



**Royal Liverpool Philharmonic
Society**

**Annual Report and Financial Statements for the
year ended 31 March 2022**

Charity registration number 230538

Company registration number 88235

Royal Liverpool Philharmonic Society
Year ended 31 March 2022

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Royal Liverpool Philharmonic Society

Year ended 31 March 2022

Chairman's Statement

This Annual Report sets out the Trustees Report and Financial Statement for the year ended 31 March 2022.

5 September 2021 was a very significant date for us. On that day the Royal Liverpool Philharmonic Orchestra came together again as a full symphony orchestra for the first time in eighteen months after the profound disruption caused by Covid-19, and the associated lockdowns and restrictions.

Conducting the Orchestra was Domingo Hindoyan, giving his first performance with the Orchestra as our new Chief Conductor. The occasion was our BBC Proms concert at the Royal Albert Hall. The opening piece was 'The Imagined Forest', a world premiere of a work commissioned from composer Grace-Evangeline Mason, a former winner of our Christopher Brooks – now Rushworth - Composition Prize, created to support and develop early career composers. The concert included an eclectic programme of works from the 19th, 20th and 21st Century, including the Dvorak Cello Concerto, performed with our former Young Artist in Residence, Sheku Kanneh-Mason. In its range of great music, new and old; its featuring of brilliant young talent; and in its bringing together the full Royal Liverpool Philharmonic Orchestra with our exciting new Chief Conductor, it was a joyous occasion which looked forward to our working fully again to deliver our mission to enhance and transform lives through music.

Since then we have barely drawn breath. The Orchestra delivered some 60 concerts in Liverpool between September and March, plus several more performances by our musicians in smaller ensembles. Liverpool Philharmonic Hall and the Music Room have once again welcomed major artists and enjoyed sold out houses, many of them for shows which had been postponed up to four times through the pandemic. Our Ensembles in the Liverpool Philharmonic Youth Company and the Royal Liverpool Philharmonic Choir, and our Learning work, including In Harmony Liverpool and our Music and Health work, were able once again to expand their work beyond the limitations within which they had been working.

The period between April and September had seen continuing restrictions and limits on what we were able to do. Nonetheless we worked hard to deliver learning work online, and, when we were able, in person. The Orchestra performed a number of concerts within socially distanced restrictions, which meant smaller ensembles on stage than normal, and considerably reduced audiences. Most significantly, we performed three concerts in July conducted by Vasily Petrenko, in which we marked the end of his fifteen-year tenure as our Chief Conductor.

Vasily's period with us has been remarkable. Together, he and our musicians have built the reputation and profile of the Orchestra. Audiences have responded to their exciting music making. We have made award-winning, internationally recognised recordings. And we have travelled the world, touring across Europe, and, for the first times, to China and Japan. We are enormously grateful to Vasily for everything he has done during his period as Chief Conductor and are delighted that he will be continuing that work as our Conductor Laureate.

And we are equally appreciative of everything Domingo Hindoyan has done in his first year with us. Right from the start it has been clear to us, and to audiences, that his musical partnership with the Orchestra will be something very special. There have been so many memorable concerts, but perhaps none more so than his October concert conducting the Orchestra and the Choir in a triumphant performance of Beethoven's 9th Symphony. Like that September Prom, it promised very exciting times ahead.

Of course, the challenges created by the pandemic have not gone away. We have still needed to manage our business carefully to ensure safe conditions for everyone coming onto our sites, and to deal with the inevitable disruption of positive cases within visiting artists, and our musicians and staff.

Chairman's Statement (continued)

On a personal note, I step down as Chair this November after 7 years. It has been a great pleasure and privilege to have had this association with the Philharmonic. I have witnessed at first hand the commitment and hard work of all involved in helping to deliver the mission to enhance and transform lives through music. The spirit that makes the Royal Liverpool Philharmonic unique has been particularly in evidence during the challenging times of the pandemic.

I would like to thank all our sponsors and supporters for the contributions they have made during my tenure. It is always easy to say 'thank you', but you do indeed make such a difference and without you we would not be able to deliver on our mission.

I have been fortunate as Chair to have had excellent fellow Board Members who have been and remain totally committed. My thanks to each of you for the contributions you have made and for making my task all the easier.

Finally, I must thank all the staff of the Philharmonic; Michael is an inspirational leader who heads an exceptional group of talented people. Thank you all for your support to me and for all your hard work.

It has been a privilege.

I sign-off wishing everyone, and the Philharmonic, all the very best for the future.

N. P. Weatherill

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Professor Nigel Weatherill DL, DSc, FEng, FRSA

Chairman

Date: 29/09/2022

Royal Liverpool Philharmonic Society
Year ended 31 March 2022

Trustees' Report (including Directors' Report and Strategic Report)

The Board of Trustees (“the Board”) of the Royal Liverpool Philharmonic Society (“the Society”) present their Annual Report for the year ended 31 March 2022 under the Companies Act 2006 and the Charities Act 2011 together with the audited group financial statements for that year. The financial statements have been prepared in accordance with FRS102 and comply with the Companies Act 2006, the Society’s governing documents and the Statement of Recommended Practice FRS102 (the Charities SORP FRS102).

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity’s governing document, the Charities Act 2011 and 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 published in October 2019.

Structure, Governance and Management

The Society is governed by its Memorandum and Articles of Association adopted on 31 March 1906 and last amended on 3 November 2014. The Society is a company limited by guarantee, registered at Companies House (registration number 88235) and a charity registered with the Charity Commission (registration number 230538).

The Society has a wholly owned subsidiary, Liverpool Philharmonic Hall and Events Limited, a private company registered in England (registration number 3110903). The subsidiary gift aids all of its profits back to the Society annually.

The Society consolidates into its financial statements the results of Liverpool Philharmonic Hall and Events Limited.

Board of Trustees

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year were as noted on page 49.

The Board is responsible for the overall governance of the Society. The total number of Trustees may not exceed 11. Nine Trustees, including two members of the Orchestra, are co-opted on the recommendation of the Board, are appointed at the Annual General Meeting and may serve for a maximum of two consecutive three-year terms, if reappointed after the initial term; one is nominated by Liverpool City Council and the other is the Chief Executive of the Society.

The Board meets bi-monthly to review strategy and operational performance and set operating plans and budgets. It delegates certain powers in connection with the management of the Society to the Chief Executive. Delegated powers are covered in the Standing Orders and the Financial Regulations and are reviewed periodically.

The Board has an Audit and Performance Committee comprising of up to three Trustees and the Company Secretary which is responsible for risk assessment, risk management, internal control and the review of the Society’s performance in the achievement of the objectives outlined in its business and operational plans. It is also responsible for overseeing the external audit.

Trustee induction and training

An induction programme is designed for each new Trustee to enable them to understand the Society’s operational ways of working, how its strategic objectives are delivered and the challenges it faces. Trustees are trained in accordance with their needs as assessed via a skills audit.

Trustees' Report (continued)

Executive

The Chief Executive is responsible for the day to day management of the Society's affairs and for implementing policies agreed by the Board of Trustees. The Chief Executive is assisted by an Executive Team. The members of the Executive team are set out on page 49.

Key management personnel

Remuneration of Key Management Personnel is negotiated on a case-by-case basis in line with the standard pay structures of the Society.

Strategic Report

Risk management

The Audit and Performance Committee meets throughout the year. The Risk Management System, which includes a risk register, risk map and process, policies and procedures relating to the specific risks facing Liverpool Philharmonic, is reviewed at least annually and recommendations for change and improvement to the Board is reviewed at least annually. The Board reviews the risk map, which gives a graphical analysis of the key risks facing the business, at each meeting. The Risk Management System is reviewed in context with the policies on Reserves and Insurance and is updated throughout the year by the Society's Executive team and reviewed by the Audit and Performance Committee. The key risks to the organisation include impact of economic climate. This is managed through regular review of the organisation's income streams, assessments of the economic climate, discussions with funders and programming accordingly.

Financial performance

The year ended 31 March 2022 has been a challenging year for the Royal Liverpool Philharmonic Society (Liverpool Philharmonic) with the ongoing impact of COVID-19 seeing restrictions being lifted in September 2021 but audience confidence and hence recovery continuing to suffer. We continued to deliver our Learning Programme through the newly diversified delivery methods.

For the second year, Liverpool Philharmonic received tremendous support from Arts Council England through the Cultural Recovery Fund (CRF), with £756,000 being awarded in the second application to cover losses from 1 April 2021 to 30 September 2021. In addition to this, Liverpool Philharmonic was eligible to claim Coronavirus Job Retention Scheme Grants (CJRS) from HMRC throughout the year to support the ongoing cost of workers for which there was no work and hence furloughed. The income received during the year in relation to CJRS was £681,000 (2021: £2,612,000). Both channels of support have been a great anchor to support Liverpool Philharmonic through the pandemic and to secure its future.

Through careful cost control and the generosity of our donors, supporters and funders, along with the tremendous support of Arts Council England CRF and HMRC CJRS, an unrestricted surplus of £1,111,000 (2021: £631,000) was reported before actuarial gains on the defined benefit pension scheme in the year of £942,000 (2021: £1,249,000 loss). This includes £1,100,000 Orchestra Tax Relief credits (2021: £37,000). The actuarial gain on the Defined Benefit Pension Scheme is primarily due to the bond yields (note 23).

Royal Liverpool Philharmonic Society
Year ended 31 March 2022

Trustees' Report (continued)

The Defined Benefit Pension Scheme was closed to future accrual of benefit on 31 March 2013 which will cap the growth of the scheme liabilities in future. Also, the Defined Benefit Pension Scheme has the ability to utilise Guaranteed Annuity Rates (GARs) when members retire. There has been no account of GARs in the calculation of the defined benefit pension and given the current economic climate with low interest rates, the ability to purchase GARs means that the future liabilities of the scheme may be less onerous than it actually appears.

Voluntary income

Liverpool Philharmonic would like to thank all individual and organisational donors. Liverpool City Council (LCC) and Arts Council England (ACE) continue to play a fundamental role in supporting the Society with their core financial support with £1,108,000 (2021: £668,000) plus £440,000 received in relation to the previous year and £2,273,000 (2021: £2,273,000) respectively during the year. Both LCC and ACE have confirmed their continued support for the year ending 31 March 2023 at the same level.

Fundraising income from individual donors and corporate sponsorship was £713,000 (2021: £1,007,000). Liverpool Philharmonic has received extremely generous donations from many individual donors; corporate donors include Investec, Hill Dickinson LLP and Weightmans LLP. In addition to these generous donations, a significant number of audience members who, when concerts were cancelled, donated the cost of the ticket to our "Keep the music alive" campaign.

Orchestra activities

Income from Orchestra performances and engagements was suppressed throughout the year due to the enforced closure and cessation of concerts. Some smaller scale concerts were staged when COVID-19 restrictions allowed with the return to full works in September 2021. Audience numbers did not return to the levels pre COVID-19 in this period resulting in lower ticket income being earned.

	2022	<i>2021</i>
	£'000	<i>£'000</i>
Liverpool orchestral performances admissions	1,175	<i>420</i>
Engagement fees	163	<i>2</i>
	1,338	<i>422</i>

Subsidiary undertakings

Liverpool Philharmonic Hall and Events Limited (LPHE) commenced its non-orchestral programme in September following the lifting of COVID-19 restrictions. Unfortunately due to ongoing COVID-19 cases, numerous events were postponed placing extreme pressure on the venue diary. The consequence of this is that the earned income from these events will be recognised in future periods when the event has occurred.

Liverpool Philharmonic Hall & Events Limited continued to be eligible to furlough its workforce and claim from HMRC, Job Retention Scheme Grants, of £141,000 (2021: £977,000).

Additionally, Liverpool Philharmonic is carrying forward a profit and loss reserves surplus of £134,000 (2021: £15,000 deficit). The current year reserves balance will be gift aided to its ultimate parent company, Royal Liverpool Philharmonic Society.

Royal Liverpool Philharmonic Society
Year ended 31 March 2022

Trustees' Report (continued)

Reserves

A target for unrestricted reserves has been set at £2,500,000 before pension reserves. The unrestricted reserve balance at 31 March 2022 was £4,565,000 before the Defined Benefit Pension Scheme liability of £3,993,000 (2021: £3,454,000 and £4,935,000 deficit respectively). With careful financial management and, the generous support from our funders, sponsors and donors, coupled with the additional COVID-19 support received from Department of Culture, Media and Sport through Arts Council England and Job Retention Scheme Grant through HMRC, Liverpool Philharmonic has managed to transfer a surplus to reserves.

The surplus generated in this year will be transferred to reserves to help fund Liverpool Philharmonic's recovery from COVID-19 with respect to audience levels. As part of Arts Council England's NPO application for the period from 1 April 2023 to 31 March 2026, a business plan was prepared showing Liverpool Philharmonic transitioning to a balanced budget in that period with audience levels recovery to almost pre COVID levels.

The Board performs a review of the reserves policy each year so that sufficient reserves can be established in line with the future needs of the business over the forthcoming years. The target of £2,500,000 has been set so that Liverpool Philharmonic can continue to meet its charitable objects and is not overly susceptible to changing economic conditions. £2,500,000 represents approximately four months core underlying operating costs which will protect Liverpool Philharmonic from fluctuations and reductions in earned income.

Unrestricted reserves are reported at 31 March 2022 as surplus £572,000 (2021: £1,481,000 deficit) of which £3,993,000 relates to the defined benefit pension deficit (2021: £4,935,000 deficit) reserves. The valuation of the defined benefit pension scheme has generated an actuarial gain of £942,000 (2021: £1,249,000 loss).

Free reserves, being total reserves before the Defined Benefit Pension Scheme liability less restricted reserves and unrestricted fixed assets at 31 March 2022 were:

	2022	<i>2021</i>
	£'000	<i>£'000</i>
Total reserves	11,796	<i>10,112</i>
Add: defined benefit pension deficit	3,993	<i>4,935</i>
Less: restricted reserves	(11,224)	<i>(11,593)</i>
Less: unrestricted fixed assets	(2,762)	<i>(2,524)</i>
	1,803	<i>930</i>

Trustees' Report (continued)

Pension provisions

Liverpool Philharmonic operates a defined benefit pension scheme. The scheme is valued in accordance with Financial Reporting Standard 102. This resulted in an actuarial gain of £942,000 during the year which has decreased the scheme deficit from £4,935,000 to £3,993,000. The Defined Benefit Pension Scheme has an ability to use guaranteed annuity rates (GARs) on retirement. However, the impact of GARs has not been calculated. Therefore with the current actuarial rates, the liability may be less onerous than it appears in the financial statements.

The last technical triennial valuation has been completed during the previous year with an effective date of 31 March 2019 and a revised schedule of contributions was agreed shortly after. The agreed contribution level effective from 1 April 2022, has increased from £100,000 to £150,000 for one year and then £200,000 thereafter for the remaining 10 years of the recovery. This will be reviewed when the next full actuarial valuation is undertaken in 2022.

A group personal pension plan was launched on 1 April 2013 which is a contributory scheme, available to all employees. This scheme is compliant with the recent pension legislation and has auto enrolled all Liverpool Philharmonic qualifying employees on 1 July 2014. In July 2017, and July 2020 we auto-re-enrolled the few staff who opted out of the scheme when it was first launched.

Investment policy and performance

The Trustees seek to ensure that emerging cash and other liquid resources are held and are able to be utilised for the purposes set out in the Reserves Policy. It is the policy of the Trustees that, until reserves satisfy the levels set out in the Reserves Policy, the reserves are held in a number of low risk vehicles with the performance of Liverpool Philharmonic's Investment Managers being monitored by the Audit and Performance Committee. All financial providers are reviewed periodically.

Plans for future periods

The main focus for Liverpool Philharmonic is to recover from the impact of COVID-19 and recommence the presentation of an outstanding concert programme, bringing a diverse portfolio of world class artists to the Philharmonic Hall whilst touring the Orchestra across the United Kingdom, and overseas. We will continue to have a significant impact both locally and nationally with our Learning programme, in particular through the expansion and development of In Harmony Liverpool which currently reaches 1,500 children in Everton and Anfield.

The objectives and activities of the charity are discussed further below.

Financial risk management

Prices of goods and services purchased are subject to contracts with suppliers based on market prices, and salary costs are subject to a formal annual review. Our standard payment terms are 30 days. Credit risk on amounts owed by donors is low. In terms of liquidity risk, Liverpool Philharmonic has no short term borrowings and our policies on the management of investments and reserves are set out above.

Trustees' Report (continued)

Inclusivity & Relevance

Liverpool Philharmonic recognises that Inclusivity & Relevance is fundamental for the delivery of our strategic objectives and the development of our business. A ten year Inclusivity & Relevance plan has been agreed which sets out aims and actions in relation to gender, ethnicity and disability, making our activities available and accessible to all. Through this Plan, we are working to embrace and champion the opportunities that inclusion & relevance offers in our leadership, company members and in the artistic and music genres we present.

Liverpool Philharmonic has many strengths, for example in the range of our artistic programme, and the reach of our learning programme. We are building upon these in our aim to be an organisation which is truly representative and engages its community; which presents a programme that celebrates and reflects the diversity of contemporary music and musicians; and which a leader is nationally and internationally in developing the diversity of our sector.

Equal opportunities

Liverpool Philharmonic operates an Equal Opportunities Policy on the recruitment of all employees, and in the promotion of its activities which encourages us to give

- full and fair consideration of applicants for employment of people with any protected characteristic, having regard to their aptitudes and abilities;
- continuing employment and training of employees who become people with any protected characteristic; and
- training, career development and promotion of people with any protected characteristic employed by the company.

Liverpool Philharmonic has an Inclusivity & Relevance plan, which is updated year on year.

Communications with staff

Staff are kept up to date with Liverpool Philharmonic developments and general matters of concern through a number of methods which include regular e-mail updates and quarterly staff meetings where staff are actively encouraged to question management and offer ideas.

Post balance sheet events

There are no post balance sheet events to report.

Related parties

Details of related parties with which the society cooperates in the pursuit of its charitable objectives can be found in note 24 to these accounts.

Trustees' Report (continued)

Objectives and activities

As set out in the Trust Deed, Liverpool Philharmonic is established to promote, maintain, improve and advance education, particularly musical education, and for this purpose to encourage the arts of music, drama, mime, dance and singing, and to formulate, prepare and establish schemes thereof.

Liverpool Philharmonic enhances and transforms lives through music. Our vision is that we will be rooted in our community and a national and international ambassador for the City of Liverpool. We will be a thriving, forward looking diverse music organisation, with musicians and the Royal Liverpool Philharmonic Orchestra at its heart, enhancing and transforming lives through a distinctive programme of excellence in performance and learning.

Liverpool Philharmonic is:

- a world class symphony orchestra, and associated choral and music ensembles; with
- an international concert hall presenting performances across a wide variety of music genres; and
- an extensive learning and engagement programme reaching across Liverpool and beyond.

Through this unique combination of assets, we bring the highest quality of musical experiences to our audiences. We aim to benefit Liverpool and its people through our work locally, nationally and internationally as described below.

Public benefit

In shaping the objectives for the year and planning the Society's activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The Society relies on grants, donations, sponsorship, engagement fees and income from sale of tickets to cover its operating costs. In setting the level of ticket prices and concessions, the Trustees give careful consideration to the accessibility of Liverpool Philharmonic to those on low incomes and with special needs.

Liverpool Philharmonic operates special schemes for various groups of the community which includes children and young people, school groups, students, young musicians and income support claimants providing them with access to heavily subsidised and discounted tickets.

Charges for Learning activities also have regard to ensuring those activities are accessible to the widest possible community, whatever their means and socio-economic background. In specific cases, membership of the youth and children's ensembles is means tested and supported by bursaries through the generous aid of our supporters. The extent of our Learning programme is described in more detail in the Chairman's review of the year and on Liverpool Philharmonic's website. The website also makes video and audio content available free of charge to users across the world.

Learning

The Society supports an extensive and dedicated learning programme. The principal charitable activities are:

- staging of orchestral concerts for schools and families;
- supporting and developing a diverse range of ensembles and choirs involving professional, amateur and youth participants; and
- developing bespoke music education projects in a variety of local communities of all ages and environments with established education partners.

Royal Liverpool Philharmonic Society
Year ended 31 March 2022

Trustees' Report (continued)

Orchestra and Choir

The cornerstone of the Society's charitable activities is the Royal Liverpool Philharmonic Orchestra ("the Orchestra"), a contract symphony orchestra of musicians dedicated to the production and performance of music of the highest quality. The orchestra undertakes a range of activities including:

- performing, recording and promoting a diverse repertoire of live classical music locally, regionally, nationally and internationally;
- creating and maintaining audiences for classical music;
- supporting excellence in choral music through the Royal Liverpool Philharmonic Choir;
- recording a wider range of music for distribution through CD and digital means; and
- commissioning and premiering new works.

Liverpool Philharmonic Hall

The Society is resident at Liverpool Philharmonic Hall and as such extends its activities through Liverpool Philharmonic Hall and Events Limited to encompass:

- supporting roots, contemporary and jazz music through a diverse and high quality music programme; and
- maintaining and making accessible Liverpool Philharmonic Hall for current and future generations of music lovers.

Trustee's third party indemnity

Liverpool Philharmonic purchases liability insurance cover for its Trustees and other Officers which gives them appropriate cover against the consequence of any neglect or default on their part.

Fundraising standards information

The fundraising approach taken during the year has been to solicit funds from individuals, companies and charitable organisations. The society is grateful to all those who contributed.

Fundraising has been carried out by the internal development team.

The society is registered with the Fundraising Regulator and during the year various steps were taken to ensure adherence to the Regulator's Code of Fundraising Practice.

During the year, the society received no (2021: none) complaints about its fundraising work.

Going concern

The financial statements have been prepared on a going concern basis. The Trustees acknowledge that the unprecedented level of uncertainty caused by Covid-19 and rapidly changing circumstances mean that the judgements and estimates required by management are more challenging than under normal circumstances. The Trustees have given due regard to the increased pressure on income streams brought about by the recovery from the pandemic and have concluded that the positive level of general reserves, a healthy cash balance, the benefit of Orchestra Tax Relief and other sources of funding along with the continued support of its major funders, mean that the going concern basis remains appropriate for the preparation of these financial statements.

Trustees' Report (continued)

Statement of trustees' responsibilities

The trustees (who are also directors of The Royal Liverpool Philharmonic Society for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the group and charitable company 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, which give a true and fair view of the state of affairs of the group and the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the group for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company'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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' report, including the Strategic Report (pages 5 - 13) was approved by the Board of Trustees on29/09/2022.....

N. P. Weatherill

Prof N Weatherill DL, DSc, FEng, FRSA
Chairman

Estelle Morris

Baroness E Morris of Yardley
Deputy Chairman

Independent auditors' report to the members and trustees

Opinion

We have audited the financial statements of Royal Liverpool Philharmonic Society (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities (including Income and Expenditure Account), the Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. 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 parent charitable company's affairs as at 31 March 2022, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and 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 auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 and 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 auditor's report to the members and trustees (continued)

Other information

The other information comprises the information included in the trustee's annual report, other than the financial statements and our auditor's 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent auditors' report to the members and trustees (continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, 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 parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations;
- Enquires with management about any known or suspected instances of fraud;
- Review of minutes of board meetings;
- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular the valuation of the FRS 102 defined benefit pension liability and the estimated Orchestra Tax Relief credits for the year; and
- Review of legal and professional expenditure to identify any evidence of ongoing litigation or enquiries.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; compliance with copyright and other intellectual property law; employment law and compliance with the UK Companies Act.

Independent auditors' report to the members and trustees (continued)

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 is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>

This description forms part of our auditor's report.

Use of our report

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



.....

Paul Spencer (Senior Statutory Auditor)

For and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor
Richard House
9 Winckley Square
Preston
PR1 3HP

Date: 04/10/2022
.....

Royal Liverpool Philharmonic Society
Year ended 31 March 2022

Consolidated Statement of Financial Activities
(including Income and Expenditure Account)
for the year ended 31 March 2022

		2022			2021
	Note	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Total funds £'000
Income and endowments from:					
Donations and legacies	3	5,391	-	5,391	4,757
Charitable activities	4	2,220	492	2,712	900
Other trading activities	5	1,440	-	1,440	205
Investments		31	-	31	12
Other income	6	681	-	681	2,612
Total income and endowments		9,763	492	10,255	8,486
Expenditure on:					
Raising funds	7	1,976	-	1,976	1,640
Charitable activities	8	7,890	742	8,632	6,325
Total expenditure		9,866	742	10,608	7,965
Net (outgoing)/ incoming resources before (losses)/ gains and transfers		(103)	(250)	(353)	521
Net (losses)/ gains on investments	14	(5)	-	(5)	73
Net (expenditure)/ income		(108)	(250)	(358)	594
Transfers between funds		119	(119)	-	-
Tax receivable	10	1,100	-	1,100	37
Other recognised gains/ (losses):					
Actuarial gains/ (losses) on defined benefit pension schemes		942	-	942	(1,249)
Net movement in funds		2,053	(369)	1,684	(618)
Reconciliation of funds					
<i>Fund balance at 1 April 2021</i>		<i>(1,481)</i>	<i>11,593</i>	<i>10,112</i>	<i>10,730</i>
Fund balance at 31 March 2022	19	572	11,224	11,796	<i>10,112</i>

The statement of financial activities includes all gains and losses recognised in the years.
All incoming resources and resources expended relate to continuing operations.

Royal Liverpool Philharmonic Society
Year ended 31 March 2022

Balance Sheets as at 31 March 2022

	Note	Group		Company	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fixed assets					
Tangible assets	13	13,867	13,998	13,867	13,998
Investments	14	575	551	575	551
		14,442	14,549	14,442	14,549
Current assets					
Stocks		24	6	-	-
Debtors: amounts falling due within one year	15	1,616	1,677	1,574	1,616
Cash at bank and in hand		5,074	3,149	4,964	3,105
		6,714	4,832	6,538	4,721
Creditors: amounts falling due within one year	16	(5,367)	(4,334)	(5,325)	(4,208)
Net current assets/(liabilities)		1,347	498	1,213	513
Net assets excluding pension liability		15,789	15,047	15,655	15,062
Defined benefit pension scheme liability	23	(3,993)	(4,935)	(3,993)	(4,935)
Total net assets		11,796	10,112	11,662	10,127
The funds of the charity					
Restricted income funds	19	11,224	11,593	11,224	11,593
Unrestricted income funds					
General		4,565	3,454	4,431	3,469
Pension reserve		(3,993)	(4,935)	(3,993)	(4,935)
Total unrestricted funds		572	(1,481)	438	(1,466)
Total funds		11,796	10,112	11,662	10,127

The financial statements were approved and authorised for issue by the Board of Trustees on29/09/2022.....and signed on their behalf by:

N. P. Weatherill

Prof N Weatherill DL, DSc, FEng, FRSA
 Chairman

Estelle Morris

Baroness E Morris of Yardley
 Deputy Chairman

Company registration number: 88235

Royal Liverpool Philharmonic Society
Year ended 31 March 2022

Consolidated Cash Flow Statement
for the year ended 31 March 2022

	2022 £'000	<i>2021</i> <i>£'000</i>
Cash flow from operating activities	1,235	<i>1,848</i>
Orchestra tax relief received	986	<i>1,182</i>
Net cash flow from operating activities	2,221	<i>3,030</i>
Cash flow from investing activities		
Payments to acquire tangible fixed assets	(328)	<i>(335)</i>
Receipts from disposal of tangible fixed assets	30	<i>-</i>
Payments to acquire investments	(367)	<i>-</i>
Receipts from sales of investments	241	<i>-</i>
Movement in cash held as investments	97	<i>(7)</i>
Interest and dividends received	31	<i>12</i>
Net cash flow from investing activities	(296)	<i>(330)</i>
Net increase in cash and cash equivalents	1,925	<i>2,700</i>
Cash and cash equivalents at 1 April 2021	3,149	<i>449</i>
Cash and cash equivalents at 31 March 2022	5,074	<i>3,149</i>
Reconciliation of net outgoing resources to net cash flow from operating activities	2022 £'000	<i>2021</i> <i>£'000</i>
Net income/(expenditure) for the year	1,684	<i>(618)</i>
Orchestra tax relief claimed	(1,100)	<i>(37)</i>
Dividends and interest received	(31)	<i>(12)</i>
Depreciation and impairment of tangible fixed assets	459	<i>444</i>
Losses/(Gains) on investments	5	<i>(73)</i>
Loss on disposal of tangible fixed assets	(30)	<i>-</i>
Actuarial (gains)/losses on defined benefit pension scheme	(942)	<i>1,249</i>
(Increase)/decrease in stock	(18)	<i>11</i>
Decrease in debtors	175	<i>275</i>
Increase in creditors	1,033	<i>609</i>
Net cash inflow from operating activities	1,235	<i>1,848</i>

Royal Liverpool Philharmonic Society
Year ended 31 March 2022

Accounting Policies

a) Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £000.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) Taxation

The Society is a registered charity and no provisions are considered necessary for taxation other than VAT. The trading subsidiary gift aids all of its profits to the charity annually and, as such, does not incur a Corporation Tax charge.

Orchestra tax relief is accrued based on reasonable estimates of recoverability.

c) Group financial statements

These financial statements consolidate the results of the Society and its wholly owned subsidiary, Liverpool Philharmonic Hall and Events Limited on a line by line basis.

The accounting period for Liverpool Philharmonic Hall and Events Limited is co-terminus with that of the Society. As permitted by Section 408 Companies Act 2006 and paragraph 397 of the SORP, no separate Statement of Financial Activities (SOFA) has been presented for the Society. The net society expenditure for the year was £507,000 (2021: net income of £609,000) and net movement in funds was £1,535,000 (2021: (£603,000)).

d) Going concern

As noted on page 12 of the Trustees' Report, the Trustees acknowledge that the unprecedented level of uncertainty caused by Covid-19 and rapidly changing circumstances mean that the judgements and estimates required by management are more challenging than under normal circumstances. The Trustees have given due regard to the increased pressure on income streams brought about by the recovery from the pandemic and have concluded that the positive level of general reserves, a healthy cash balance, the benefit of Orchestra Tax Relief and other sources of funding along with the continued support of its major funders, mean that the going concern basis remains appropriate for the preparation of these financial statements.

Accounting Policies (continued)

e) Incoming resources

Voluntary income including grants, donations, gifts, legacies and memberships including related gift aid, that provides core funding or is of a general nature is recognised where there is certainty of receipt and where the amount can be measured with sufficient reliability. Voluntary income is only deferred where:

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

Income from trading activities, e.g. ticket sales, is recognised in the accounting period in which the event takes place.

Investment income is recognised on a receivable basis.

Grants that carry specific conditions of performance, received specifically for charitable activities, are recognised as earned and restricted.

Deferred income is released in line with the expenditure incurred on the projects funded by the income.

f) Volunteers and donated services and facilities

The value of services rendered by volunteers is not incorporated in these accounts. Where donated services and facilities are regarded as material they will be recognised in the SOFA providing that the benefit to the charity is reasonably quantifiable. Should the donation of a gift of goods permit resale, the income from that sale will be recognised at the point of realisation.

g) Resources expended

Expenditure is recognised on an accruals basis and is reported gross of related income. Expenditure on direct costs relating to events is matched to the period in which the event occurs. Expenditure on staff salaries is charged to the financial statements as incurred and is not deferred to future periods.

Treatment of support costs

Support services are absorbed into the relevant activities undertaken by the Society. This is done on a basis consistent with the average consumption of resources.

Categorisation

Expenditure is recognised in the following categories:

- **Expenditure on raising funds** includes the costs incurred whilst carrying out commercial trading operations, investment management costs and other fundraising costs; and
- **Expenditure on charitable activities** includes all direct and indirect cost associated with undertaking charitable primary purpose activities.

h) Irrecoverable VAT

Where irrecoverable VAT has been incurred on an exempt charitable activity it is reflected as a cost to that charitable activity. Where irrecoverable VAT has been incurred by a support or service function it is allocated to activities on the same basis as the support or service function.

i) Leases

The Society incurs operating lease charges on office and specialist equipment. The title to the equipment remains with the lessor. Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Accounting Policies (continued)

j) Tangible fixed assets

Leasehold property is stated at depreciated historical cost. Other fixed assets are stated at their purchase cost, together with any incidental cost of acquisition. Assets are depreciated on a straight line basis over their useful economic lives as follows:

	Years
Leasehold property	Over useful economic life
Musical instruments	10 - 20
Furniture and fittings	10
Computers and IT	3

Assets costing £100 or more are capitalised at cost. The purchase of music or minor items of IT, furniture and equipment is written off in the year in which the expense is incurred.

k) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/ (losses) on investments' in the SOFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

The investment in the subsidiary is measured at cost less impairment.

l) Stock

Finished goods stocks relating to bars, catering and other trading stocks are valued at cost.

m) Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

n) Funds

Restricted income funds account for income which has been raised for or spent on a specific purpose. Grants and income that relate to specific capital expenditure are treated as restricted funds.

o) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Accounting Policies (continued)

p) Pensions

Liverpool Philharmonic operated a defined benefit pension scheme for the benefit of a number of its employees, the assets of which are held separately from those of the Society in independently administered funds. The scheme was closed to new members in 2001 and was closed to future accrual of benefits in 2013.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability. The expected return on the schemes' assets and the increase during the year in the present value of the schemes' liabilities arising from the passage of time are included within the statement of financial activities below net movements in funds in the SOFA. This represents a departure from the SORP FRS102. However, the Trustees consider that given the non-cash nature of the charge and its volatility, in order to present a fair and balanced view of the financial performance of Liverpool Philharmonic it is more appropriate to disclose this item separately.

Pension schemes surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet.

Liverpool Philharmonic also operates a contributory defined contribution pension scheme. The assets of the scheme are held separately from those of Liverpool Philharmonic in an independently administered fund. The contributions paid by Liverpool Philharmonic are recognised as an expense in the SOFA when they are due.

q) Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

r) Judgements and key sources of estimation uncertainty

Critical areas of judgement

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Classification of finance and operating leases

At the inception of each lease, management undertake an assessment of the terms of the lease including the payments to be made over the life of the lease, the fair value of the asset subject to the lease, the length of the lease and whether the terms of the lease transfer substantially all of the risks and rewards of ownership.

Based on this assessment, management will determine whether the lease should be classified as a finance or operating lease.

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Accounting Policies (continued)

Useful economic life of tangible fixed assets

The useful economic life of tangible fixed assets is judged at the point of purchase. As standard, the assets are depreciated over their useful economic life based on the depreciation policy stated above.

Impairment of trade debtors

At each balance sheet date, management undertake a review of outstanding debtor balances and consider whether there is any indication of impairment or any balances requiring provision.

This calculation is based on the financial position of the customers, the payment history and any ongoing discussions.

Valuation of the Pension Scheme defined benefit liability

The present value of the Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 19 has been used by the actuary in valuing the pensions liability at 31 March 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Orchestra tax relief accrued income

Due to the delay between signing the accounts and submission of the orchestra tax relief claim, management estimate the value of the reclaim and include a debtor balance in the accounts for this estimated figure. The estimate is based upon previous claims and consideration of the programme of events during the year.

Notes forming part of the Financial Statements

1 Statutory information and Legal status of the Society

Royal Liverpool Philharmonic Society is charity, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on page 49.

The liability of all members in the event of winding up is limited to £1 and as a registered charity, the Society is entitled to claim exemption from the charge to tax on income and charitable gains under current tax legislation. Any commercial activities which fall outside the statutory exemption for the purposes of Corporation Tax are conducted through Liverpool Philharmonic Hall and Events Limited, which transfers all its taxable profits annually to the Society via Gift Aid. In the opinion of the Trustees, no liability to corporation tax arose in respect of the Society's activities in the year.

2 Related party disclosure

The Society has taken advantage of the exemption available under section 33 Financial Reporting Standard 102 Related Party Disclosures, not to disclose transactions or balances with group entities that have been eliminated on consolidation. See note 24 for details of other related party transactions.

3 Income from donations and legacies

	2022 £'000 Unrestricted	2022 £'000 Restricted	2022 £'000 Total income
Grants			
Arts Council of England Core Grant	2,273	-	2,273
Arts & Culture Recovery grant	756	-	756
Liverpool City Council	1,548	-	1,548
	4,577	-	4,577
Other voluntary income			
Donations, gifts and Gift Aid	713	-	713
Legacies and Bequests	101	-	101
	814	-	814
Total for the year ended 31 March 2022	5,391	-	5,391

Royal Liverpool Philharmonic Society
Year ended 31 March 2022

Notes forming part of the Financial Statements
(continued)

3 Income from donations and legacies (continued)

	<i>2021</i> <i>£'000</i>	<i>2021</i> <i>£'000</i>	<i>2021</i> <i>£'000</i>
	<i>Unrestricted</i>	<i>Restricted</i>	<i>Total income</i>
Grants			
<i>Arts Council of England Core Grant</i>	<i>2,273</i>	<i>-</i>	<i>2,273</i>
<i>Arts & Culture Recovery grant</i>	<i>748</i>	<i>-</i>	<i>748</i>
<i>Liverpool City Council</i>	<i>668</i>	<i>-</i>	<i>668</i>
	<i>3,689</i>	<i>-</i>	<i>3,689</i>
Other voluntary income			
<i>Donations, gifts and Gift Aid</i>	<i>1,007</i>	<i>-</i>	<i>1,007</i>
<i>Legacies and Bequests</i>	<i>61</i>	<i>-</i>	<i>61</i>
	<i>1,068</i>	<i>-</i>	<i>1,068</i>
<i>Total for the year ended 31 March 2021</i>	<i>4,757</i>	<i>-</i>	<i>4,757</i>

Royal Liverpool Philharmonic Society
Year ended 31 March 2022

Notes forming part of the Financial Statements
(continued)

4 Income from charitable activities

	2022 £'000 Unrestricted	2022 £'000 Restricted	2022 £'000 Total income
<i>Orchestral activities</i>			
Liverpool orchestral performances admissions	1,175	-	1,175
Engagement fees	163	-	163
Programme sales	5	-	5
Touring income	-	-	-
Ensembles income	32	-	32
Broadcasting	25	-	25
Royalties and other income	63	-	63
	1,463	-	1,463
<i>Learning activities</i>			
Ticket sales for schools and ensemble concerts	53	-	53
Ensemble subscriptions	21	-	21
Workshop fees	1	-	1
Sponsorship	1	-	1
Other	35	77	112
Project grants and trusts	8	399	407
	119	476	595
<i>Other activities</i>			
Other project grants	638	16	654
	638	16	654
Total for the year ended 31 March 2022	2,220	492	2,712

Royal Liverpool Philharmonic Society
Year ended 31 March 2022

Notes forming part of the Financial Statements
(continued)

4 Income from charitable activities (continued)

	2021 £'000 Unrestricted	2021 £'000 Restricted	2021 £'000 Total income
Orchestral activities			
<i>Liverpool orchestral performances admissions</i>	420	-	420
<i>Engagement fees</i>	2	-	2
<i>Programme sales</i>	-	-	-
<i>Touring income</i>	-	-	-
<i>Ensembles income</i>	8	-	8
<i>Broadcasting</i>	11	-	11
<i>Royalties and other income</i>	(6)	-	(6)
	435	-	435
Learning activities			
<i>Ticket sales for schools and ensemble concerts</i>	27	-	27
<i>Ensemble subscriptions</i>	19	-	19
<i>Workshop fees</i>	-	-	-
<i>Sponsorship</i>	-	-	-
<i>Other</i>	30	48	78
<i>Project grants and trusts</i>	1	340	341
	77	388	465
Other activities			
<i>Other project grants</i>	-	-	-
	-	-	-
Total for the year ended 31 March 2021	512	388	900

Notes forming part of the Financial Statements
(continued)

5 *Income from other trading activities*

	2022 £'000	2022 £'000	2022 £'000
	Unrestricted	Restricted	Total income
Commercial trading operations (note 14)	1,440	-	1,440
Total for the year ended 31 March 2022	1,440	-	1,440
	<i>2021</i> <i>£'000</i>	<i>2021</i> <i>£'000</i>	<i>2021</i> <i>£'000</i>
	<i>Unrestricted</i>	<i>Restricted</i>	<i>Total income</i>
Commercial trading operations (note 14)	<i>205</i>	-	<i>205</i>
<i>Total for the year ended 31 March 2021</i>	<i>205</i>	-	<i>205</i>

6 *Other income*

	2022 £'000	2022 £'000	2022 £'000
	Unrestricted	Restricted	Total income
Coronavirus Job Retention Scheme Grants	681	-	681
Total for the year ended 31 March 2022	681	-	681
	<i>2021</i> <i>£'000</i>	<i>2021</i> <i>£'000</i>	<i>2021</i> <i>£'000</i>
	<i>Unrestricted</i>	<i>Restricted</i>	<i>Total income</i>
Coronavirus Job Retention Scheme Grants	<i>2,612</i>	-	<i>2,612</i>
<i>Total for the year ended 31 March 2021</i>	<i>2,612</i>	-	<i>2,612</i>

Royal Liverpool Philharmonic Society
Year ended 31 March 2022

Notes forming part of the Financial Statements
(continued)

7 Expenditure on raising funds

	2022 £'000	2022 £'000	2022 £'000
	Unrestricted	Restricted	Total income
Fundraising (note 9)	120	-	120
Cost of generating voluntary income (note 9)	269	-	269
Investment management (note 9)	155	-	155
Commercial trading operations (note 14)	1,432	-	1,432
Total for the year ended 31 March 2022	1,976	-	1,976

	<i>2021</i> <i>£'000</i>	<i>2021</i> <i>£'000</i>	<i>2021</i> <i>£'000</i>
	<i>Unrestricted</i>	<i>Restricted</i>	<i>Total income</i>
<i>Fundraising (note 9)</i>	<i>92</i>	-	<i>92</i>
<i>Cost of generating voluntary income (note 9)</i>	<i>231</i>	-	<i>231</i>
<i>Investment management (note 9)</i>	<i>120</i>	-	<i>120</i>
<i>Commercial trading operations (note 14)</i>	<i>1,197</i>	-	<i>1,197</i>
<i>Total for the year ended 31 March 2021</i>	<i>1,640</i>	-	<i>1,640</i>

Royal Liverpool Philharmonic Society
Year ended 31 March 2022

Notes forming part of the Financial Statements
(continued)

8 Expenditure on charitable activities

	2022			2021		
	Orchestral £'000	Learning £'000	Total £'000	Orchestral £'000	Learning £'000	Total £'000
Orchestral salaries and fees	3,350	-	3,350	2,875	-	2,875
Direct artistic costs	607	94	701	307	44	351
Augmenting extras	68	1	69	27	-	27
Programme costs	12	-	12	9	-	9
Travel and subsistence	30	-	30	-	-	-
Library and music hire	172	1	173	68	2	70
External room hire charges	-	18	18	-	14	14
Artistic planning and orchestra management	383	634	1,017	338	534	872
Vehicles	36	-	36	28	-	28
Workshop fees and costs	-	102	102	-	57	57
Other direct expenditure	1,582	88	1,670	728	27	755
Total direct costs	6,240	938	7,178	4,380	678	5,058
Direct costs re-apportioned on orchestra use basis	5,909	1,269	7,178	4,148	910	5,058
Support costs (note 9)	1,210	244	1,454	1,056	211	1,267
Total costs based on activities	7,119	1,513	8,632	5,204	1,121	6,325
			2022 £'000			2022 £'000
			Unrestricted			Restricted
Orchestral			6,869			250
Learning			1,021			492
Total for the year ended 31 March 2022			7,890			742
			<i>2021 £'000</i>			<i>2021 £'000</i>
			<i>Unrestricted</i>			<i>Restricted</i>
<i>Orchestral</i>			4,955			249
<i>Learning</i>			733			388
Total for the year ended 31 March 2021			5,688			637
						<i>2021 £'000</i>
						<i>Total</i>
<i>Orchestral</i>						5,204
<i>Learning</i>						1,121
Total for the year ended 31 March 2021						6,325

Notes forming part of the Financial Statements (continued)

8 Expenditure on charitable activities (continued)

Analysis of direct costs	2022			2021		
	Staffing £'000	Other costs £'000	Total £'000	Staffing £'000	Other costs £'000	Total £'000
	4,024	3,154	7,178	3,702	1,356	5,058

Direct and indirect costs of the orchestra have been apportioned across charitable activities on an activity led basis.

9 Allocation of group support and central services costs

2022	Charitable activities		Raising funds			Total £'000
	Orchestra activities £'000	Learning Activities £'000	Fundraising activities £'000	Other expenditure £'000	Cost of generating voluntary income £'000	
Fundraising	6	13	56	7	75	157
Marketing	299	33	-	12	-	344
Communications	67	9	5	5	5	91
Operations and Financial costs	285	85	37	105	40	552
Depreciation	347	30	3	37	6	423
Governance	40	40	13	13	13	119
Other	166	34	6	90	16	312
	1,210	244	120	269	155	1,998

Support costs are allocated on a percentage basis consistent with the average annual use of resources using a basis of % time; headcount or usage of Philharmonic Hall. Support costs are re-charged to LPHE in line with cross charging agreements. Support costs are charged in the financial year in which they are incurred.

Royal Liverpool Philharmonic Society
Year ended 31 March 2022

Notes forming part of the Financial Statements
(continued)

9 Allocation of group support and central services costs
(continued)

2021	Charitable activities		Raising funds		Cost of generating voluntary income £'000	Total £'000
	Orchestra activities £'000	Learning Activities £'000	Fundraising activities £'000	Other expenditure £'000		
Fundraising	4	10	34	5	49	102
Marketing	247	26	-	11	-	284
Communications	39	5	3	3	3	53
Operations and Financial costs	276	83	36	108	40	543
Depreciation	353	32	3	42	7	437
Governance	36	36	12	12	12	108
Other	101	19	4	50	9	183
	1,056	211	92	231	120	1,710

2022	Staffing £'000	Direct costs £'000	General costs £'000	Depreciation £'000	Total £'000
Support costs	805	128	636	429	1,998

2021	Staffing £'000	Direct costs £'000	General costs £'000	Depreciation £'000	Total £'000
Support costs	730	99	437	444	1,710

Analysis of governance costs:	2022 £'000	2021 £'000
Staffing	61	58
General	37	28
Audit fees	21	22
	119	108

Notes forming part of the Financial Statements
(continued)

10 Taxation

The charity is exempt from tax on income and gains falling within sections 466 to 493 of the Corporation Tax Act 2010 or sections 521 to 536 of the Income Tax Act 2007 to the extent that these are applied to its charitable objects.

The charity has included a tax credit in respect of Orchestra Tax received/receivable as follows:

	2022	<i>2021</i>
	£'000	<i>£'000</i>
Current year relief receivable	996	<i>50</i>
Under/(over)provision of prior year relief	104	<i>(13)</i>
	1,100	<i>37</i>

11 Net outgoing resources

Net outgoing resources are stated after charging:

	2022	<i>2021</i>
	£'000	<i>£'000</i>
Depreciation of tangible fixed assets	459	<i>444</i>
Profit on disposal of tangible fixed assets	(30)	<i>-</i>
Operating lease rentals	7	<i>7</i>

12 Auditors remuneration

	2022	<i>2021</i>
	£'000	<i>£'000</i>
Fees payable to the charity's auditor for the audit of the charity's annual accounts	13	<i>12</i>

Notes forming part of the Financial Statements
(continued)

13 Fixed assets – Group and Company

	Leasehold property £'000	Assets under construction £'000	Furniture & Fittings £'000	Computers & IT £'000	Musical instruments £'000	Total £'000
Cost:						
At 1 April 2021	23,515	823	1,490	282	559	26,669
Additions	130	26	77	56	39	328
Disposals	-	-	-	-	(61)	(61)
At 31 March 2022	23,645	849	1,567	338	537	26,936
Accumulated Depreciation:						
At 1 April 2021	11,176	-	819	231	445	12,671
Charge for the year	297	-	108	37	17	459
Disposals	-	-	-	-	(61)	(61)
At 31 March 2022	11,473	-	927	268	401	13,069
Net book value						
At 31 March 2021	12,339	823	671	51	114	13,998
At 31 March 2022	12,172	849	640	70	136	13,867

All leasehold property has more than 100 years remaining on the lease. It is not practicable to quantify the difference between carrying value and the market value of the leasehold property.

14 Fixed asset investments – Group & Company

Investments at fair value	Listed investments £'000	Cash or cash equivalents £'000	Other investments £'000	Total £'000
Investments at 1 April 2021	148	100	303	551
Additions	172	-	195	367
Movement in cash held as investments	-	(97)	-	(97)
Disposals	(148)	-	(93)	(241)
Gains/(losses)	(1)	-	(4)	(5)
Investments at 31 March 2022	171	3	401	575

Investments are held with Investec plc, the Society's Investment Manager and M&G Charifund.

The Trustees believe that the carrying value of the investments is supported by their underlying net assets.

Royal Liverpool Philharmonic Society
Year ended 31 March 2022

Notes forming part of the Financial Statements
(continued)

14 Fixed asset investments – Company

The wholly owned subsidiary, Liverpool Philharmonic Hall and Events Limited (LPHE) gift aids its profits to RLPS annually. Staff originally in the employment of the Society are seconded to LPHE and charged accordingly. The Society is the sole shareholder in LPHE and a Shareholder's Agreement is in place to set out the arrangements between the Society and LPHE.

	Interest in group undertaking £
Cost at 31 March 2022 and 1 April 2021	1

The principal group undertaking of the Society at 31 March 2022:

	Country of incorporation and registration number	Activity	Issued share capital	% share capital held	Date of financial statements
Liverpool Philharmonic Hall and Events Limited	United Kingdom 3110903	Catering, bars and venue management	£1	100%	31 March 2022

A summary of the trading results of LPHE is shown below:

	2022 £'000	2021 £'000
Turnover	2,451	843
Cost of Sales	(252)	(74)
Gross profit	2,199	769
Operating expenses	(2,191)	(1,761)
Other operating income	141	977
Gift aid to RLPS	-	-
Net profit/(loss)	149	(15)
Net assets of LPHE	134	(15)

Intragroup sales totalled £1,011,000 (2021: £638,000) resulting in total external sales of £1,440,000 (2021: £205,000).

Turnover of £1,440,000 (2021: £205,000) is included in the consolidated statement of financial activities within Activities for generating funds – Commercial trading operations. Cost of sales and operating expenses of £1,432,000 (2021: £1,197,000) are included in cost of activities for generating funds – commercial trading operations.

Notes forming part of the Financial Statements (continued)

15 Debtors

Amounts falling due within one year:	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade debtors	86	65	71	64
Other debtors	2	2	2	2
Prepayments	61	96	34	36
Accrued income	1,467	1,514	1,467	1,514
	1,616	1,677	1,574	1,616

16 Creditors

Amounts falling due within one year:	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade creditors	738	224	381	142
Amounts owed to group undertakings*	-	-	2,829	1,792
Taxation and social security	48	37	(21)	61
Other creditors	241	80	100	65
Accruals	364	274	240	172
Deferred income (note 18)	3,976	3,719	1,796	1,976
	5,367	4,334	5,325	4,208

* No security or interest is charged on intercompany balances

17 Operating lease commitments – group and company

The future minimum lease payments under non-cancellable operating leases are as follows:

	Other	
	2022 £'000	2021 £'000
Not later than one year	7	7
Later than one and not later than five years	28	28
Later than five years	5	12
	40	47

Royal Liverpool Philharmonic Society
Year ended 31 March 2022

Notes forming part of the Financial Statements
(continued)

18 Deferred income

	Group	Company
	£'000	£'000
At 1 April 2021	3,719	1,976
Additions during the year	3,560	1,380
Amounts released to income	(3,303)	(1,560)
At 31 March 2022	3,976	1,796

Income has been deferred for performances due to take place after the year end and also for projects which were incomplete at the year end.

19 Total funds

Group	At 1 April 2021	Incoming Resources	Outgoing Resources	Transfer	Gains, losses and taxation	At 31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Current year						
Restricted Funds:						
Hall refurbishment fund	11,474	-	(250)	(119)	-	11,105
Learning fund	119	492	(492)	-	-	119
	<u>11,593</u>	<u>492</u>	<u>(742)</u>	<u>(119)</u>	<u>-</u>	<u>11,224</u>
Unrestricted Funds:						
General funds	3,454	9,763	(9,866)	119	1,095	4,565
Pension reserve	(4,935)	-	-	-	942	(3,993)
	<u>(1,481)</u>	<u>9,763</u>	<u>(9,866)</u>	<u>119</u>	<u>2,037</u>	<u>572</u>
Total Funds	<u>10,112</u>	<u>10,255</u>	<u>(10,608)</u>	<u>-</u>	<u>2,037</u>	<u>11,796</u>
Company	At 1 April 2021	Incoming Resources	Outgoing Resources	Transfer	Gains, losses and taxation	At 31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Current year						
Restricted Funds:						
Hall refurbishment fund	11,474	-	(250)	(119)	-	11,105
Learning fund	119	492	(492)	-	-	119
	<u>11,593</u>	<u>492</u>	<u>(742)</u>	<u>(119)</u>	<u>-</u>	<u>11,224</u>
Unrestricted Funds:						
General funds	3,469	8,182	(8,434)	119	1,095	4,431
Pension reserve	(4,935)	-	-	-	942	(3,993)
	<u>(1,466)</u>	<u>8,182</u>	<u>(8,434)</u>	<u>119</u>	<u>2,037</u>	<u>438</u>
Total Funds	<u>10,127</u>	<u>8,674</u>	<u>(9,176)</u>	<u>-</u>	<u>2,037</u>	<u>11,662</u>

Hall refurbishment fund

The hall refurbishment fund relates to the capital works at Philharmonic Hall where funding was specifically donated for the project. The associated leasehold improvements are depreciated over their useful economic life as a corresponding restricted cost.

Learning fund

The learning fund relates to all learning works that have received funding with restrictions. The balance at the year end of £119,000 relates directly to a legacy that was given for our learning work and will be retained until a project has insufficient funds to continue.

Notes forming part of the Financial Statements
(continued)

19 Total funds (continued)

Pension Scheme Fund

The Pension Scheme fund is a fund set up to enable Liverpool Philharmonic to honour its pension commitments. An amount is transferred into and out of the fund annually. The amount transferred is an unrealised surplus or deficit calculated using the rules set out in section 28 FRS 102.

Group

	At 1 April 2020	Incoming Resources	Outgoing Resources	Transfer	Gains, losses and taxation	At 31 March 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Prior year						
Restricted Funds:						
Hall refurbishment fund	11,975	-	(249)	(252)	-	11,474
Learning fund	119	388	(388)	-	-	119
	<u>12,094</u>	<u>388</u>	<u>(637)</u>	<u>(252)</u>	<u>-</u>	<u>11,593</u>
Unrestricted Funds:						
General funds	2,322	8,098	(7,328)	252	110	3,454
Pension reserve	(3,686)	-	-	-	(1,249)	(4,935)
	<u>(1,364)</u>	<u>8,098</u>	<u>(7,328)</u>	<u>252</u>	<u>(1,139)</u>	<u>(1,481)</u>
Total Funds	<u>10,730</u>	<u>8,486</u>	<u>(7,965)</u>	<u>-</u>	<u>(1,139)</u>	<u>10,112</u>

Company

	At 1 April 2020	Incoming Resources	Outgoing Resources	Transfer	Gains, losses and taxation	At 31 March 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Prior year						
Restricted Funds:						
Hall refurbishment fund	11,975	-	(249)	(252)	-	11,474
Learning fund	119	388	(388)	-	-	119
	<u>12,094</u>	<u>388</u>	<u>(637)</u>	<u>(252)</u>	<u>-</u>	<u>11,593</u>
Unrestricted Funds:						
General funds	2,322	6,916	(6,131)	252	110	3,469
Pension reserve	(3,686)	-	-	-	(1,249)	(4,935)
	<u>(1,364)</u>	<u>6,916</u>	<u>(6,131)</u>	<u>252</u>	<u>(1,139)</u>	<u>(1,466)</u>
Total Funds	<u>10,730</u>	<u>7,304</u>	<u>(6,768)</u>	<u>-</u>	<u>(1,139)</u>	<u>10,127</u>

Notes forming part of the Financial Statements
(continued)

19 Total funds (continued)

Analysis of group net (liabilities)/assets between funds

<i>Current year</i>	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
Group			
Tangible fixed assets	2,762	11,105	13,867
Investments	575	-	575
Current assets	6,230	484	6,714
Current liabilities	(5,002)	(365)	(5,367)
Defined pension scheme liability	(3,993)	-	(3,993)
	572	11,224	11,796
Company			
Tangible fixed assets	2,762	11,105	13,867
Investments	575	-	575
Current assets	6,054	484	6,538
Current liabilities	(4,960)	(365)	(5,325)
Defined pension scheme liability	(3,993)	-	(3,993)
	438	11,224	11,662

Notes forming part of the Financial Statements
(continued)

19 Total funds (continued)

Analysis of group net (liabilities)/assets between funds

<i>Prior year</i>	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Total 2021 £'000</i>
Group			
<i>Tangible fixed assets</i>	2,524	11,474	13,998
<i>Investments</i>	551	-	551
<i>Current assets</i>	4,401	431	4,832
<i>Current liabilities</i>	(4,022)	(312)	(4,334)
<i>Defined pension scheme liability</i>	(4,935)	-	(4,935)
	(1,481)	11,593	10,112
Company			
<i>Tangible fixed assets</i>	2,524	11,474	13,998
<i>Investments</i>	551	-	551
<i>Current assets</i>	4,290	431	4,721
<i>Current liabilities</i>	(3,417)	(312)	(3,729)
<i>Defined pension scheme liability</i>	(4,935)	-	(4,935)
	(987)	11,593	10,606

Notes forming part of the Financial Statements
(continued)

20 Analysis of staff costs

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Wages, salaries and fees	5,223	4,841	3,916	3,572
Social security costs	446	387	374	325
Defined contribution pension contributions	343	309	313	279
Defined benefit pension contributions	105	150	105	150
	6,117	5,687	4,708	4,326

Emolument of employees

The number of employees of Liverpool Philharmonic whose emoluments (salaries, wages and benefits in kind) fell within the following bands:

	2022 (number)	2021 (number)
£60,001-£70,000	2	2
£70,001-£80,000	-	1
£100,001-£110,000	-	1
£110,001-£120,000	1	-

Staff numbers

The number of employees during the year was as follows:

	Group		Company	
	2022 number	2021 number (as restated)	2022 number	2021 number
Total Staff	250	247	154	150

All staff were contracted by the Society however the cost of a number of staff were recharged to the Society's subsidiary company, Liverpool Philharmonic Hall and Events Limited.

Notes forming part of the Financial Statements (continued)

21 *Trustee emoluments*

The trustees did not receive any emoluments and expenses in respect of services as Trustees in the year. The remuneration paid to employees who are also Trustees of the Society was:

	2022	<i>2021</i>
	£'000	<i>£'000</i>
Salaries	177	<i>171</i>
Social security costs	21	<i>19</i>
Pension costs	5	<i>13</i>
	203	<i>203</i>

Those employees who were Trustees during the year were: Sameeta Gahir and Susanna Jordan as Orchestra members and Michael Eakin the Society's Chief Executive.

Key Management Personnel

The charity considers its Trustees, Key Management Personnel comprise, the Chief Executive, the Directors, the Heads of Department and the Department Managers. Total employee benefits in respect of these individuals were £864,541 (2021: £930,131).

22 *Financial commitments*

There were no contractual commitments for the acquisition of tangible fixed assets contracted for but not provided in the financial statements.

Notes forming part of the Financial Statements
(continued)

23 Pensions

Schemes

Liverpool Philharmonic operates two pension schemes:

1. A defined benefits pension scheme providing benefits based on final pensionable salaries. The assets of the scheme are held separately from those of the Society, being invested with Clerical Medical Investment Group Limited in their Pension Contract. This scheme was closed to new members in September 2001. On 31 March 2013, the scheme was closed to accrual of future benefits; and
2. A group personal pension scheme with assets held separately from those of the Society. The scheme assets are administered and invested by Scottish Life and is open to all employees.

Defined Benefit Scheme

The contributions to the Defined Benefit Scheme are determined by a qualified actuary, employed by Clerical Medical, on the projected unit basis.

The pension contributions from the Society in the year was £100,000 (2021: £150,000). The current Schedule of Contributions agreed on 17 July 2020 with the Scheme Trustee states agreed increasing annual contributions of initially £100,000 up to 31 March 2022, £150,000 up to 31 March 2023 and £194,000 up to 31 March 2033. The scheme was last valued as at 31 March 2019.

The total net income recognised in the period was as follows:

	2022	<i>2021</i>
	£'000	<i>£'000</i>
Employer contributions recognised as expenditure	(100)	<i>(150)</i>
Other movement recognised as other gains and losses	942	<i>(1,249)</i>
Net income/(expenditure) recognised	842	<i>(1,399)</i>

Amounts recognised in the balance sheet were as follows:

	2022	<i>2021</i>
	£'000	<i>£'000</i>
Present value of funded obligations	(19,071)	<i>(21,134)</i>
Fair value of plan assets	15,078	<i>16,199</i>
	(3,993)	<i>(4,935)</i>

Notes forming part of the Financial Statements
(continued)

23 Pensions (continued)

Changes in the present value of the defined benefit obligations were as follows:

	2022 £'000	<i>2021</i> <i>£'000</i>
Opening defined benefit obligation	21,134	20,550
Interest expense	436	482
Benefits paid	(793)	(802)
Actuarial (gains)/losses	(1,706)	951
Past service credit	-	(47)
Closing defined benefit obligation	19,071	21,134

Changes in the fair value of pension plan assets were as follows:

	2022 £'000	<i>2021</i> <i>£'000</i>
Opening plan assets	16,199	16,864
Interest income	334	397
Employer contributions	100	150
Benefits paid	(793)	(802)
Actuarial losses	(762)	(410)
Closing plan assets	15,078	16,199

The amount that each major class of pension plan assets constitutes of the fair value of the total plan assets was as follows:

	2022 %	2022 £'000	<i>2021</i> <i>%</i>	<i>2021</i> <i>£'000</i>
Equities	15.9	2,399	12.7	2,053
Bonds	6.5	985	7.7	1,247
Cash	3.0	445	2.8	460
Property	3.9	594	3.6	586
Insured pensions	70.7	10,655	73.2	11,853
	100.0	15,078	100.0	16,199

Notes forming part of the Financial Statements
(continued)

23 Pensions (continued)

The actual return on plan assets was as follows:

	2022 £'000	<i>2021</i> <i>£'000</i>
Interest income	334	<i>397</i>
Actuarial losses	(762)	<i>(410)</i>
Total return on plan assets	(428)	<i>(13)</i>

Assumptions and valuation

The assumptions used over the last five years and in the valuation by the actuary undertaken at 31 March 2022 were:

	2022 %	<i>2021</i> <i>%</i>	<i>2020</i> <i>%</i>	<i>2019</i> <i>%</i>	<i>2018</i> <i>%</i>
Discount rate	2.80	<i>2.10</i>	<i>2.40</i>	<i>2.45</i>	<i>2.50</i>
Inflation (RPI)	3.85	<i>3.35</i>	<i>2.75</i>	<i>3.35</i>	<i>3.35</i>
Inflation (CPI)	3.45	<i>2.95</i>	<i>2.35</i>	<i>2.35</i>	<i>2.35</i>
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	3.45	<i>2.95</i>	<i>2.35</i>	<i>2.35</i>	<i>2.35</i>
Allowance for revaluation of deferred pensions of CPI or 2.5% p.a. if less	2.50	<i>2.50</i>	<i>2.35</i>	<i>2.35</i>	<i>2.35</i>
Allowance for pension in payment increases of RPI or 5% p.a. if less	3.55	<i>3.20</i>	<i>2.70</i>	<i>3.20</i>	<i>3.20</i>
Allowance for pension in payment increases of RPI or 2.5% p.a. if less	2.25	<i>2.15</i>	<i>1.95</i>	<i>2.15</i>	<i>2.15</i>
Allowance for pension in payment increases of RPI or 5% p.a. if less, min 3% p.a.	3.95	<i>3.75</i>	<i>3.50</i>	<i>3.75</i>	<i>3.75</i>
Allowance for pension in payment increases of CPI or 2.5% p.a. if less	2.20	<i>2.00</i>	<i>1.80</i>	<i>1.80</i>	<i>1.95</i>
Allowance for pension in payment increases of CPI or 5% p.a. if less, min 3% p.a.	3.75	<i>3.60</i>	<i>3.40</i>	<i>3.40</i>	<i>3.25</i>
Allowance for commutation of pension for cast at retirement	50%	<i>50%</i>	<i>75%</i>	<i>75%</i>	<i>75%</i>

The defined benefit pension scheme was closed to future accrual of benefits on 31 March 2013. Salary escalation assumptions are not applicable.

The scheme has a number of annuities in respect of past retirements. These are understood to fully match the associated liabilities and so have been excluded from both the assets and liabilities at each accounting date.

The impact of guaranteed annuity rates (GARs) has not been allowed for and at the current interest rates, the pension liability may be less onerous than it appears.

Notes forming part of the Financial Statements (continued)

23 Pensions (continued)

Remaining life expectancy of scheme members:

	2022		2021	
	Male (years)	Female (years)	Male (years)	Female (years)
Life expectancy for member aged 65 at 31 March	21.8	23.8	21.8	23.7
Life expectancy for member aged 45 at 31 March from their 65 th birthday	23.1	25.3	23.1	25.3

Sensitivity Analysis

The following table provides an indication of the sensitivity of the value of liabilities to changes in assumptions.

Change	Impact on liabilities	
	2022 £'000	2021 £'000
Current value	19,071	21,134
Discount rate -25 points	19,810	21,984
Discount rate +25 points	18,368	20,320
Price inflation rate -25 points	18,865	20,895
Price inflation rate +25 points	19,285	21,363
Increase life expectancy by 1 year	19,873	21,945

Defined contribution scheme

The cost of contributions to the defined contribution scheme was £343,000 (2021: £309,000). At the year end £80,000 (2021: £40,000) was owed in respect of these contributions.

24 Related Party Transactions

Dr Tony Harvey, Company Secretary, is a director of Hope Street Hotel Limited. Costs charged to the group by Hope Street Hotel Limited during the year were £27,426 (2021: £3,289). Amounts outstanding to Hope Street Hotel Limited at 31 March 2022 were £5,232 (2021: £nil).

Mr A Cornall is a director of Cornall Music Limited. Mr Cornall acts in a freelance capacity as Consultant Artistic Director responsible for artistic direction for Liverpool Philharmonic. Fees charged to Liverpool Philharmonic in relation to his management role were £39,293 (2021: £37,308). Amounts outstanding to Cornall Music Limited at 31 March 2022 were £10,941 (2021: £6,500).

Royal Liverpool Philharmonic Society
Year ended 31 March 2022

Reference and Administrative Details

Patron

Her Majesty the Queen

President

The Right Honourable Earl of Derby DL

Honorary Vice Presidents

Ian Wright

Trustees

Professor Nigel Weatherill (Chair)

Estelle Morris (Deputy Chair)

Michael Eakin (Chief Executive)

Wendy Simon (resigned 9 August 2022)

Mel Grodner

Susanna Jordan*

Vanessa Bakewell

Angela Bellingham*

Claire Jackson*

Rodney Peacock

Sameeta Gahir

* member of the Audit and Performance Committee

Executive team

Peter Garden Executive Director – Performance and Learning

Stephan Heaton Executive Director – Finance

Millicent Jones Executive Director – Audiences and Development

Sandra Roberts Artistic Planning Director (Orchestra and Ensembles)

Company Secretary

Dr Tony Harvey*

Registered Office

Philharmonic Hall

Hope Street

Liverpool

L1 9BP

Company registration number

88235

Charity registration number

230538

Royal Liverpool Philharmonic Society
Year ended 31 March 2022

Reference and Administrative Details (continued)

Independent Auditors

MHA Moore and Smalley
Richard House
9 Winckley Square
Preston
PR1 3HP

Legal advisors

DWF LLP
5 St Pauls Square
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