieve an overall low/medium risk profile.

Methodology

The organisation takes a bottom-up approach to risk management with the senior management team responsible for regularly updating the Risk Register, scanning the environment for new risks and managing existing risk. Each risk is evaluated and assigned to a senior manager who will ensure that appropriate risk mitigation is put in place using the TARA method (Transfer, Avoid, Reduce, Accept).

The Risk Register is prepared on a traffic light system and those items deemed to have a residual risk, i.e. risk after mitigation, of medium to high are escalated to the Finance Committee for further action. The Finance Committee reviews the Risk Register on a quarterly basis in advance of presentation to the Board.

Key risks & uncertainties

The principal risk facing the Orchestra at this time is the impact of COVID-19 on our ability to perform and deliver our objectives both now and in the future. The risk related to our ability to maintain and increase income levels has heightened and will continue to impact us for some time to come. The Orchestra is very grateful to have received Covid Relief Funding from Arts Council England both during the period, and at the start of the new season but this is not expected to be ongoing.

The main source of voluntary income in 2021 remains Arts Council England NPO funding at 23% (2020 - 21%) of total income. This funding has been at a standstill level for a number of periods, meaning a decrease in real terms. There is a risk that this level of funding could reduce, through future changes in government policy or otherwise.

A significant proportion of the Orchestra's income is earned from international touring, in particular from tours to European countries. The current pandemic, and the exit of the UK from the EU, has raised a question as to what tours may be possible in the future. Different countries have different requirements for travelling musicians, and for travelling goods (musical instruments, etc.), and the EU's cabotage regulations make regular use of the Orchestra's truck difficult for European touring. The Orchestra has adopted a policy of remaining in touch with relevant Government bodies and industry representatives in order to ensure that we are as informed as possible, and best placed to take mitigating action at the appropriate time.

Income from sponsorship, donations and from Trusts and Foundations is key to every area of the Orchestra's activities, from concert planning to digital, education and outreach work. We have taken steps proactively to strengthen our fundraising function, including the creation of a Development Board, and the re-shaping of the Development team. The merger between Philharmonia Limited and Philharmonia Trust Limited, which completed at midnight on 31 March 2020 and has been more concretely bedded-in during the period, has already shown to be a great benefit as we face the challenges brought by the pandemic.

The war in Ukraine and related events take place at a time of significant global economic uncertainty and the effects are likely to interact with current market conditions. The investment managers for Philharmonia Limited confirmed their actions on any Russian based investments which included a reduction in exposure to Russia last year and to date. There will not be any significant write downs required to Philharmonia Limited's investments post year end. The Board has reviewed its exposure to Russia within the sanctions regime and consider there to be no material exposure.

Strategic report: Going concern

The Orchestra relies substantially on funding by grants from Arts Council England (ACE) for its current and future commitments. This funding is primarily via National Portfolio Organisations (NPO) annual revenue funding, and also via other ACE funding programmes.

In response to an application for NPO funding for 2018-22, the Orchestra received notification that NPO funding for this period would be maintained at existing levels, that its application for ACE's NPO funding extension year of April 2022 to March 2023 has been successful, and believes its plans to be robust, appealing, and deserving of funding.

Despite the uncertainty brought about by COVID-19 pandemic, the merger between Philharmonia Limited and Philharmonia Trust Limited has boosted the Orchestra's financial resilience, fundraising abilities and charitable governance. The total reserves held by Philharmonia Trust at 31 March 2020 were £5.9m. The merger increased the fixed assets held by Philharmonia Limited with the transfer of the property at Chancel Street to Philharmonia Limited's balance sheet. It also provides access to draw upon the 2005 Endowment Fund (£2.8m at 31 March 2021), an endowment previously held within the investment portfolio of Philharmonia Trust. Although not desirable to take from this fund at such a time, it is reassuring to know that the investment fund is available to us.



Philharmonia brass © Luca Migliore

In addition, DCMS / Arts Council England have given their permission to draw down funds from the Catalyst endowment fund should this be necessary to improve cashflow and enable appropriate investment in the organisation in response to the difficulties faced during, and after, the pandemic. This requires the approval of the Charities Commission (an application has been made), and a commitment to repay to the Catalyst fund, over a future period, any amount drawn down. At 31st December 2021, the company held cash of £1,267,247. Investments had a collective market value of £5,201,362, with the Catalyst fund valued at £2,816,776 and the Endowment fund valued at £2,384,586.

A detailed budgeting process takes place every period. Across the pandemic, and in the current time, particular scrutiny has been and is being given to budgeting and financial management. Having considered all the above matters the Trustees consider that the 'going concern' status of Philharmonia Limited is an appropriate assumption for the preparation of these financial statements.

Strategic report: Inclusivity & relevance action plan

During the period the Orchestra, led by its Board alongside the Equalities Group, developed a new Inclusivity & Relevance Action Plan in response to Arts Council England's Inclusivity & Relevance Investment Pillar. ACE provided feedback on this plan in summer 2021, and a revised Inclusivity & Relevance Action Plan is submitted to ACE shortly after the period of this report. The Action Plan sets out the Orchestra's priorities and approaches, building in measurable actions and time-specific deadlines that will lead to positive outcomes. Many of these speak directly to the priorities identified by Arts Council England as being germane to the Creative Case for Diversity and the 'Let's Create' strategy, as well as helping the Orchestra create a more sustainable and relevant business model:

Workforce, Governance and Membership: Philharmonia commits to achieving a more diverse workforce, Board of Trustees, and Membership of the Orchestra, ensuring we are representative of the UK's diversity. We must create and maintain an inclusive environment to ensure everyone is safe and comfortable in their workplace, can work to the best of their abilities, and can utilise this diversity to co-create a sustainable, relevant, and forward-thinking organisation.

Artists, Programme & Partnerships: Philharmonia will programme performances, artistic series, artists and form partnerships that are relevant to and representative of our diverse residency communities.

Audience & Participants: Audiences, participants and those engaging with Philharmonia, both digitally and live, will be representative of the diversity of the communities we serve.



Symphonize © Joe Crofton

Strategic report: Equal opportunities

Our Inclusivity & Relevance Action Plan is targeted towards growing the numbers of people and participants from protected characteristics groups who access our work, and on developing our workforce and Boards. Our focus is on age, disability, gender, ethnicity, class and socio-economic status.

We have developed our Equalities Group, with junior to senior representation across all departments in the administration, and with representatives from the player group and Board. The Group's priorities are driven by Inclusivity & Relevance Action Plan, and initiatives are prioritised accordingly.

The Philharmonia continues to provide equality of opportunity to current staff, applicants for administrative posts, Orchestra Members, extras, conductors, soloists and guest artists, outreach and engagement participants and concert attendees, and is actively engaged, through its Inclusivity & Relevance Action Plan, in improving ways the Orchestra interacts with, and encourages applications and participation from, those with underrepresented, protected characteristics.



Symphonize © Beth Walsh

Strategic report: Sustainability

The Orchestra is committed to reducing the negative environmental impact of our activities, in particular those relating to office waste and energy consumption, business travel, staff commuting and business services. As a touring orchestra, much of our environmental impact relates to concerts touring nationally and internationally, including Orchestra and artist travel, instrument transport (including freight) and the impact of the venues where we rehearse and perform.

The Orchestra is committed to improving our environmental performance and to engaging players, staff and external stakeholders in the following areas:

Reducing energy usage and building emissions, in particular with regard to our office building at 6 Chancel Street; reducing the environmental impact of travel, for example by encouraging the use of conference calls and low-carbon travel modes such as walking, cycling, public transport and lift sharing. The Orchestra offers hybrid working to our staff, seeks to reduce waste to landfill and increasing re-use and recycling, and we champion the green procurement of suppliers and services.

The Orchestra has committed to a 5-year arrangement giving us exclusive use of a highly emissions-efficient, ULEZ-compliant truck for the transportation of instruments with effect from autumn 2019, which gives the Philharmonia one of the most low-impact trucks for instrument transport of any UK symphony orchestra.

The Orchestra's flagship project for the 2021-22 Season (Santtu-Matias Rouvali's first as Principal Conductor), *Human/Nature: Music for a Precious Planet*, focuses on nature and the environment, placing environmental issues at the heart of our artistic programming and core activity. This season of concerts – developed across the period – will allow the Orchestra to showcase great works of art inspired by the environment alongside music with a harder-hitting environmental message, bringing nature and our lives, and the interaction between mankind and the natural world, to the forefront of audience's minds during the season. The Human/Nature Series will be supported by Kate and Andrew Davis and the Shelby Cullom Davis Charitable Fund.



Human/Nature © Andrew Lyons

Strategic report: Fundraising statement

As the 20/21 financial period started, we found ourselves in week three of a national lockdown. All of our programming and fundraising plans had been cancelled for the foreseeable future and the Philharmonia faced grave financial uncertainty along with the entire cultural sector. Quite quickly however, it became apparent that the key impacts of the lockdown that both musicians and our supporters was isolation and the need for connection. From this environment the Keep the Philharmonia Playing emergency appeal was created with the dual purpose of providing financial stability for the Orchestra as well as forging human connections between players and supporters during this difficult period.

The emergency appeal was multi-faceted. We launched a highly successful campaign to encourage ticket purchasers to donate the value of their tickets. Esa-Pekka Salonen and key musicians spearheaded the campaign and enabled our audience to understand the value and impact of their donation. Over 48% of ticket purchasers of the 20/21 season chose to donate either the full or partial value of their tickets. This was further helped by 95% of those ticket purchasers allowing us to claim Gift Aid on their donations.

We re-purposed our Chair Endowment scheme and encouraged supporters to support musicians in the Orchestra whilst connecting them digitally. 27 players and one orchestral section were supported through this campaign. This provided purpose and contact for both supporters and musicians whose relationships have prospered through email and music exchange during the long months of isolation.

Our general appeal utilised our newly upgraded online giving platform and by placing fundraising messaging at the heart of all our activity during lockdown, whether that be on our website, through our newsletters, or in our online concerts and recordings, we experienced a 3,448% increase in general online donations from the previous year.

With all our venues closed and social distancing still in place, planning performances to live audiences was still impossible. However, with key learnings from the archive streams we shared at the start of Lockdown, the Orchestra created a series of free digital concerts broadcast on

YouTube. The Philharmonia Sessions online concert series was offered free to enable the Philharmonia to reach the widest audience possible. It allowed us to play a small part in offering respite and solace to many during this period and introducing them to the joys of classical music.

Music can help at a time like this – individually, to find a sense of perspective, and collectively, to connect with one another. Orchestras are uniquely able to make this happen – Esa-Pekka Salonen

We were delighted with the passionate support that this series received with generous grants and donations received from Goldman Sachs Gives, John and Carol Wates, The Wates Foundation and Lark Music. Support for the Philharmonia Sessions: Orchestra Unwrapped concert for schools and families was received from The Harpur Trust, with additional support from the Philharmonia Orchestra in Bedford Trust.

Particular thanks should be given to the Laurence Modiano Charitable Trust whose generous support during the pandemic provided a vital lifeline to the players. In addition, we give our thanks to The David and Elaine Potter Foundation and the 29th May 1961 Charitable Trust for their support of the organisation.

Corporate support of the arts was significantly affected during this period. However, the Philharmonia forged an innovative digital partnership with Citi who released excerpts of Philharmonia performances both pre-recorded and newly commissioned to their clients on a regular basis through lockdown. This not only gave the Orchestra much needed income but also the opportunity to reach a completely new audience and build profile globally.

Keeping connected to our Philharmonia family was a focus throughout lockdown. We staged regular live Digital Soirees and Green Room events through the period including musical performances, interviews with soloists and Q&As with players. We were delighted to welcome HRH The Prince of Wales, our Royal Patron, to a very special Royal Soiree in January 2021 and with an audience of over 500 of our

Philharmonia family we were able to share a wonderful performance of Schubert's Octet filmed just before the third lockdown struck.

DCMS and ACE provided much needed financial security to the arts sector through the Cultural Recovery Fund. The Philharmonia is extremely grateful for the two substantial grants received during this period which allowed us to keep the 77 Philharmonia Orchestra members together and provide much needed work through our online concert series. The online and then socially distanced concerts created during the pandemic allowed us to also retain and grow our audience. This was vital to ensure that we would still have a loyal audience when we fully returned to the concert halls. The grants also ensured that our vital Learning and Engagement work could continue with online projects supporting those most affected by the lockdown.

Finally, out of adversity came Philharmonia Gin. What better way to enjoy one of our online concerts than with a Philharmonia Gin and tonic for which a donation was made from all bottles purchased.

All voluntary fundraising at the Philharmonia is carried out by an internally-managed Development department. The Philharmonia is a member of the Fundraising Regulator, the independent regulator of charitable fundraising. This was established to strengthen the system of charity regulation and restore public trust in fundraising and upholds a Code of Fundraising Practice for the UK. The Philharmonia works to its standards for charitable fundraising, which aim to ensure that fundraising is respectful, open, honest and accountable to the public.



Sheku Kanneh-Mason © Camilla Greenwell

Strategic report: Structure, governance and management

Governing document

Philharmonia Limited is a charitable Company limited by guarantee, governed by its Memorandum of Association as amended most recently by Special Resolutions on 1 April 2020 and 26 May 2020 and its Articles of Association as amended most recently by Special Resolutions on 19 March 2020, 1 April 2020 and 26 May 2020. It is a charity registered with the Charity Commission. At 31 August 2021, there were 73 members (31 March 2020: 78).

Appointment of the Board of Trustees

The merger of Philharmonia Limited with Philharmonia Trust Limited saw a change in the governance structure, and the Council of Management has been replaced by a Board of Trustees. The Board comprises nine playing members of the Orchestra, plus eight non-playing members.

The members of the Board of Trustees are appointed by the members of the Company. A vote is conducted at each Annual General Meeting to elect nominated members to fill vacancies created by the retirement of existing members of the Council. Exceptionally, a member may be elected at an Extraordinary General Meeting. The non-playing members of the Board are co-opted at each Annual General Meeting. The Board sets and reviews orchestral policy, financial policy and strategy. It reviews agreements with Arts Council England and other major funders. The Board makes major decisions, including the appointment of titled conductors, the Managing Director and orchestral members. The Board approves the financial budgets and accounts and appoints the auditor. It receives and monitors reports from the Orchestra Committee, Artistic Committee, Development Board, Finance Committee, and Nominations Committee, and regularly reviews the skills available on sub-committees. To facilitate effective operations, the CEO has delegated authority, within terms of delegation approved by the Board, for operational matters including finance, employment and artistic performance-related activity.

Induction and training of the Board of Trustees

New members of the Board of Trustees receive a formal induction session from the Chair, the CEO, key employees and other members of the Board.

Organisation

The Board is supported by five sub-committees: the Orchestra Committee, the Finance Committee, the Artistic Committee, the Nominations Committee, and the Development Board. The Orchestra Committee consists of the player members of the Board (currently nine) chaired by the President of the Board. The Orchestra Committee meets approximately every two weeks and is responsible for day-to-day Orchestra matters. It reports to the Board on the management of orchestral and musical issues generally. It deals with Orchestra issues arising in accordance with policy guidelines provided by the Board.

The Finance Committee consists of five non-player members, four of whom are also members of the Board, plus the President and Deputy President of the Board. It is chaired by a non-player. It meets four times a year prior to the meetings of the Board. Reporting to the Board, it proposes financial budgets, reviews financial performance against budgets and deals with financial issues arising in accordance with policy guidelines provided by the Board. It proposes guidelines for players' fees increases.

The Artistic Committee consists of 5 players elected by the members of the Charity at an AGM, one non-player, and one further player appointed by the Orchestra Committee from amongst its members. The Committee meets a minimum of 3 times per Season, with the Director of Artistic Planning and/or CEO (or delegate) in attendance. The Committee is advisory to the Board with key responsibility to identify and collate Orchestra members' artistic views in relation to Philharmonia Limited's business plan and long-term strategy.

The Development Board consists of up to 18 members. These include a non-playing member of the main Board who also acts as Chair of the Development Board; two playing members of the Orchestra, of whom at least one shall be a main Board member; the Development Director; the CEO; and other personnel invited to join. It meets twice a period and reports to the Board of Trustees. Its role is to support the Development Department in achieving budgeted fundraising targets. The Development Board helps to raise funds for the Orchestra's programme of activity in the UK and overseas.

Senior staff

Day to day operating decisions are delegated to the Senior Management team which comprises the CEO, Director of Artistic Planning (from June 2020), Director of Finance & Operations (from March 2021), Director of Development, Director of Marketing & Communications and Learning & Engagement Director. Pay for senior staff is benchmarked against industry norms and overseen by the Nominations Committee; that for the Chief Executive Officer is approved by the Board of Trustees.

Related parties

The Company has previously had a related party relationship with Philharmonia Trust Limited, which shared some of the Trustees of Philharmonia Limited. These two entities merged on 1 April 2020. Both entities continued to exist during the period.

Merger

Philharmonia Ltd and Philharmonia Trust Ltd merged with effect from 1 April 2020. The new governance model merged Philharmonia Ltd and Philharmonia Trust Limited into one entity with one main Board of nine player Trustees and eight non-player Trustees. The Chair is now a non-player Trustee (a position previously held by a player Trustee of the Council of Management, the Board of Philharmonia Ltd). The main Board is supported by sub-committees including Orchestral, Artistic, Finance, Development, and Nominations. The new structure retains the Orchestra's self-governing status, whilst boosting the Orchestra's resilience, fundraising abilities and charitable governance – a "self-governing plus" model.



Santtu-Matias Rouvali © Belinda Lawley

Statement of Trustees' responsibilities

The Board of Trustees (who are also the directors of the charity for the purposes of Company law) is responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Board to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charitable Company and the group and of its incoming resources and application of resources, including the income and expenditure of the charitable group, for that period. In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Board of Trustees is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable Company and enable it to ensure that the financial statements comply with the Companies Act 2006. It is also responsible for safeguarding the assets of the charitable Company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Charity governance code

Philharmonia Limited recognises that good governance in a charity is fundamental to its success. Philharmonia Limited and its Board are continually working towards achieving the highest standards of governance, by reference to the principles and recommended practice of the charity governance code. The merger between Philharmonia Ltd and Philharmonia Trust Ltd, referred to on page 15, will improve the governance structure to make the organisation more sustainable in the long term.

Statement as to disclosure of information to auditor

The members of the Board who were present on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the members have confirmed that they have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

BDO LLP have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

This report, including the Strategic Report, was approved by the Board of Trustees on 4 April 2022.



Lord King of Lothbury
Chair of the Board of Trustees of Philharmonia Limited

Independent auditor's report to members of Philharmonia Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 August 2021 and of the Group's incoming resources and application of resources for the period 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.

We have audited the financial statements of Philharmonia Limited ("the Parent Charitable Company") and its subsidiaries ("the Group") for the 17 month period ended 31 August 2021 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated statement of cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and Parent Charitable Company 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.

Conclusions related 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 Group and the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: Report of the Board of Trustees, including the Strategic Report. 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 course of 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.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the 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 period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's 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 accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' 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, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent 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 Group or the Parent 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. No irregularities, including fraud were identified during the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

We:

- Discussed with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud meetings of those charged with governance, reviewing correspondence with HMRC and the Charities Commission to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility
- Reviewed items included in the fraud register
- Challenged assumptions made by management in their significant accounting estimates
- In addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain manual journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our auditor's report.

Use of our report

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

Paul Clark (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Date: 10 May 2022

DocuSigned by:

Paul Clark

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Consolidated statement of financial activities

Incorporating the income and expenditure account
for the 17 month period ended 31 august 2021

(Comparatives are stated for the year ended 31 March 2020)

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £
Operating Income from:									
Donations and legacies	1	5,350,386	722,308	-	6,072,694	3,021,848	772,212	-	3,794,060
Charitable activities	2	1,036,174	(1,003)	-	1,035,171	4,787,231	63,448	-	4,850,679
Other trading activities		59,456	-	-	59,456	300,877	-	-	300,877
Investment income	7	335	71,918	53,766	126,019	601	521	-	1,122
Other income	1a	141,946	-	-	141,946	784,532	-	-	784,532
Asset transfer									
- Philharmonia Trust	8	973,143	2,338,039	2,185,759	5,496,941	-	-	-	-
Total operating income		7,561,440	3,131,262	2,239,525	12,932,227	8,895,089	836,181	-	9,731,270
Operating Expenditure on:									
Raising funds	3	657,732	41,195	-	698,927	734,326	53,327	-	787,653
Charitable activities	4	6,223,692	818,508	22,686	7,064,886	8,643,862	964,677	-	9,608,539
Total operating expenditure		6,881,424	859,703	22,686	7,763,813	9,378,188	1,018,004	-	10,396,192
Net gains on investments	13	-	642,652	581,916	1,224,568	-	-	-	-
Net income/(expenditure)	6	680,016	2,914,211	2,798,755	6,392,982	(483,099)	(181,823)	-	(664,922)
Transfers between funds	22	23,277	(23,277)	-	-	(59,558)	69,558	(10,000)	-
Net movement in funds		703,293	2,890,934	2,798,755	6,392,982	(542,657)	(112,265)	(10,000)	(664,922)
Total funds brought forward	23	1,585,030	254,264	184,484	2,023,778	2,127,687	366,529	194,484	2,688,700
Total funds carried forward		2,288,323	3,145,198	2,983,239	8,416,760	1,585,030	254,264	184,484	2,023,778

All of the above results are derived on continuing activities. All gains and losses recognised in the period are included above.

The notes from pages 35 to 50 form an integral part of these financial statements.

Balance sheets

As at 31 August 2021

(Comparatives are stated for the year ended 31 March 2020)

	Note	Group		Charity	
		2021	2020	2021	2020
		£	£	£	(As restated) £
Fixed assets					
Tangible assets	11	3,916,239	572,561	3,905,653	561,521
Intangible assets	11	57,333	80,000	57,333	80,000
Investments	13	5,070,573	-	5,070,673	100
Total fixed assets		9,044,145	652,561	9,033,659	641,621
Current assets					
Debtors	14	920,720	1,505,501	997,928	1,509,963
Cash at bank and in hand		1,497,128	1,335,641	1,094,697	975,268
Total current assets		2,417,848	2,841,142	2,092,625	2,485,230
Creditors falling due <1 year	15	(1,468,556)	(1,469,925)	(1,429,593)	(1,434,496)
Net current assets		949,292	1,371,217	663,032	1,050,734
Total assets less current liabilities		9,993,437	2,023,778	9,696,691	1,692,356
Creditors falling due > 1 year	15	(1,576,677)	-	(1,576,677)	-
Net assets		8,416,760	2,023,778	8,120,014	1,692,356
The funds of the Charity:	24				
Restricted funds					
Restricted funds		-	107,327	-	107,327
MMSF Restricted funds		112,262	146,937	-	-
Instrument Loans Fund		117,338	-	117,338	-
Catalyst Investment Fund		2,915,597	-	2,915,597	-
		3,145,197	254,264	3,032,935	107,327
Endowment funds					
MMSF Endowment funds		184,484	184,484	-	-
Trust Endowment funds		2,798,755	-	2,798,755	-
		2,983,239	184,484	2,798,755	-
Unrestricted funds					
Designated funds		1,440,705	466,461	1,440,705	466,461
General funds		847,619	1,118,569	847,619	1,118,569
Total unrestricted funds		2,288,324	1,585,030	2,288,324	1,585,030
Total funds		8,416,760	2,023,778	8,120,014	1,692,356

The financial statements for the company (Company Registration No. 00799297 and Charity Registration No. 250277) were approved by the Board of Trustees and authorised for issue on and signed on its behalf by: **4th April 2022**

 Lord King of Lothbury

The notes from pages 35 to 50 form an integral part of these financial statements.

Consolidated statement of cash flows

For the 17 month period ended 31 August 2021

(Comparatives are stated for the year ended 31 March 2020)

	Note	2021 £	2020 £
Cashflows from operating activities			
Net cash provided by operating activities		344,610	84,438
Cash flows from investing activities			
Dividends, interest and rent from investments		335	1,122
Mortgage interest		(42,780)	-
Proceeds from sale of fixed assets		-	9,999
Purchase of tangible fixed assets		(140,679)	(6,496)
Purchase of intangible fixed assets		-	(80,000)
Net cash (used in) investing activities		<u>(183,124)</u>	<u>(75,375)</u>
Cash flows from financing activities:			
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the reporting period		161,486	9,063
Cash and cash equivalents at the beginning of the reporting period		1,335,641	1,326,578
Cash and cash equivalents at the end of the reporting period	17	<u>1,497,127</u>	<u>1,335,641</u>
		2021	2020
		£	£
Net operating income/(expenditure) for the reporting period			
(as per the statement of financial activities)		6,392,980	(664,923)
Adjustments for:			
Gift from Philharmonia Limited		(5,496,941)	-
Net gains/(losses) on investments		(1,224,568)	-
Depreciation		145,740	129,607
Amortisation		22,667	-
Loss on disposal of fixed assets		4,560	-
(Gain)/Loss on the revaluation of fixed assets		-	8,885
Mortgage loan interest		42,780	-
Interest on cash deposits		(335)	(1,122)
Investment income		(125,684)	-
Decrease in debtors		584,781	1,234,821
(Decrease) in creditors		(1,370)	(622,830)
Net cash (used in)/provided by operating activities		<u>344,610</u>	<u>84,438</u>

Accounting policies

For the 17 month period ended 31 August 2021

(Comparatives are stated for the year ended 31 March 2020)

A summary of the principal accounting policies for the 17 month period ended 31 August 2021, all of which have been applied consistently throughout the period and the preceding period is set out below.

Basis of preparation

The financial statements have been prepared on a going concern basis under the historic cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102 (effective 1 January 2015 (Charities SORP FRS 102) the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared under a 17 month period to 31st August 2021, with the comparatives stated for the year ended 31st March 2020, the rationale of the change being that this brings the company's financial year end in line with the concert season.

Going concern

For the 17 month period ended 31 August 2021 the Orchestra relied substantially on funding by grants from Arts Council England (ACE) for its current and future commitments. This funding is primarily via National Portfolio Organisations (NPO) annual revenue funding, but also via other ACE funding programmes.

In response to an application for NPO funding for 2018-22, the Orchestra received notification that NPO funding for this period would be maintained at existing levels. ACE have also rolled over the current NPO funding period for a further year in response to the impact that COVID-19 is having on the Arts, therefore our current funding period will now extend to March 2023. Applications will be made in Spring 2022 for the next round of NPO funding for the years following March 2023.

Despite the uncertainty brought about by COVID-19 pandemic, the merger between Philharmonia Limited and Philharmonia Trust Limited has boosted the Orchestra's resilience, fundraising abilities and charitable governance. The total reserves held by Philharmonia Trust Limited at 31 March 2020 were £5.9m. The Philharmonia Limited's fixed assets increased with the transfer of the property at Chancel Street to the balance sheet. It also provides access to draw upon the 2005 Fund (£2.3m as at 31 August 2021), an endowment previously held within the investment portfolio of Philharmonia Trust Limited. Although not desirable to take from this fund at such a time, it is reassuring to know that the investment fund is available to us. The ongoing strength of the net asset position with further investment growth during the period provides additional assurance to the Trustees to consider that the 'going concern' status of Philharmonia Limited is an appropriate assumption for the preparation of these financial statements. At 31st December 2021, the company held cash of £1,267,247 and investments had a collective market value of £5,201,362.

A detailed budgeting process takes place every period, however with the onset of the pandemic, a COVID-19 rework of the budget took place in the early part of 2021 to ensure the uncertainties were reflected in an updated budget with ongoing budgets and forecasts updated quarterly thereafter. On the basis of the above the directors consider that the financial statements should be prepared on a going concern basis.

Consolidation

The consolidated financial statements include the results of Philharmonia Limited and its subsidiary undertakings Rite Digital Limited, The Martin Musical Scholarship Fund and Philharmonia Trust Limited, which are all controlled by Philharmonia Limited. All financial statements for subsidiaries are made up to 31 August 2021. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

Prior year adjustment

The charity only balance sheet in 2020 has been restated to reflect an error in respect of the accounting for The Martin Musical Scholarship Fund (“MMSF”). MMSF continues to be included in the consolidated financial statements, but previously was treated as a branch of Philharmonia Ltd with the assets and liabilities of MMSF included in the Philharmonia individual charity balance sheet. For 2021 and going forward MMSF will be treated as a separate charity under the control of Philharmonia, with its assets and liabilities excluded from the individual charity balance sheet of Philharmonia Limited but included in the consolidation. The prior year adjustment reduces the comparative balances, for the charity only balance sheet of fixed assets (£11,040), debtors (£3,150), cash (£318,822) and creditors (£1,590), with reserves reduced by £331,422. There was no adjustment to the consolidated balances.

Key areas of significant judgements and estimation uncertainty

In the application of the charity’s accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying value 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 which are considered relevant. Actual results may differ from these estimates.

The only significant judgement was to maintain the value of the music library at its existing net book value on transfer from the Philharmonia Trust Limited. The Directors decided not to increase the value, due to the uncertainty of the valuation.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period of the revision and future periods if the revision affects the current and future periods. The directors consider that no significant judgements or estimates were made in the preparation of these financial statements.

Income

Voluntary income, including donations, gifts and legacies, as well as grants that provide core funding or are of a general nature are recognised where there is entitlement, receipt is probable, and the amount can be measured with sufficient reliability. Such income is only deferred if the donor has requested the amount to be allocated to specific concerts, engagements or projects, in which case it is allocated to the financial period in which the work takes place, or the donor has imposed conditions which must be met before the Charity has unconditional entitlement.

Other categories of income are recognised on an accruals basis, (excluding value added tax), with income relating to advanced ticket sales being held as deferred income and released only when the concert takes place. Rite Digital transfers its surplus to Philharmonia Limited under the terms of Gift Aid at period end.

Expenditure

Expenditure is recognised when a liability is incurred and on an accruals basis. Expenditure is classified as either Raising Funds or Expenditure on Charitable Activity. Both categories of expenditure include an apportionment of support costs, which have been allocated to activity cost categories on a headcount basis.

Leases

Rentals under operating leases are charged to the statement of financial activities on a straight-line basis over the period of the lease.

Tangible fixed assets and depreciation

Fixed assets include musical instruments which have been valued at deemed cost at the transition date of FRS102. Other fixed assets are stated at cost less provision for depreciation. As a general rule, purchases less than 1,000 are not considered for capitalisation unless for security reasons they need to be recorded in the fixed asset register (e.g. laptop computers).

Depreciation is provided on all tangible fixed assets except those which are considered to be of high residual value where the annual depreciation charge would therefore be immaterial, at rates calculated to write off the cost of the assets down to its estimated residual value evenly over its expected useful life, on a straight line basis, as follows:

Fixtures and fittings	5 years
Musical Instruments	10 years
Computer equipment	3 years
Property improvements	20 years
Property	50 years
Music library	50 years

The carrying values of tangible fixed assets are reviewed from time to time for impairment should events or changes in circumstances indicate the carrying value may not be recoverable.

Intangible assets

Intangible assets are capitalised where it is probable that the expected economic gains that are attributable to the asset will flow to the entity. Website development costs will therefore fall into this category and have been included on the balance sheet at cost.

Website development costs 5 years

Financial instruments

The charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Financial assets comprise cash at bank and in hand, short trade and other debtors. These are reviewed at regular intervals for impairment and are written down accordingly if required. Financial liabilities include trade and other creditor and loans and are recognised at transaction value.

Investments

Investments held as fixed assets are revalued at open market value at the balance sheet date and the gain or loss is taken to the Statement of Financial Activities.

Debtors

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

Bank

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

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

Funds

Unrestricted funds are donations or income receivable or generated for the objectives of the charity without a required purpose and are available as general funds. Designated funds are unrestricted funds designated by the Trustees for particular purposes. Restricted funds are to be used for required purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs. The endowment fund represents those assets held permanently by the charity. Income arising on the endowment fund is to be used to provide grants through the grant fund. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Foreign exchange transactions

Transactions in foreign currencies are translated at the actual rate at the time of the transaction. Assets and liabilities held on the balance sheet in foreign currencies are translated at the closing rate at the balance sheet date. All differences are taken to the Statement of Financial Activities.

Pension contributions

The charitable Company operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

Connected charities

American Friends of the Philharmonia Orchestra, Inc and the Philharmonia Foundation are based in the United States and are connected to Philharmonia Limited as some of the Trustees of Philharmonia Limited are also on the Board of the US entities. The Philharmonia Orchestra in Bedford Trust (registered charity number 1170495) is connected to Philharmonia Limited but has no Trustees in common. The Philharmonia Benevolent Fund (registered charity number 280370) is connected to Philharmonia Limited but also has no Trustees in common.

Notes to the financial statements

For the 17 month period ended 31 August 2021

(Comparatives are stated for the year ended 31 March 2020)

1. Income from donations and legacies

	Unrestricted	Restricted	2021 Total	2020 Total
	£	£	£	£
Arts Council - core grant	2,968,301	-	2,968,301	2,042,222
Arts Council - cultural recovery fund	1,408,099	-	1,408,099	-
Grant income -other	400	199,888	200,288	192,449
Donations from charitable foundations	-	77,979	77,979	270,049
Donations from Philharmonia Trust	-	-	-	300,000
Other donations and legacies	973,586	-	973,586	666,947
Sponsorship donations	-	444,440	444,440	322,393
	5,350,386	722,307	6,072,693	3,794,060

1a. Other income

	Unrestricted	Restricted	2021 Total	2020 Total
	£	£	£	£
Orchestral Tax Relief	-	-	-	784,532
Furlough Income	141,946	-	141,946	-
	141,946	-	141,946	784,532

2. Income from charitable activities

	Unrestricted	Restricted	2021 Total	2020 Total
	£	£	£	£
Own promotion concerts	19,398	7,049	26,447	1,112,416
Recordings & Film	280,617	-	280,617	356,674
Engagements	80,875	-	80,875	584,413
Co Promotions	579,894	(15,000)	564,894	788,187
Tours	-	-	-	1,865,195
Education & Digital projects	73,492	6,948	80,440	136,824
Other activities	1,898	-	1,898	6,970
	1,036,174	(1,003)	1,035,171	4,850,679

3. Expenditure on raising funds

	Unrestricted	Restricted	2021 Total	2020 Total
	£	£	£	£
Allocation of support costs (see note 5)	656,441	41,195	697,636	596,026
Direct expenditure	1,291	-	1,291	191,627
	657,732	41,195	698,927	787,653

Notes to the financial statements

For the 17 month period ended 31 August 2021

(Comparatives are stated for the year ended 31 March 2020)

4. Expenditure on charitable activities

	Unrestricted	Restricted	Endowment	2021 Total	2020 Total
	£	£	£	£	£
Concert, relay fees and player support	2,466,435	237,901	-	2,704,336	5,059,371
Travel and transport of instruments	87,934	72,436	-	160,370	951,533
Music and instrument hire	60,012	11,804	-	71,816	181,506
Hall hire and box office commission	7,191	194,208	-	201,399	498,097
Programme expenditure	25,461	600	-	26,061	204,578
Grants payable	-	49,931	-	49,931	119,176
Allocation of support costs (see note 5)	2,911,155	-	-	2,911,155	2,076,599
Other expenditure	622,724	232,210	-	854,934	517,680
Interest payable on mortgage loan	42,780	-	-	42,780	-
Investment management fees	-	19,418	22,686	42,104	-
	6,223,692	818,508	22,686	7,064,886	9,608,540

5. Allocation of support costs

2021	Expenditure on raising funds	Expenditure on charitable activities	Total
	£	£	£
Employment costs	543,670	1,887,933	2,431,603
Travel, subsistence and entertaining	162	274,606	274,768
Occupation and office costs	76,356	298,520	374,876
Bank interest and charges	3,308	12,688	15,997
Orchestral overheads	-	95,755	95,755
Governance cost	-	73,435	73,435
Other costs	74,140	268,218	342,359
	697,636	2,911,155	3,608,791

2020	Expenditure on raising funds	Expenditure on charitable activities	Total
	£	£	£
Employment costs	417,843	1,409,800	1,827,643
Travel, subsistence and entertaining	17,940	196,814	214,754
Occupation and office costs	86,423	228,650	315,073
Bank interest and charges	7,044	18,581	25,625
Orchestral overheads	-	109,945	109,945
Governance cost	-	56,396	56,396
Other costs	66,776	56,413	123,189
	596,026	2,076,599	2,672,625

Notes to the financial statements

For the 17 month period ended 31 August 2021

(Comparatives are stated for the year ended 31 March 2020)

6. Net income/(expenditure) for the period is stated after charging:

	2021	2020
	£	£
Auditor's remuneration - audit fee	44,000	34,000
Auditor's remuneration - other fees	17,166	8,742
Operating Lease - Land and buildings	5,023	53,326
Operating Lease - Plant and machinery	17,107	11,211
Depreciation	168,405	141,330

7. Investment income and interest receivable

	2021	2020
	£	£
Investment income	125,684	-
Interest on deposits	335	1,122
	<u>126,019</u>	<u>1,122</u>

8. Asset transfer – Philharmonia Trust 1 April 2020

The assets and liabilities transferred from Philharmonia Trust Limited to Philharmonia Limited on 1st April 2020 were:

	1 April 2020
	£
Music library	219,500
Buildings – cost less leasehold improvements carrying value	3,133,539
Cash	25,446
Investment Cash	188,614
Portfolio Investments	3,574,393
Sundry Debtors	61,376
Creditors brought forward	(24,112)
Mortgage liability due to Philharmonia Trust Limited	(1,681,815)
	<u>5,496,941</u>

The building was carried in Philharmonia Trust Limited at 3.6m and was subject to a fair value adjustment of £466,461, reflecting the carrying value of building improvements already held in Philharmonia Limited.

Notes to the financial statements

For the 17 month period ended 31 August 2021

(Comparatives are stated for the year ended 31 March 2020)

9. Employees

	17 months ending 31 August 2021	12 months ending 31 March 2020
	£	£
Staff costs were as follows:		
Wages and salaries	1,904,791	1,417,702
Social security costs	185,884	141,051
Pension costs	99,608	82,676
Temporary staff	290,431	308,183
	<u>2,480,714</u>	<u>1,949,612</u>

The key management personnel of the charity during the period comprise the managing director, deputy managing director, development director, residencies and regional programmes director, education director, finance director, marketing director, digital director and the head of innovation and partnerships. Aggregate remuneration for the 17 month period was £754,532 (2020 - £569,910).

	17 months ending 31 August 2021	12 months ending 31 March 2020
	no.	no.
The number of employees whose salaries exceeded £60,000 are as follows:		
£60,001 - £70,000	3	-
£70,001 - £80,000	1	-
£80,001 - £90,000	-	2
£90,001 - £100,000	1	1
£130,001 - £140,000	1	-
£140,001 - £150,000	1	-
	<u>1</u>	<u>-</u>

	17 months ending 31 August 2021	12 months ending 31 March 2020
The average number of employees, by headcount, during the period is as follows:		
Library	2	2
Finance	3	0
Marketing	6	7
Education	4	5
Concerts	7	12
New Media	5	5
Development	7	7
Management	2	5
	<u>36</u>	<u>43</u>

Notes to the financial statements

For the 17 month period ended 31 August 2021

(Comparatives are stated for the year ended 31 March 2020)

10. Board of Trustees

Emoluments to any Player Member serving on the Board of Trustees (formerly Council of Management) is authorised in the Articles of Association. No emoluments were paid for services as Trustees. The Board of Trustees emoluments (including pension contributions) in the period were as follows:

	Salary	Pension	2021 Total £	2020 Total £
Honoraria for services as Chair of the Orchestra				
Mike Fuller (resigned June 2019)	-	-	-	2,160
Victoria Irish (appointed June 2019)	-	-	-	10,721
Honoraria for services as Deputy Chair of the Orchestra				
Victoria Irish (resigned 17 January 2021)	9,440	566	10,006	1,040
Remuneration for services as Managing Director:				
Mike Fuller (resigned 1 September 2020)	43,462	2,100	45,562	95,904
Honoraria for services as President:				
Kira Doherty (appointed 11 March 2021)	5,905	187	6,092	-
Honoraria for services as Deputy President:				
Cheremie Hamilton-Miller (appointed 1 April 2020)	8,858	531	9,389	5,019

None of the Trustees received any reimbursed expenses during the period (2020 – £nil).

Notes to the financial statements

For the 17 month period ended 31 August 2021

(Comparatives are stated for the year ended 31 March 2020)

11. Tangible and intangible fixed assets

	Long Leashold Property	Buildings refurbishment	Musical instruments	Music Library	Computer equipment	Fixtures and Fittings	Assets under Construction	Total Tangible Assets	Intangible Asset
	£	£	£	£	£	£	£	£	£
Cost at 1 April 2020	-	685,902	455,602	-	394,440	78,834	-	1,614,778	80,000
Transfer from									
Philharmonia Trust	3,133,539	-	-	219,500	-	-	-	3,353,039	-
Additions	-	-	59,166	-	16,464	-	65,049	140,679	-
Disposals	-	-	(23,802)	-	(271,646)	-	-	(295,448)	-
Transfer	685,902	(685,902)	-	-	-	-	-	-	-
as at 31 August 2021	3,819,441	-	490,966	219,500	139,258	78,834	65,049	4,813,048	80,000

Depreciation

As at 1 April 2020	-	(219,441)	(370,538)	-	(376,874)	(75,363)	-	(1,042,216)	-
Charge in year	(67,133)	-	(39,654)	(19,795)	(17,651)	(1,505)	-	(145,738)	(22,667)
Disposals	-	-	20,000	-	271,145	-	-	291,145	-
Transfer	(219,441)	219,441	-	-	-	-	-	-	-
As at 31 August 2021	(286,574)	-	(390,192)	(19,795)	(123,380)	(76,868)	-	(896,809)	(22,667)

Net book value

31 August 2021	3,532,867	-	100,774	199,705	15,878	1,966	65,049	3,916,239	57,333
31 March 2020	-	466,461	85,064	-	17,567	3,469	-	572,561	80,000

Notes to the financial statements

For the 17 month period ended 31 August 2021

(Comparatives are stated for the year ended 31 March 2020)

Tangible and intangible fixed assets (continued)

Charity only	Long Leashold Property £	Buildings refurbishment £	Musical instruments £	Music Library £	Computer equipment £	Fixtures and Fittings £	Assets under Construction £	Total Tangible Assets £	Intangible Asset £
Cost at 1 April 2020	-	685,902	439,603	-	388,004	78,833	-	1,592,342	80,000
Transfer from Philharmonia Trust	3,133,538	-	-	219,500	-	-	-	3,353,038	-
Additions	-	-	59,166	-	16,464	-	65,049	140,679	-
Disposals	-	-	(23,802)	-	(271,646)	-	-	(295,448)	-
Transfer	685,902	(685,902)	-	-	-	-	-	-	-
at 31 August 2021	3,819,440	-	474,967	219,500	132,822	78,833	65,049	4,790,611	80,000
Depreciation									
As at 1 April 2020	-	(219,441)	(365,579)	-	(370,437)	(75,364)	-	(1,030,821)	-
Charge in year	(67,133)	-	(39,201)	(19,795)	(17,648)	(1,505)	-	(145,282)	(22,667)
Disposals	-	-	20,000	271,145	-	291,145	-	-	-
Transfer	(219,441)	219,441	-	-	-	-	-	-	-
As at 31 August 2021	(286,574)	-	(384,780)	(19,795)	(116,940)	(76,869)	-	(884,958)	(22,667)
Net book value									
31 August 2021	3,532,866	-	90,187	199,705	15,882	1,964	65,049	3,905,653	57,333
31 March 2020	-	466,461	74,024	-	17,567	3,469	-	561,521	80,000

The long leasehold property is secured by debenture in respect of the mortgage held by Philharmonia Trust Limited and held on a 999 year lease commencing 28 January 2005. Long leasehold property is made up of 1,450,000 land element, where no depreciation is charged.

Notes to the financial statements

For the 17 month period ended 31 August 2021

(Comparatives are stated for the year ended 31 March 2020)

12. Fixed asset investment

	31 August 2021	31 March 2020
	£	£
Rite Digital Limited	100	100
Philharmonia Trust Limited	-	-
	<u>100</u>	<u>100</u>

The charity wholly owns the entire share capital (100 shares of £1 each) of Rite Digital Limited which is incorporated in England and Wales Company number 07565292 and Philharmonia Trust Limited Company number 913665.

13. Investments

The movement in investments during the year was as follows:

	2021
At 1 April 2020	3,574,393
Addition of investment cash opening balance	188,614
Additions to investments at cost	239,995
Disposal of investments at valuation	(137,564)
Net gain on revaluation (based on open market valuation at year end)	1,122,137
Income from investment	125,429
Management fees	(42,104)
Exchange differences	(327)
At 31 August 2021	<u>5,070,573</u>

The net gain on revaluation is based on open market valuation at period end. The 2021 valuation is comprised of the following:

	2021
Cash	161,794
Corporate bonds	460,632
UK equity	1,310,776
Global equity	2,198,729
Emerging Markets	451,254
Property	487,388
	<u>5,070,573</u>

Notes to the financial statements

For the 17 month period ended 31 August 2021

(Comparatives are stated for the year ended 31 March 2020)

14. Debtors

	Group		Charity	
	31 August 2021	31 March 2020	31 August 2021	31 March 2020
Due within one year:	£	£	£	£
Trade debtors	513,554	389,778	475,607	265,840
Other debtors	136,056	142,281	136,056	142,281
Amounts owed by Philharmonia Foundation	78,617	59,806	78,617	59,806
Amounts owed by RDL	-	-	109,108	128,400
Amounts owed by MMSF	-	-	6,045	-
Tax recoverable	-	784,912	-	784,912
Prepayments and accrued income	192,493	128,724	192,495	128,724
	920,720	1,505,501	997,928	1,509,963

15. Creditors

	Group		Charity	
	31 August 2021	31 March 2020	31 August 2021	31 March 2020
Amounts falling due within one year	£	£	£	£
Trade creditors	341,712	669,249	338,712	650,063
Other creditors	35,279	67,862	26,086	50,059
Mortgage loan	70,955	-	70,955	-
Owed to MMSF	-	-	-	1,560
Other taxation and social security costs	39,662	71,989	39,662	71,989
Accruals	239,657	290,986	212,887	290,986
Deferred income	741,291	369,839	741,291	369,839
	1,468,556	1,469,925	1,429,593	1,434,496

	2021		2020	
	£	£	£	£
Amounts falling due after more than one year				
Creditors greater than 1 year				
Amounts repayable in 1 to 2 years	72,722	-	72,722	-
Amounts repayable in 2 to 5 years	229,212	-	229,212	-
Amounts repayable in < than 5 years	1,274,743	-	1,274,743	-
	1,576,677	-	1,576,677	-

The amounts repayable relate to a mortgage loan from Barclays Bank on the property at 6 Chancel Street. At the period-end the outstanding balance was 1,647,632. The loan rate is 2.49% per annum (fixed) repayable over the loan term of 23 years.

Notes to the financial statements

For the 17 month period ended 31 August 2021

(Comparatives are stated for the year ended 31 March 2020)

16. Deferred income

Deferred income relates to ticket sales in advance and various sponsorship agreements where the project or concert has not yet been delivered.

	Group		Charity	
	31 August 2021	31 March 2020	31 August 2021	31 March 2020
	£	£	£	£
Balance brought forward at 1 April 2020	369,839	359,348	369,839	359,348
Deferred income released in year	(378,442)	(962,592)	(378,442)	(962,592)
Income deferred in year	749,894	973,083	749,894	973,083
	<u>741,291</u>	<u>369,839</u>	<u>741,291</u>	<u>369,839</u>

17. Reconciliation of net cashflow to movement in net debt

	1 April 2020	Cash flows	Non-cash changes	31 August 2021
	£	£	£	£
Cash at bank and in hand	1,335,641	161,486	-	1,497,127
Cash equivalents	-	-	34,184	-
Cash and cash equivalents	<u>1,335,641</u>	<u>161,486</u>	<u>34,184</u>	<u>1,497,127</u>
Debt due within one year	-	(70,955)	(70,955)	(70,955)
Debt due after one year	-	(1,576,676)	(1,610,860)	(1,576,676)
Total Borrowings	<u>-</u>	<u>(1,647,631)</u>	<u>(1,681,815)</u>	<u>(1,647,631)</u>
Total movement in net debt	<u>1,335,641</u>	<u>(1,486,145)</u>	<u>(1,647,631)</u>	<u>(150,504)</u>

The non-cash changes arose from the transfer of assets from Philharmonia Trust Limited.

Notes to the financial statements

For the 17 month period ended 31 August 2021

(Comparatives are stated for the year ended 31 March 2020)

18. Liability of members

All members have a liability not exceeding 1 per member. There were 73 members at 31 August 2021 (2020 - 78).

19. Commitments

The minimum annual lease payments under non-cancellable operating leases were as follows:

	Office equipment	Building	31 August 2021 Total	31 March 2020 Total
	£	£	£	£
Less than one year	10,608	-	10,608	14,022
Between two and five years	28,053	-	28,053	42,081
later than five years	-	-	-	1,930
	<u>38,661</u>	<u>-</u>	<u>38,661</u>	<u>58,034</u>

The value of lease payments recognised as expense in the year were:

	Office equipment	Building	31 August 2021 Total	31 March 2020 Total
	£	£	£	£
Lease expense payments in the year	<u>17,107</u>	<u>5,023</u>	<u>22,130</u>	<u>64,537</u>

20. Contingent liability

During the year the company received notification of a claim from a third party. The value of the claim is uncertain at present, however the company will defend it rigorously and has taken initial legal advice on the matter. No provision has been made in respect of this claim.

Notes to the financial statements

For the 17 month period ended 31 August 2021

(Comparatives are stated for the year ended 31 March 2020)

21. Related party transactions

Payments were made to all playing members of the Board (formerly the Council of Management), including the Chair and Deputy Chair, in respect of the work they have carried out with the Orchestra. During the period, playing members of the Board were paid no additional income for duties, however payments were made under the SEISS and MSS initiatives resulting from being members of the Board.

Prior to the merger of the activities of Philharmonia Trust Ltd on 1 April 2020, the company had a related party relationship with Philharmonia Trust Ltd by virtue of its trustees. During the year ended 31 March 2020 grants of £300,000 were awarded by, and office rentals of £35,000 paid to, Philharmonia Trust Limited.

Rite Digital Limited gifts its profits to the charity making a nil gain nil loss each year. At the period end Rite Digital owed Philharmonia Limited £109,108 (2020 – £128,400).

The Company had a related party relationship with MMSF by virtue of its trustees. During the period MMSF owed Philharmonia Limited £6,045 (2020 – creditor of £3,150).

The Company has a related party relationship with the American Friends of the Philharmonia Orchestra, inc (AFPO), registered in the US by virtue of having a Trustee in common. AFPO was dissolved 30 March 2021.

The Company has a related party relationship with the Philharmonia Foundation, registered in the US by virtue of having a Trustee in common. During the period Philharmonia Foundation made payments totalling £nil (2020 – £63,544) in respect of expenses repaid to Philharmonia Limited. At the period end Philharmonia Foundation owed Philharmonia Limited £78,617 (2020 – £59,806)

The following trustees had related party transactions with the Charity during the period:

Trustee	Donations
	£
Lord King	3,431
Saul Nathan	30,000
Julia Zilberman	2,060
Michael Brindle	10,232
Daan Knottenbelt	27,500
Laurence Modiano	277,492
External member of the Finance Committee	
Nick Bishop	5,000

Notes to the financial statements

For the 17 month period ended 31 August 2021

(Comparatives are stated for the year ended 31 March 2020)

22. Movement in funds for the 17 month period ended 31 August 2021

	At 1 April 2020	Income	Expenditure	Philharmonia Trust Limited asset transfer	Transfers	At 31 August 2021
	£	£	£	£	£	
Restricted funds						
Philharmonia Projects Fund	107,327	516,416	(600,466)	-	(23,277)	-
Martin Musical Scholarship Grant Fund	48,108	15,000	(49,375)	-	320	14,053
MMSF General Fund	87,149	255	(102)	-	320	87,622
MMSF Donated Assets	11,680	-	(453)	-	(640)	10,587
Rite Digital	-	189,888	(189,888)	-	-	-
Instrument Loans Fund	-	-	-	117,338	-	117,338
Catalyst Investment Fund	-	714,315	(19,418)	2,220,701	-	2,915,598
Total restricted	254,264	1,435,874	(859,702)	2,338,039	(23,277)	3,145,198
Endowment Funds						
Martin Musical Scholarship Fund	184,484	-	-	-	-	184,484
Endowment 2005 Fund	-	635,682	(22,686)	2,185,759	-	2,798,755
Total endowment	184,484	635,682	(22,686)	2,185,759	-	2,983,239
Unrestricted funds						
Designated Fund – Fixed Assets	-	-	-	-	440,705	440,705
Designated Fund – Special Projects and Covid Risk	-	-	-	-	1,000,000	1,000,000
Designated Fund – Property	412,363	-	-	-	(412,363)	-
Revaluation reserve	75,046	-	-	-	(75,046)	-
Philharmonia General Fund	1,097,621	6,588,297	(6,881,424)	973,143	(930,019)	847,618
Total unrestricted	1,585,030	6,588,297	(6,881,424)	973,143	23,277	2,288,323
Total funds	2,023,778	8,659,853	(7,763,812)	5,496,941	-	8,416,760

Notes to the financial statements

For the 17 month period ended 31 August 2021

(Comparatives are stated for the year ended 31 March 2020)

23. Movement in funds for the year ended 31 March 2020

	At 1 April 2020	Income	Expenditure	Transfers	At 31 August 2021
	£	£	£	£	£
Restricted funds					
Philharmonia Projects Fund	183,232	669,715	(805,178)	59,558	107,327
Martin Musical Scholarship Grant Fund	119,593	69,395	(110,180)	(30,700)	48,108
MMSF General Fund	52,024	3,421	(8,996)	40,700	87,149
MMSF Donated Assets	11,680	-	-	-	11,680
Rite Digital	-	93,650	(93,650)	-	-
Total restricted	366,529	836,181	(1,018,004)	69,558	254,264
Endowment Funds					
Martin Musical Instrumental Fellowships Fund	194,484	-	-	(10,000)	184,484
Total endowment	194,484	-	-	(10,000)	184,484
Unrestricted funds					
Philharmonia General Fund	1,555,398	8,895,089	(9,378,188)	25,322	1,097,621
Designated Fund - Property	497,243	-	-	(84,880)	412,363
Revaluation reserve	75,046	-	-	-	75,046
Total unrestricted	2,127,687	8,895,089	(9,378,188)	(59,558)	1,585,030
Total funds	2,688,700	9,731,270	(10,396,192)	-	2,023,778

Notes to the financial statements

For the 17 month period ended 31 August 2021

(Comparatives are stated for the year ended 31 March 2020)

Restricted Funds:

Philharmonia Projects Fund:

Refers to sponsored activity in the following areas, Own Promotion, Engagements, Residencies Concerts, Education and Digital Projects and International Touring Concerts.

Martin Musical Scholarship Fund and MMSF General Fund

Martin Musical Scholarship Fund (MMSF) is a subsidiary charity of Philharmonia Ltd, which supports young musicians. Funds are split between restricted and endowment funds according to their nature.

MMSF Donated Assets

Relates to a piano.

Rite Digital

Innovate grant income and expenditure.

Instrument Loans Fund

Transferred from Philharmonia Trust, instrument loans

Catalyst Investment Fund

Transferred from Philharmonia Trust

Unrestricted Funds:

Designated Fund – Property

The property reserve related to funds for the fit out of 6 Chancel Street, which have now been written down as they are included within the fair value of the property transfer (see note 8).

Designated Fund – Fixed Assets

The fixed asset reserve comprises the net book value of all fixed assets excluding property

Designated Fund – Special Projects and Covid Risk

These funds have been set aside to support the Orchestra to maintain its activities in light of the particularly challenging environment caused by the pandemic and to further invest in dynamic artistic special projects and innovation to grow future revenue and activity.

Notes to the financial statements

For the 17 month period ended 31 August 2021

(Comparatives are stated for the year ended 31 March 2020)

24. Analysis of net assets between funds

	Unrestricted £	Restricted £	Endowment £	Total £
As at 31 August 2021				
Tangible fixed asset	9,033,561	10,587	-	9,044,148
Current assets	(3,732,819)	3,167,425	2,983,239	2,417,845
Current liabilities	(1,435,741)	(32,815)	-	(1,468,556)
Long term liabilities	(1,576,677)	-	-	(1,576,677)
	<u>2,288,324</u>	<u>3,145,197</u>	<u>2,983,239</u>	<u>8,416,760</u>

	Unrestricted £	Restricted £	Endowment £	Total £
At 31 March 2020				
Tangible fixed asset	641,521	11,040	-	652,561
Current assets	2,411,843	244,815	184,484	2,841,142
Current liabilities	(1,468,334)	(1,591)	-	(1,469,925)
	<u>1,585,030</u>	<u>254,264</u>	<u>184,484</u>	<u>2,023,778</u>