

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)

CONTENTS

	Page
Reference and Administrative Details of the Charity, its Trustees and Advisers	1 - 2
Letter from the Chair and President	3
Trustees' Report	4 - 16
Statement of Trustee's Responsibilities	17
Independent Auditors' Report on the Financial Statements	18 - 21
Consolidated Statement of Financial Activities	22
Consolidated Balance Sheet	23
Charity Balance Sheet	24 - 25
Consolidated Statement of Cash Flows	26
Notes to the Financial Statements	27 - 57

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

**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
FOR THE YEAR ENDED 31 AUGUST 2023

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 Víkingur Ólafsson 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
FOR THE YEAR ENDED 31 AUGUST 2023

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
FOR THE YEAR ENDED 31 AUGUST 2023

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.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

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
FOR THE YEAR ENDED 31 AUGUST 2023

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
FOR THE YEAR ENDED 31 AUGUST 2023

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.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

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.

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.

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
(A company limited by guarantee)

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

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

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.

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.

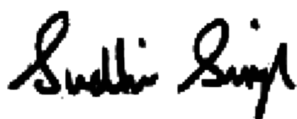
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed 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.

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)	(199,640)
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)	(13,325)
Proceeds from sale of investments	18	832,290	-
Purchase of investments		(375,000)	-
Mortgage interest		(41,595)	(49,626)
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	1,497,127
Cash and cash equivalents at the end of the year	25	1,119,264	1,234,607

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 preceeding 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
---------------------------	---	-----------

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.

**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
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
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
Total 2022	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
(A Company Limited by Guarantee)

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
(A Company Limited by Guarantee)

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
(A Company Limited by Guarantee)

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
	<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>	<u>853,616</u>	<u>853,616</u>

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

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

PHILHARMONIA LIMITED
(A Company Limited by Guarantee)

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

**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 £	<i>Total funds 2022 £</i>
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
(A Company Limited by Guarantee)

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
(A Company Limited by Guarantee)

**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).

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
(A Company Limited by Guarantee)

**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	3,819,440	131,516	220,648	69,680	-	108,732	4,350,016
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	366,358	60,578	47,822	22,049	-	-	496,807
Net book value							
At 31 August 2023	3,453,082	70,938	172,826	47,631	-	108,732	3,853,209
At 31 August 2022	3,496,082	87,312	186,850	17,516	-	59,149	3,846,909

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 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	3,819,440	115,516	220,648	63,244	-	108,732	4,327,580
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	366,358	54,525	47,822	15,613	-	-	484,318
Net book value							
At 31 August 2023	3,453,082	60,991	172,826	47,631	-	108,732	3,843,262
At 31 August 2022	3,496,082	77,044	186,850	17,519	-	59,149	3,836,644

**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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

20. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
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 £	Group 2022 £	Charity 2023 £	Charity 2022 £
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.

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	1,524,256	1,450,562	1,524,256

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	140,652	140,653	140,652
Between two and five years				
Other loans	351,631	351,632	351,631	351,632
Over five years				
Other loans	958,278	1,031,972	958,278	1,031,972

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
	208,934	406,710	(344,687)	27,206	-	298,163
Total of funds	8,468,528	8,804,771	(9,147,659)	-	(69,030)	8,056,610

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	<i>1,234,607</i>
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	<i>10,608</i>	10,608	<i>10,608</i>
Later than 1 year and not later than 5 years	6,836	<i>17,444</i>	6,836	<i>17,444</i>
	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	<i>19,117</i>	14,700	<i>19,117</i>

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 recieved donations in the year from 7 (2022 - 7) Trustees for the value of £86,900 (2022 - £179,354).