

Company Registration No. 83608

Charity Registration No.232391



**London Symphony Orchestra Limited
(Consolidated)**

Report and Financial Statements

For the year ended 31 July 2019



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ENGLAND**



London Symphony Orchestra Limited

Report and financial statements 2019

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London Symphony Orchestra Limited

Report and financial statements 2019

Officers and professional advisers

Chair

David Alberman* (From 8 March 2019)
Gareth Davies* (Retired 8 March 2019)

Vice-Chairs

Clare Duckworth*
David Jackson*
Joost Bosdijk* (Retired 8 March 2019)

Managing Director

Kathryn McDowell CBE

Other Directors

Angela Barnes* (Appointed 8 March 2019)
Anthony Bloom
Matthew Gardner*
Richard Hardie
David Jackson*
Niall Keatley*
Dame Mary Marsh
Christopher Moran (Retired 1 April 2019)
Jonathan Moulds CBE
Harriet Rayfield* (Appointed 8 March 2019)
Janis Susskind OBE (Appointed 20 June 2019)

* Playing Members of the Orchestra

Company Secretary

Rikesh Shah

Company Number

83608

Charity Number

232391

Registered Office

Barbican Centre, Silk Street, London EC2Y 8DS

Bankers

Lloyds Bank plc, 25 Gresham Street, London EC2V 7HN

Solicitors

Baker & McKenzie, 100 New Bridge Street, London EC4V 6JA

Auditor

Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG

London Symphony Orchestra Limited

Directors' report (continued)

The Directors of the London Symphony Orchestra Ltd ("LSO") present their Annual Report and Financial Statements for the year ended 31 July 2019.

Administrative details

London Symphony Orchestra Ltd was established in 1904 and is a registered charity (no. 232391) and a company (no. 83608) limited by shares. Its registered office is the Barbican Centre, Silk Street, London EC2Y 8DS. Other administrative information, including the names of the Directors who served during the year and at the date of approval of this report, is given on page 1.

Structure, governance and management

The LSO's governing documents comprise the Memorandum and Articles of Association and state that the objects of the Company are to promote, maintain and advance musical education and to encourage the arts of music and singing. All members of the Orchestra are required to hold ten ordinary shares of £1 each for the duration of their membership. All net profits are retained in the Company to carry out its objects. No dividends are paid to shareholders.

The organisation is governed by the Board of Directors who are also the Trustees of the charity. The Board comprises playing members of the Orchestra (Playing Directors) and a number of Non-Playing Directors. All Directors are elected onto the Board by the members of the Orchestra. The Playing Directors must always hold a majority on the Board, and the Chair and Vice-Chairs must be Playing Directors. The Board meets once a quarter to determine the overall strategy of the organisation and to ratify all decisions made under delegated powers (see below).

The Board delegates the orchestral governance and decisions relating to the day-to-day operation of the Orchestra itself to the Orchestra Committee; this Committee, which comprises mainly players and the Managing Director, meets frequently throughout the year.

The financial governance is delegated by the Board to the Finance Committee which must consist of more Non-Playing Members than Playing Members. The Finance Committee meets quarterly to review the management accounts and to consider other financial matters including the budget.

The day-to-day business of the LSO is managed by an administrative staff which reports through Heads of Department to the Managing Director.

The LSO has two wholly-owned subsidiaries, each of which has its own Board of Directors which includes representatives from the LSO Board. LSO Productions Limited runs LSO Discovery, operates LSO St Luke's and manages commercial activity including corporate sponsorships. LSO Live Limited runs LSO Live, the Orchestra's record label, and produces digital content.

Board Recruitment, Induction and Training

Playing Directors must be current members of the Orchestra and as a result, they have a good understanding of the workings of the Orchestra. Non-Playing Directors are selected on the basis of their skills and experience in particular areas, most notably finance and business. The composition of the Board is reviewed periodically to ensure that the Board collectively possesses the skills necessary to carry out its role effectively.

Induction processes for Directors are dealt with on a one-to-one basis. These include the provision of the company's governing documents, the most recent Annual Report and Accounts and recent Board and Committee minutes, as well as an explanation of the governance responsibilities of Directors.

Key Management Remuneration Policy

Remuneration of all players and staff, including key management, is set during the annual budgetary process and benchmarks are used where relevant. Annual budgets are endorsed by the Finance Committee and approved by the Board of Directors.

The LSO's mission, objectives and activities

The LSO is a 21st Century orchestra with a mission to bring the greatest music to the widest possible range of people in which the boundaries between learning, teaching and performing cease to exist. As the Resident Orchestra at London's Barbican Centre, the LSO regularly performs throughout the UK and overseas, with its signature sound emanating from the combined virtuosity of its outstanding musicians and its family of artists, led by Music Director, Sir Simon Rattle.

London Symphony Orchestra Limited

Directors' report (continued)

This mission is at the heart of everything the LSO does, with a strong vision of being the world's leading orchestra by delivering the following objectives:

- Striving for continued artistic excellence and creativity across all of the LSO's work, with diversity and inclusion at its heart.
- Providing the highest quality musical performances, broadcasts and recordings, and the provision of a wide-ranging, inclusive and diverse music education and community programme.
- Investing in the future of music by nurturing and developing performers and composers, in addition to encouraging people of all ages and backgrounds to participate in music themselves.
- Building the reputation and profile of the LSO at home and abroad, and engaging deeply with audiences and communities so that everyone has the opportunity to be inspired by music.
- Embracing a digital future, particularly to share the LSO's work more widely than ever before including an organisational culture of digital creativity to provide more access, insight and engagement with artists, participants and audiences.
- Developing a financially resilient and sustainable organisational and business model that enables the LSO to remain successful over the long-term.
- In partnership with Barbican and Guildhall School establishing a permanent home for the LSO with a world-class concert hall and acoustics, together with excellent facilities within a Centre for Music as a beacon for performance, innovation, learning, diversity and inclusion.
- Continuing to explore ways in which an international symphony orchestra can more sustainable and environmentally aware.

Public Benefit

Directly engaging with the public is key to all aspects of the LSO's work and the Directors take particular account of the Charity Commission's guidance in this area. There is a clear focus on ensuring the widest possible access to the broadest range of people to the LSO's performances, recordings, broadcasts and its education and community work. The LSO's concerts in the UK and overseas give enjoyment to many people each year, either by attending these performances in person or through broadcasts, streaming and recordings. Together with commercial recordings, including for film scores, millions of people hear the LSO's musicians each year.

The LSO invests in long-term initiatives to ensure that the enjoyment of and participation in music by the public at large remains at the heart of the LSO's core activities. The lowest ticket price for a Barbican Concert is currently £12 for adults and all under 18s pay £5 ensuring that the Orchestra's live performances are widely accessible. A selection of musical events at LSO St Luke's and pre-concert performances at the Barbican are free of charge. Also a significant number of concerts are live streamed free on LSO YouTube channels, broadcast on Classic FM or BBC Radio 3.

STRATEGIC REPORT

The Directors in preparing this strategic report have complied with section 414C of the Companies Act 2006.

Achievements and performance

Overview

During the financial year the LSO completed the second Season of Sir Simon Rattle's tenure as Music Director, the 137 LSO concerts at the Barbican, other UK venues and abroad played to full houses and received consistent critical acclaim. In addition to multiple visits to European concert halls and performing to audiences across Japan, Korea, and Vietnam, the LSO embarked on its first tour of Latin America, welcoming capacity crowds of enthralled enthusiastic audiences in five countries across the continent in just over two weeks, an undoubted artistic and logistical triumph. The Orchestra welcomed the world's leading composers and guest conductors and presented performances by world-class soloists. The LSO's education and community programme LSO Discovery, successfully launched some important new initiatives, adding to an already impressive range of engagement projects, while LSO St. Luke's and the LSO media arm, LSO Live,

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Directors' report (continued)

all continued to grow and develop new partnerships. Full details of the achievements and performance during the year are set out below.

Barbican residency

The London Symphony Orchestra and the Barbican continued their collaborative partnership of creativity, learning and community participation throughout 2018/19.

The Season was book-ended by two LSO/Barbican partnership projects; in September 2018, Music Director Sir Simon Rattle, opened the season with a bold programme affirming the continuing commitment to British music, new and old. The concert featured a world premiere by Sir Harrison Birtwistle, a commission by the Barbican, as well as pieces by Mark-Anthony Turnage, Holst and Britten. The Season ended on a similar high with two acclaimed semi-staged performances of Janáček's opera, *The Cunning Little Vixen*, co-produced with the Barbican and conducted by Sir Simon Rattle, with soprano Lucy Crowe giving an exhilarating performance as the Vixen.

During this year under Sir Simon Rattle's artistic leadership, the LSO and its family of artists began an exploration of roots, origins and future of music, incorporating jazz in American music, and wild eastern European works by Bartók and Szymanowski. Gianandrea Noseda and François Xavier Roth, LSO Principal Guest Conductors, presented concerts exploring Russian, French and Spanish identity; and LSO Conductor Laureate Michael Tilson Thomas and Sir Mark Elder explored the maverick genius of American, Charles Ives. Sir Antonio Pappano successfully brought together three great Italian composers. In addition, Sir John Eliot Gardiner continued his retrospective of Schumann, and Marin Alsop rounded off the Bernstein centenary with two wonderful concert performances of *Candide* in December. Bernard Haitink celebrated his 90th birthday and long association with the LSO, with three unforgettable concerts in March 2019.

Along with Marin Alsop a growing roster of female conductors, composers and soloists joined the LSO this Season, with Barbara Hannigan, a unique talent, thrilling audiences on two occasions with a vocal tour de force, performing Hans Abrahamsen's *Let Me Tell You*, in addition to an evening when she conducted and sang extracts from Berg's *Lulu* and Gershwin's *Girl Crazy*. In June Elim Chan conducted the annual LSO Discovery concert, which featured the LSO and the LSO Discovery choirs and instrumental groups, as well as a second concert featuring solo pianist Alice Sara Ott. This offered a striking conclusion to Alice Sara Ott's remarkable week of four individual curated chamber concerts at LSO St.Luke's.

Commissions and contemporary repertoire featured strongly within the LSO's 70 concerts and events at the Barbican, making it as natural for LSO's Barbican audiences to experience work by Grainger, or Gershwin, as it was to experience Birtwistle and Britten. Press and audiences responded favourably to programming of new and contemporary repertoire alongside classical works, with LSO's Barbican concerts averaging 85% capacity in 2018/19. At LSO St.Luke's a full-programme of recital concerts which furthered the exploration of roots and origins, was presented in partnership with the BBC Radio 3, and six ECHO Rising Stars concerts were presented in partnership with the Barbican. In addition to the live performance programme, there continued a complementary series of study days, chamber, and free lunchtime concerts.

A wide range of leading international soloists performed with the LSO during the season, including Kristian Bezuidenhout, Ian Bostridge, Alice Coote, Janine Jansen, Nicola Benedetti, Simone Dinnerstein, Katia and Marielle Labèque, Mathew Rose, Camilla Tilling, Christian Tetzlaff, Daniel Trifonov, and Krystian Zimerman.

At LSO St Luke's and beyond, the orchestra introduced to audiences, a wealth of new works by composers such as Bushra El-Turk, Daniel Kidane, Lillie Harris, Robin Haigh, Yvonne Eccles, Donghoon Shin, Nick Morrish Rarity, and Emma-Jean Thackray. The LSO also premiered James MacMillan's *Trombone Concerto*. Through LSO Jerwood and Panufnik composers' schemes, the LSO championed emerging composers from different musical styles across all programming. LSO's Barbican concerts featured two world premieres from alumni of the LSO's composers' programme, as well as the London premiere of *A Little Summer Suite* by nonagenarian Betsy Jolas.

Two unique special events took place during this year, as part of the Barbican's For the Fallen. Marking the First World War Centenary, the LSO gave the world premiere of James MacMillan's new oratorio *All the Hills and Vales Along*, setting

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Directors' report (continued)

poetry by WWI poet Charles Sorley who was killed in action in 1915. This huge concert featuring the National Youth Brass Band of Great Britain, and the London Symphony Chorus, conducted by LSO Principal Guest Conductor Gianandrea Noseda. The second standout project occurred in March 2019: a Culture Mile community engagement initiative, culminating with a performance of David Lang's acapella work, *the public domain*, in the Barbican foyers involving a huge choir of more than 500 voices. Over six weeks, LSO Discovery recruited, and rehearsed over 300 Londoners, many of whom had never sung before, who joined the LSO Community Choir and London Symphony Chorus to perform this piece. Critical reviews were extremely positive and universally applauded the endeavour. It was an unforgettable experience for all, with some participants and audience members moved to tears.

The Make Music Day series continues to be well attended and has addressed an evident gap in provision for enjoyable out of school music activity for young people with learning disabilities to engage in together with their parents, carers and siblings. Provision for this activity in London is otherwise patchy, and working with partners such as NOYO, Drake Music, Heart n' Soul and a number of freelance artists, allows LSO Discovery to signpost young people from one organisation to another, to boost awareness, and to cater for young people with learning disabilities in a transition age (18-25).

The LSO's range of audience development initiatives proved successful. This included thematic programming, roots and origins, which as mentioned previously, has introduced less familiar repertoire and broadened the audience experience. There was growth within ticket pricing schemes aimed at drawing in larger and new audiences from all backgrounds, including Student Pulse (low priced tickets for university students with over 13% take-up) and Wildcard tickets (priced at £10 but with no choice of seat, with take-up of more than 30%).

This year the LSO continued to experiment with concert formats, introducing a gospel choir into the traditional Christmas Concert, and presenting Philippe Manoury's Ring, which is played as the audience takes their seats in the concert hall, by musicians positioned at all levels of the hall. The LSO grew the Half Six Fix series within the Barbican season, presenting four one-hour performances starting at the earlier time of 6.30pm, with each piece introduced by the conductor, offering a new level of insight and a more personal level of engagement with the audience. Half Six Fix concerts included Strauss's Also sprach Zarathustra introduced by Francois-Xavier Roth, and Hans Abrahamsen's Let Me Tell You, plus Sibelius's Symphony No 7 introduced by Sir Simon Rattle. The relaxed, shorter approach continued to attract a broader range of ages and a greater number of infrequent attenders, compared to main season concerts. Enhanced presentation elements included digital programme notes accessed by the audiences' own mobile phones, streamed in sync to the performance and live video screens highlighting the players and soloists.

During the financial period, ticket prices increased incrementally, in keeping with the new structure of pricing and discounting that was put in place from September 2017. Customer behaviour has remained largely consistent despite significant changes, yet with an increase in spend and a small increase in frequency.

Other UK Performances

The LSO played concerts in Birmingham and opened the 2019 Cheltenham Festival for the first time. Plans for future dates in other UK cities are in development. During August 2018, Sir Simon Rattle conducted two concerts as part of the Edinburgh International Festival, including a rare performance of Bernstein's The Age of Anxiety. A week later, the LSO gave two concert performances at the BBC Proms with Sir Simon Rattle conducting a programme of Ravel and John Wilson conducting a semi-staged performance of Bernstein's On the Town.

The annual BMW Classics free open-air concert in Trafalgar Square played to a capacity audience, with the LSO sharing the stage with 50 young musicians from the LSO On Track scheme and also the Guildhall School of Music & Drama for the world-premiere of a rousing new composition by Bushra el Turk. The concert was relayed live on LSO You Tube channel and for the first time to Telegraph on-line subscribers.

International

The LSO has the busiest overseas engagement diary of any of the world's orchestras, with the combined talent of the LSO and its family of conductors remaining one of the most sought-after partnerships on the global orchestral music

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Directors' report (continued)

scene. The Orchestra made regular trips to European countries throughout the year giving a total of 29 concerts, including Poland, Romania and Hungary and further Baltic States with three concerts in Paris and performances in five major German cities – Baden Baden, Essen, Cologne, Frankfurt, and Hamburg. Invitations from overseas promoters further afield continued, with the LSO maintaining a high international profile through touring, with return visits to Japan and Korea, including an outstanding outdoor concert for thousands in Hanoi, Vietnam. In May 2019, in another milestone for the Orchestra, the LSO completed a highly successful tour of Latin America. Concerts were played to full enthusiastic houses in Colombia, Peru, Argentina, Uruguay and Chile, with impressive positive reviews and high-profile print and broadcast coverage in every country.

The new coaching and mentoring partnership between the LSO and the Music Academy of the West in Santa Barbara, California, involving LSO members, developed with a transatlantic coaching exchange where 12 Academy Fellows performed with the LSO in January during their first visit to London. The LSO also performed three concerts during their US residency in July 2019. The strength and depth of the orchestra is further illustrated in recordings of concerts distributed to broadcasters in 118 countries, including the key markets of Japan, South Korea, Switzerland, Sweden, Australia and the USA. With the majority of LSO Live's sales overseas, adding the Latin America countries to the portfolio has helped boost the reach of LSO Live's physical sales and digital downloads. LSO Live's geographical markets for physical goods includes 33 countries and its digital distribution reaches over 200 countries. Regular sales occur in around 150 different countries each month, including places such as Burkina Faso, Haiti and Iraq where there is no immediate link with the LSO. Filmed concerts were broadcast across a number of international TV and online partners, including Mezzo in HD, medici.tv, BBC and QQ Video.

LSO Discovery

LSO Discovery, the LSO's education and community programme, proactively reaches out to people of diverse backgrounds and abilities and continues to reach increasing numbers every year, bringing communities into LSO performances as audiences and participants. The breadth and variety of initiatives delivered by LSO Discovery is unmatched within the Orchestra sector and aims to be as inclusive as possible.

Active throughout the year, LSO Create is an engagement programme designed for adults with learning disabilities, that takes place at LSO St. Luke's. For those less able to travel, the LSO also organises special needs visits to schools and sharing days, as well as adult hospital ward visits. LSO Discovery also continued the series of relaxed performances, welcoming people with autism, sensory and communication impairments and learning disabilities.

Access to the LSO for under 18s, is provided through a range of projects designed to create interest and enthusiasm for music and to nurture emerging skills. This includes regular Key Stage Concerts in the Barbican Hall for schools across London, reaching some 25,000 pupils annually, and membership of the LSO Discovery Choir.

With a focus on the LSO's East London community, the LSO On Track programme, a partnership between the LSO and ten East London Music Services, expanded its range of projects this year. This partnership puts the LSO at the heart of the Music Education Hubs in East London, in the boroughs of Barking and Dagenham, Bexley, Greenwich, Hackney, Havering, Lewisham, Newham, Redbridge, Tower Hamlets, Waltham Forest. The LSO On Track Next Generation scheme gave 50 young instrumentalists from East London the opportunity to work together, over seven monthly Creative Days, to develop a collective musical composition for performance with the Orchestra in the Barbican in June. The scheme gives structured guidance, inspiration, creative tools and technical skills to the participants, building on their musical flair to help them develop as rounded musicians and leaders. The LSO's latest project, the LSO East London Academy was launched this year. The Academy offers high-level training and mentoring to 40 young musicians who show exceptional promise. Following a rigorous search and audition process, the first 20 string players have been recruited to an intense programme of coaching.

LSO Discovery work extends abroad, alongside the orchestral touring schedule. In Japan during the 2018 tour, a special project was devised with the British Council, which included work with children with learning disabilities and older adults, alongside practical training for Japanese professional musicians wishing to expand their skills in the area of music outreach.

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Directors' report (continued)

Nurturing talented emerging musicians of all ages continues to be central to LSO Discovery's work, including a range of complementary programmes for more mature musicians such as the String Experience Scheme, Panufnik Composers Scheme, Donatella Flick LSO Conducting competition, Jerwood Composer+ and Soundhub – all of which involve working with LSO members and artists. These different programmes provide unrivalled development opportunities to those who participate, leading to two Barbican premieres of Panufnik scheme-commissioned works, several composer-curated concerts at LSO St. Luke's and a number of other concerts and installations. Previous participants of LSO composer schemes have gone on to win British Academy of Songwriters, Composers and Authors (BASCA) Awards.

LSO Discovery continues its highly successful collaboration with the Guildhall School of Music & Drama, to deliver the Masters course in Orchestral Artistry, which develops instrumentalists who intend to take up careers as orchestral musicians. The year culminated in one of the highlights of the LSO's Barbican Concert Season under Sir Simon Rattle's leadership, with the LSO and Guildhall musicians joining forces in an impressive side-by-side programme of Vaughan Williams, Grainger and Bruckner. LSO Platforms provided a regular opportunity to showcase postgraduate musicians from the Guildhall School in free recitals on the Barbican stage before LSO concerts, presenting repertoire thematically linked to the concert programme.

LSO Play, a website featuring five full symphonic works for users to explore, was adapted to improve the experience on mobile phones and tablets, leading to nominations for a 2018 Webby Award and a Design Week Award. The LSO continues to build content on its iTunes U channel, with two new works featured in A-level seminars added this year. The TES platform also hosts LSO resources for teachers.

The LSO created more opportunities to experience and participate in music, by offering free LSO Discovery Friday Lunchtime Concerts at LSO St. Luke's, alongside twenty BBC Radio 3 recitals and six ECHO Rising Stars concerts in partnership with the Barbican.

LSO St Luke's

LSO St Luke's is a unique concert venue run by the LSO and is the home of LSO Discovery. Our regular community groups, including the Community Choir, LSO Discovery Choir, Gamelan Group, Digital Technology Group and LSO Create, all convene at LSO St Luke's during term-time. The fully-accessible Centre is a hive of activity with diverse music events for all ages, from concerts for families with young children to activities for lifelong learning. As well as hosting LSO rehearsals each year, there is a full programme of concerts, with artists and groups performing from across the musical spectrum.

This year LSO St Luke's hosted a broad range of community and education projects including LSO Singing Days and a variety of masterclasses, open rehearsals and workshops. Many of these projects also culminated in public performances in the Jerwood Hall at LSO St Luke's. In February, LSO St. Luke's hosted the first Culture Mile Community Day with over 600 people taking part in free music, arts and craft activities.

Artistically, LSO St Luke's continued its highly successful partnership with the BBC Radio 3 with its series of lunchtime concerts with a broadcast audience reach of over two million for each set of four concerts. The programme complemented the LSO Barbican concert series, exploring the roots and origins and future of music. Other opportunities to experience and participate in music were offered through free LSO Discovery Lunchtime Concerts and six ECHO Rising Stars concerts staged in partnership with the Barbican. LSO St Luke's played host to the series of relaxed performances mentioned above.

Relationships continue with many other London arts organisations who also use LSO St Luke's for rehearsals, recordings and performances. LSO St. Luke's also welcomed many new and returning commercial clients, hosting conferences, award ceremonies, drinks receptions, gala dinners and other events generating income. These commercial activities sustain the building for public use and in particular for the LSO Discovery Programme.

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Directors' report (continued)

LSO Live

Audio recordings, broadcasts and audio-visual livestreams are vital part of the LSO's access activity, with LSO Live improving and developing the quality and reach of content year on year. Players and conductors generously support this work, enhancing the LSO's ability to exploit digital content marketing opportunities as well as provide on-line audiences a rich interaction with the LSO. Eight concerts, two more than last year, were broadcast free via the LSO's YouTube channel and included curated extra on-line content and interviews by Rachel Leach on Facebook Live. The most recent live broadcast was viewed over 11,000 times. The LSO was featured orchestra in Scala Radio's opening week, Classic FM broadcast the LSO live from the Royal Albert Hall. In addition, BBC Radio 3 relayed ten concerts and BBC TV broadcast the LSO live from the Proms to celebrate Bernstein 100. Six further concerts were made available to view across Europe and beyond on Mezzo's TV networks, Medici.tv and Takt 1.

LSO Live produced a wide range of digital material, following social trends and the evolution of technology, recording and streaming performances, and actively creating video content to support digital performance work. The number of people experiencing the LSO's work via these platforms and channels continues to grow and the LSO remains the 'world's most streamed orchestra' receiving over 59.6 million streams in 2018/19 compared to 40 million the previous year. The last year saw the label launch across Chinese domestic services, including QQ and Netease. The combined potential audience of the LSO's broadcasts totalled 75 million.

LSO Live's catalogue saw eleven new releases during the year, all of which were highly regarded in press reviews, with major highlights being the Berlioz Odyssey, a collection of Berlioz recordings to celebrate Berlioz 150 and Tchaikovsky Symphony No.4, conducted by Guest Principal Conductor, Gianandrea Noseda.

Streaming continues to offer the LSO a vast reach of listeners and high profile worldwide. The majority of listeners were aged 25-34 and the USA accounted for 31% of all streams, followed by the UK, Canada, France and Germany. Apple accounted for 43% of digital revenues, but Spotify followed closely behind at 35%.

LSO Live continued to invest in making the digital exploitation of the BMW Classic free open-air concert in Trafalgar Square, a major facet of the event. The concert was streamed worldwide, and to the Telegraph's online audiences, with social media bulletin and extra content delivered throughout the proceedings.

Diversity

The LSO values and promotes diversity in artistic programming, musicians and other artists, emerging artist development programmes, participants, audiences and workforce. We encourage an organisational culture where individuals are supported, engaged and enabled to develop skills and talents. Through this culture, the LSO generates an enormously creative output, influenced and excited by diverse ideas and constantly broadening repertoire and audiences.

The breadth of LSO Discovery's work with young people, adults and emerging artists reflects the LSO's commitment to nurturing and investing in the diverse communities of England today, including those with protected characteristics. The LSO devises programmes in response to carefully researched need, often in partnership with other specialist organisations working collaboratively to ensure fair selection (or open access) criteria and practices are established and implemented. Most activities are free to participants. Consultation with participants, music leaders, LSO players and partner organisations continually shape these programmes. Feedback and evaluation (internal and external) also leads to new initiatives, such as the forthcoming 'Young Create' and a workshop-leading module in Orchestral Artistry.

This year saw the successful launch of the East London Academy. Students selected to take part in the initial workshops reflected the diversity of their communities, and that diversity is echoed in the final twenty who have become the Academy's first cohort. During this financial period, deepening his exploration of genres in December, Sir Simon Rattle conducted a jazz inspired programme. The 2018 Christmas concert introduced the Powerhouse Gospel Choir led by T-Jae Cole, with LSO's Discovery Choirs, LSO Community Choir and the LSO Brass Ensemble beginning a longer-term development of choral working across different music styles.

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Directors' report (continued)

More diverse programming at LSO St. Luke's and the Barbican continues to reach new audiences. The LSO presented the LSO Eclectica: East Meets West series and the two female Jerwood Composer+ composers produced concerts that mixed genres with writers, rappers and poets, film and sound installations. New partnerships at LSO St. Luke's have been formed with Baroque at the Edge, London Acappella Festival, and BBC Open Ear.

Female artists and composers featured prominently across the season, with female conductors playing an increasing role. LSO composer programmes reflect a wide musical and cultural background, whilst the range of people who engage with LSO Discovery's projects mirror the breadth of London's population. More generally, a focus on diverse programming at LSO St. Luke's and the Barbican helps to broaden the LSO's appeal to new audiences.

Partnerships

The LSO's success is reliant on the strong partnership with the City of London Corporation and Arts Council England. Their vital investment, combined with that of the private sector; ticket sales; income from strategic partnerships around the globe; and commercial income from recordings, builds financial resilience and enables the LSO to deliver its vision.

The LSO continued to deepen its partnership with the Barbican, the Guildhall School of Music & Drama on the Centre for Music, and with the London Museum on the Culture Mile initiative, delivering an eclectic range of community based activity in the area.

The LSO invests significant effort in nurturing, developing and strengthening relations with key stakeholders and partners. Strong relationships with sponsors and donors continue to be central and pivotal to the LSO's success. The LSO's corporate supporters stand alongside the LSO at concerts in London and around the world. The Principal Partnership with BMW, supported the open-air concert in Trafalgar Square, allowing the Orchestra to widen its reach outside of the concert hall. Reignwood Group's Principal Partnership with the LSO continued to provide invaluable support for LSO concerts in London as well as in China, as part of their strategy to build cultural links between the UK and China. The generous philanthropy of individuals continues to grow in support of the new era under the artistic leadership of Sir Simon Rattle. The work of LSO Discovery received vital support from a large number of charitable trusts and foundations, as well as from generous individuals. The LSO is especially grateful to all those companies, individuals and charitable trusts who provide funding, without which the Orchestra could not achieve its ambitions. A list of acknowledgements is set out at the end of this report, in recognition of this invaluable support.

Achievements against Objectives

As the commentary above demonstrates, the LSO had another successful year artistically and operationally with all of its major objectives achieved as planned. Performance compared with specific objectives was as follows:

- The Orchestra worked with a broad and more diverse range of conductors, composers and soloists during the year.
- The Orchestra completed a full season of Barbican Concerts as planned, working with a number of artists and presenting a wide range of work, with audience numbers being in line with targets.
- The Orchestra fulfilled all of its planned concerts and events overseas, performing to full houses and receiving very positive reviews, supported by new and return invitations.
- LSO Discovery continued to present an extensive range of educational and community projects, with players actively involved throughout. The breadth of projects was reviewed and new initiatives were developed during the year.
- LSO St Luke's hosted several new series, hosting a diverse range of artistic performances with high levels of attendance, whilst income from commercial bookings exceeded expectations.
- LSO Live released a number of new recordings as planned, with sales levels in line with target. A number of concert performances were recorded during the year, for future release.
- Digital activity continued to expand with huge growth in the number of people following the LSO through various social media. Development continues of various digital initiatives aimed at increasing the scale and depth of engagement with the public.

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Directors' report (continued)

- With the LSO working in partnership with the Barbican and the Guildhall School for Music and Drama, and with funding from the City of London, plans progressed for the Centre for Music project.

Financial Review

Income for the Group was £20.4m (2018: £20.0m) and was in line with expectations. Total expenditure was £19.7m (2018: £19.2m). There was increased income from Barbican Concerts, other engagements in the UK and international touring. Orchestra Tax Relief contributed towards a portion of eligible costs of rehearsals required to maintain standards of excellence. However, Orchestra Tax Relief does not make up for the shortfall caused by the cumulative reduction in public funding in real terms, experienced over the past nine years. Due to the growing cumulative gap in public funding, there is still a very real need for valuable support from the LSO's patrons and sponsors to ensure that the work of the LSO is sustained.

Unrestricted funds resulted in a net surplus of £1,002,000 (2018: £742,000) for the year after currency exchange gains of £77,000 and a transfer of £140,000 from restricted funds. There was expenditure of £78,000 from designated funds to meet building feasibility project costs of LSO St Luke's. Restricted expenditure of £1,274,000 relating mainly for LSO Discovery work was funded by income of £1,295,000 received during the year.

There was an operating surplus of £728,000 for the year (2018: £826,000). The surplus was mainly generated by underlying charitable and trading activities, in line with expectations. The overall financial outcome was a net surplus of £805,000 for the year (2018: £813,000).

The Balance Sheet was broadly similar to the previous year-end, although there was increase of £1 million in cash at bank, mainly as a result of the operating surplus. The unrestricted fund at the balance sheet date was £4,179,000 (2018: £3,177,000). Designated funds were £1,660,000 (2018: £1,738,000). Restricted funds were £394,000 (2018: £513,000). Total funds stood at £6,233,000 (2018: £5,428,000).

Reserves

In accordance with best practice and Charity Commission guidance, the LSO maintains reserves in order to provide for contingencies that may arise in the future. This is particularly necessary given the dependence on a number of variable income streams including box office sales, income from tours, donations and sponsorship.

For the purposes of this policy, the Directors define free reserves to be unrestricted funds, excluding fixed assets, which have not been designated for specific purposes. The LSO's policy is to set a target range for reserves of between three and six months' core costs associated with keeping the Orchestra's main Barbican season and LSO Discovery programme operating at a viable level.

On this basis the Directors have set a target range for free reserves of between £2.3 million and £4.6 million. The free reserves at 31 July 2019 stood at £2,559,000 (2018: £1,655,000) and the intention is to build up these reserves to increase resilience.

Due to the state of the global economy, including continued uncertainty about the UK's position regarding the European Union, the reserves policy is to be reviewed at least annually. Fundraising activities continue to be challenging and steps are being taken to address this situation on individual, corporate, trust and foundation levels. In addition, designated reserves of £1,660,000 (2018: £1,738,000) are held to ensure that the Orchestra can respond positively to variations as a result of uncertainties in the wider economic and financial climate.

Plans for the future

The LSO's plans continue to focus on its aim for excellence and innovation across all activities. The Orchestra will continue to perform high quality concerts at the Barbican and elsewhere, as well as reaching new and diverse audiences through the innovative streaming programmes of LSO Live, managing its digital initiative, and its education and community programme LSO Discovery, based at LSO St Luke's. Specific plans for the year ahead include the following:

London Symphony Orchestra Limited

Directors' report (continued)

1. Developing new artistic projects and diverse models, continuing the exploration of the repertoire with an emphasis on roots and origins of music, performing new and twentieth century work led by Sir Simon Rattle as Music Director, and with the family of conductors and artists.
2. Continuing to grow private sector income and identifying other sources of income in order to achieve a business model that sustains and improves excellence in the medium to long-term.
3. Continuing the LSO residency at the Barbican Centre by staging concerts of the highest quality and developing new initiatives to increase revenue from ticket sales and, at the same time, mounting initiatives to attract the widest possible audiences, including those new to orchestral music.
4. Planning and financing strategically important overseas work, encompassing the LSO's international residencies across the globe, including developing work in new regions, further engagements within the UK, and continuing the exploration of alternative performance spaces.
5. As LSO Discovery celebrates 30 years in 2020, it is the LSO's ambition to sustain the regular programme of LSO Discovery activity, whilst also developing new initiatives for the future, with a special focus on young composers and new music. This includes the ongoing development of the LSO East London Academy, the extracurricular programme developed by the Orchestra in partnership with all ten East London boroughs, to nurture talented young instrumentalists from diverse backgrounds.
6. At LSO St Luke's, continuing to serve the needs of LSO Discovery in the wider community, activities with younger composers and the needs of the Orchestra, as well as developing the LSO's partnership with BBC Radio 3, alongside commercial hire of the venue, balanced with artistic activities to underpin the financial model.
7. Through LSO Live, releasing further recordings in audio, audio-visual and other innovative digital formats and establishing new distribution channels to make the LSO's performances accessible to an even wider global audience, while making the highest quality of classical music affordable and accessible. This includes using digital initiatives to attract more people nationally and overseas, generating income from TV broadcasts, video on demand and streaming.
8. The LSO will continue to work in partnership with the Barbican Centre and the Guildhall School of Music & Drama on the Centre for Music project, to progress plans to build a new venue as the home of the LSO.
9. Taking an active part in the Culture Mile with the City of London Corporation, Barbican, Guildhall School of Music and Drama, and the Museum of London.

Principal Risks and Uncertainties

A risk register is prepared and updated by Heads of Department on a regular basis and the Finance Committee reviews key risk areas periodically. New specific risks are addressed as they arise by management or the Board as appropriate, such as Brexit. Through this process, the major risks to which the Company is exposed have been reviewed and procedures have been established to mitigate the impact of those risks.

The major risks facing the group continue to relate to maintaining income levels from all sources to finance the LSO's activities, particularly given the reduction in real terms of funding from Arts Council England and the City of London Corporation. Other key risks relate to the operational aspects of the Orchestra's work, particularly international touring in the context of the Government's negotiations regarding the European Union. The LSO has set up a task force to address a range of issues related to the European Union and is working with relevant trade associations to mitigate risks.

Going Concern

The LSO benefits from the on-going commitment of its core funders with funding from Arts Council England confirmed through to March 2022 and a reasonable expectation of continued funding from the City of London Corporation during the same period. A number of sponsorship and other funding agreements are in place for varying periods beyond the

London Symphony Orchestra Limited

Directors' report (continued)

balance sheet date. In addition to performances at the Barbican Centre, a satisfactory number of engagements including many overseas tours are confirmed for the coming 18 months.

In addition to public funding, the LSO has a diversified range of other income streams and aims to be not critically dependent on any other single organisation for funding. The Directors therefore believe that the LSO is adequately placed to manage its business and financial risks despite the challenging external economic and funding environment.

The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Fundraising approach and performance

The charity undertakes fundraising activity with its supporters via direct mail, telephone, challenge events, fundraising events, sponsored events, gala dinners and email, in line with the Code of Fundraising Practice set by the Fundraising Regulator with which the charity is registered. The LSO subscribes to the following principles of fundraising best practice:

- We will commit to high standards
- We will be clear, honest and open
- We will be respectful
- We will be fair and reasonable
- We will be accountable and responsible

No complaints were received about the LSO's fundraising practices in the current year. In addition, no third party fundraisers were used to raise funds during the financial year.

Acknowledgements

The Board of the LSO would like to express its deep thanks and appreciation to the people and organisations whose vital support underpins the activities of the Orchestra. Primary amongst these are:

- Arts Council England and the City of London Corporation, who continue to support the LSO's London work so positively.
- The Orchestra's Principal Partners: BMW and Reignwood; Corporate Sponsors: Baker McKenzie, Chapel Down, Mishcon de Reya, Mizuho, Yamaha, and the Corporate Members who support through the Premier and Debut programmes.
- Trusts and Foundations including major supporters, The Helen Hamlyn Trust, National Foundation for Youth Music, Jerwood Charitable Foundation, Garfield Weston Foundation and the Jeremy and John Sacher Charitable Trust, as well as the many other supporters of LSO Discovery.
- LSO Major Donors, Patrons and Friends.
- The LSO Advisory Council, the LSO Development Board, the LSO Endowment Trustees and supporters of the American LSO Foundation;
- St Luke Centre Management Company.

The Board is also appreciative of the deep commitment of the LSO's members and dedicated staff to maintaining its standing as a world-class orchestra.

London Symphony Orchestra Limited

Directors' report (continued)

Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- So far as he/she is aware, there is no relevant audit information of which the company's auditor is unaware; and
- He/she has taken all the steps that they ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of the information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Directors' Report, incorporating the Strategic Report, was approved by the Board of Directors and signed on behalf of the Board.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' 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 Directors to prepare financial statements for each financial year. Under company law the Directors 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 company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- 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.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

The Directors 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.



David Alberman
Chair

12 December 2019

Independent auditor's report to the members of London Symphony Orchestra Limited

Opinion

We have audited the financial statements of London Symphony Orchestra Limited for the year ended 31 July 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and the and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 July 2019 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Responsibilities of Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities the Directors 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 Directors 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 Directors 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 Directors 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

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.

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Directors' Report (which incorporates the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report (which incorporates the strategic report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in Directors' Report (which incorporates the strategic report).

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

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

Use of our report

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



Richard Weaver (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date: 20 December 2019

10 Queen Street Place
London
EC4R 1AG

London Symphony Orchestra Ltd

Consolidated statement of financial activities
(Incorporating an Income and Expenditure Account)
Year ended 31 July 2019

		2019 Unrestricted funds £000	2019 Designated funds £000	2019 Restricted funds £000	2019 Total funds £000	2018 Total funds £000
	Note					
Income from:						
Donations, grants and legacies	6	4,952	-	1,295	6,247	6,443
Charitable activities	7	11,431	-	-	11,431	10,796
Other trading activities	9	863	-	-	863	990
Investment income	10	17	-	-	17	5
Other	11	1,861	-	-	1,861	1,776
Total Income	5	19,124	-	1,295	20,419	20,010
Expenditure on:						
Raising funds		1,910	-	-	1,910	1,871
Charitable activities		16,429	78	1,274	17,781	17,313
Total expenditure	12	18,339	78	1,274	19,691	19,184
Net income / (expenditure)	15	785	(78)	21	728	826
Transfers between funds		140	-	(140)	-	-
Other recognised gains/(losses)						
Currency exchange (losses) / gains		77	-	-	77	(13)
Net movement in funds		1,002	(78)	(119)	805	813
Reconciliation of funds						
Total funds brought forward		3,177	1,738	513	5,428	4,615
Total funds carried forward		4,179	1,660	394	6,233	5,428

As permitted by Section 408 of the Companies Act 2006, the Statement of Financial Activities of the Company is not presented as part of these financial statements. The net surplus of the Company was £805,000 including the donation of subsidiary company profits.

There were no recognised gains or losses other than the net movement in funds for the year. All income and expenditure derive from continuing activities.


See note 3 for comparative Statement of Financial Activities analysed by funds.


Consolidated and Charity Balance Sheet
As at 31 July 2019

		Group		Charity	
	Note	2019 £000	2018 £000	2019 £000	2018 £000
Fixed assets					
Tangible assets	17	1,820	1,847	1,654	1,662
Investment assets	18	-	-	-	-
Total fixed assets		1,820	1,847	1,654	1,662
Current assets					
Stock	19	579	505	-	-
Debtors: amounts falling due within one year	20	3,388	3,326	3,165	3,243
Cash at bank		3,073	2,061	2,714	1,756
Total current assets		7,040	5,892	5,879	4,999
Current liabilities					
Creditors: amounts falling due within one year	21	(2,627)	(2,311)	(1,363)	(1,297)
Net current assets		4,413	3,581	4,516	3,702
Long term liabilities					
Creditors: amounts falling due after more than one year	21	-	-	-	-
Total net assets		6,233	5,428	6,170	5,364
Total funds	23				
Unrestricted funds		4,179	3,177	4,310	3,286
Designated funds		1,660	1,738	1,660	1,738
Restricted funds		394	513	200	340
Funds carried forward		6,233	5,428	6,170	5,364

The notes on pages 19 to 39 form part of these accounts.

Approved by the Board on 12 December 2019 and signed on its behalf by:


D Alberman


K McDowell

London Symphony Orchestra Ltd

Consolidated and Charity Statement of Cash Flows Year ended 31 July 2019

	Note	Group		Charity	
		2019 £000	2018 £000	2019 £000	2018 £000
Cash from operating activities	A	1,120	509	1,044	249
Cash flows from Investing activities					
Bank interest		17	5	15	5
Purchase of fixed assets		(125)	(322)	(101)	(222)
Increase / (decrease) in cash and cash equivalents in the year		1,012	192	958	32
Cash and cash equivalents at the beginning of the year		2,061	1,869	1,756	1,724
Total cash and cash equivalents at the end of the year		3,073	2,061	2,714	1,756
Reconciliation to cash at bank and in hand:					
Cash at bank and in hand		2,729	1,719	2,371	1,414
Short-term deposits		344	342	343	342
		3,073	2,061	2,714	1,756
A Reconciliation of net movement in funds to net cash flow from operating activities					
Net movement in funds		805	813	806	813
Depreciation charge		152	172	109	104
Bank interest		(17)	(5)	(15)	(5)
Decrease/(increase) in stock		(74)	43	-	-
Decrease/(increase) in debtors		(62)	(755)	78	(953)
Increase in creditors		316	241	66	290
Net cash from operating activities		1,120	509	1,044	249

Charity law prohibits the use of net cash inflows on any endowed or other restricted fund to offset net cash outflows on any fund outside its own objects, except on special authority. In practice this restriction has not had any effect on the cash flow for the year.

London Symphony Orchestra Ltd

Notes to the financial statements

Year ended 31 July 2019

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared under the historic cost convention and in accordance with the Charities SORP 2015 (FRS 102) and the Companies Act 2006.

The London Symphony Orchestra Ltd is a Public Benefit Entity. It is a registered company in England & Wales (company number 83608 and charity number 232391).

b) Preparation of accounts on a going concern basis

The financial statements have been prepared on the basis that the Group is and will remain a going concern for the foreseeable future, as more fully explained in the Directors' Report.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably. Ticket income and other income are stated net of Value Added Tax and consist primarily of ticket sales together with sales of other goods and services. Revenue from ticket sales is recognised at the time of the performance.

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case-by-case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Investment income and interest receivable are recognised on an accruals basis.

London Symphony Orchestra Ltd

Notes to the financial statements

Year ended 31 July 2019

1 Accounting policies (continued)

d) Expenditure

Expenditure is recognised on an accruals basis and has been classified under headings that aggregate all costs related to the category. Costs of raising funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds. Costs of charitable activities include expenditure associated with the performance of concerts and educational programmes and include both the direct costs and support costs relating to these activities. Governance costs are a sub-section of support costs and include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. Support costs which include the central functions such as employee-related costs, premises and facilities, communications and information technology and other general management, are allocated across the categories of charitable expenditure and the costs of generating funds. The basis of the cost allocation is explained in Note 12.

e) LSO Live acting as an agent

LSO Live operates through a subsidiary company, LSO Live Ltd. Its operations include providing services relating to the distribution and marketing of recordings for external parties on a commercial basis. When providing such services, LSO Live acts as agent for its client rather than as principal. Accordingly, no transactions or balances relating to this particular activity are included in the financial statements other than the commission earned by LSO Live in its capacity as agent.

f) Foreign currencies

Assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Foreign currency gains and losses are recognised in the Statement of Financial Activities.

g) Funds

The General Fund is a general unrestricted fund and represents funds which are expendable at the discretion of the Directors in furtherance of the general objectives of the Charity and which have not been designated for other purposes. Such funds are held in order to finance both working capital and capital investment.

The Directors have established a Designated Fund, the main purpose of which is to manage the effect on income of the fluctuation of numbers of Barbican concerts between years and the impact of recent reductions in public funding.

Restricted funds are funds subject to specific restrictions imposed by the donors. These funds are not available for the Directors to apply at their discretion. The purpose and use of the restricted funds is set out in note 23.

London Symphony Orchestra Ltd

Notes to the financial statements

Year ended 31 July 2019

1 Accounting policies (continued)

h) Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. At each reporting date fixed assets are assessed for impairment. If an asset is impaired the carrying amount is reduced to its fair value and the loss is recognised immediately. Depreciation is charged at rates calculated to write off the cost of each asset over its expected useful life on a straight-line basis as shown below:

Land and buildings	- 15 years
Motor vehicles	- 4 years*
Instruments and music scores	- 10 years**
Fixtures, fittings and equipment	- 3-10 years

A full year of depreciation is charged in the year of purchase.

* In 2016 the Charity purchased a new, more environmentally-friendly truck for the transportation of instruments. This is depreciated over ten years.

** Over £800,000 has been invested in high-value string instruments which have not been depreciated because the Directors are of the opinion that the net residual value is at least equal to the original cost.

i) Investments

In the parent charity balance sheet investments in subsidiary undertakings are measured at cost less impairment.

j) Stocks and work-in-progress

Stocks of CDs are held at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. At each reporting date inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell and the impairment loss is recognised immediately.

Development costs, representing the costs of recordings which are under way or have been completed but have not yet been released for sale, are held in the balance sheet and the costs charged to the Statement of Financial Activities in line with expected revenues for the recording.

k) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

During the year, the charity held financial assets and financial liabilities of a kind that qualify as basic financial instruments: Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any discounts due. Cash at bank and in hand includes cash and short-term highly liquid investments with a maturity of three months or less from the date of acquisition or the opening of the deposit or similar account.

London Symphony Orchestra Ltd

Notes to the financial statements

Year ended 31 July 2019

1 Accounting policies (continued)

k) Financial instruments (continued)

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

During the year the charity also had financial assets and financial liabilities of a kind that qualify as other financial instruments, being forward contracts for the sale of foreign currencies. These were redeemed during the year.

l) Leases

Rentals paid under operating leases are charged on a straight-line basis over the lease term.

m) Pension scheme

The company makes employer contributions to the LSO Group Personal Pension Plan underwritten by Aegon and to other personal pension schemes held by members of staff. These are individual money purchase arrangements owned by the employees. The pension cost charge represents contributions payable to the scheme. The company's liability is limited to the amount of the contribution.

n) Taxation

The parent charity, London Symphony Orchestra Limited, is a registered charity and is thus exempt from tax on income and gains falling within Part 10 of the Income Tax Act 2007 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

o) Group financial statements

The Group Financial Statements consolidate the results of the charitable company and its subsidiaries for the year ended 31 July 2019 after elimination of intra-group transactions.

London Symphony Orchestra Ltd

Notes to the financial statements

Year ended 31 July 2019

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Trustees do not consider that there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

3 Comparative Statement of Financial Activities

	2018 Unrestricted funds £000	2018 Designated funds £000	2018 Restricted funds £000	2018 Total funds £000
Income and endowments from:				
Donations and legacies	5,004	-	1,439	6,443
Charitable activities	10,794	-	2	10,796
Other trading activities	990	-	-	990
Investment income	5	-	-	5
Other	1,776	-	-	1,776
Total income	18,569	-	1,441	20,010
Expenditure on:				
Raising funds	1,871	-	-	1,871
Charitable activities	15,951	-	1,362	17,313
Total expenditure	17,822	-	1,362	19,184
Net income	747	-	79	826
Transfers between funds	8	(8)	-	-
Currency exchange (losses)	(13)	-	-	(13)
Net movement in funds	742	(8)	79	813
Reconciliation of funds				
Total funds brought forward	2,435	1,746	434	4,615
Total funds carried forward	3,177	1,738	513	5,428

London Symphony Orchestra Ltd

Notes to the financial statements

Year ended 31 July 2019

4 Subsidiary companies' trading activities

The LSO owns the whole of the share capital of LSO Productions Limited which operates LSO Discovery, LSO St Luke's and corporate sponsorship activity. Its taxable profit is donated to London Symphony Orchestra Ltd. The LSO also owns the whole of the share capital of LSO Live Limited which manages all aspects of the LSO Live label. Its taxable profit is also donated to London Symphony Orchestra Ltd. The trading results of the two subsidiaries and their assets, liabilities and funds at the year end are summarised below.

	LSO Productions Ltd		LSO Live Ltd	
	2019	2018	2019	2018
	£000	£000	£000	£000
Turnover	13,534	13,433	784	1,098
less: Cost of sales	(13,239)	(13,150)	(591)	(676)
Gross profit	295	283	193	422
less: Administration Expenses	(1,386)	(1,417)	(170)	(421)
Operating Profit/(loss) for the year	(1,091)	(1,134)	23	1
Interest receivable	-	-	2	-
Corporation Tax relief	1,307	1,310	-	-
less: Donation to parent charity	(216)	(176)	(25)	(1)
Retained Profit/ (Loss) for the year	-	-	-	-
Assets	1,959	2,189	1,086	1,073
less: Liabilities	(1,907)	(2,137)	(1,074)	(1,061)
Net Funds	52	52	12	12

5 Group income analysis

	by Source of Funds		by Location of Activity	
	2019	2018	2019	2018
	£000	£000	£000	£000
United Kingdom	14,779	15,117	14,755	14,947
Europe	3,603	3,517	2,880	2,724
Asia	1,078	340	1,188	1,460
Latin America	50	-	1,131	-
USA	909	1,036	465	879
	20,419	20,010	20,419	20,010

London Symphony Orchestra Ltd

Notes to the financial statements

Year ended 31 July 2019

	2019 £000	2018 £000
6 Income from donations, grants and legacies		
Arts Council grant	2,206	2,206
Corporation of London core grant	1,975	1,975
Corporation of London other grant	65	48
LSO Endowment Trust grant	662	705
LSO Discovery	568	497
Sponsorships and donations	771	1,012
Total income from grants and donations	6,247	6,443
7 Income from charitable activities		
Barbican concerts	1,682	1,592
Engagements	7,289	6,736
LSO Live	599	656
LSO St Luke's - Artistic	217	268
LSO Discovery	327	323
Sponsorships	1,317	1,221
Total income from charitable activities	11,431	10,796
8 Income from engagements		
Overseas Tours	5,664	5,511
UK Concerts	613	373
Recordings	1,012	852
Total income from engagements	7,289	6,736
9 Income from other trading activities		
LSO St Luke's - Commercial	863	990
Total income from trading activities	863	990
10 Income from Investments		
Bank interest received	17	5
Total Investment income	17	5
11 Other income		
Other Income	1,861	1,776
Total other income	1,861	1,776

Other income includes a claim for Orchestra Tax Relief and recharged costs incurred in relation to the new Centre for Music project.

London Symphony Orchestra Ltd

Notes to the financial statements

Year ended 31 July 2019

12 Analysis of group expenditure

	Staff and Direct Costs	Allocated Support Costs	Total
	2019	2019	2019
	£000	£000	£000
Costs of raising funds:			
Voluntary income	711	399	1,110
St Luke's - commercial activity	444	356	800
	<u>1,155</u>	<u>755</u>	<u>1,910</u>
Costs of charitable activities:			
Barbican concerts	6,481	499	6,980
Engagements	6,691	408	7,099
LSO Live	715	145	860
LSO St Luke's - artistic activity	340	152	492
LSO Discovery	1,879	471	2,350
	<u>16,106</u>	<u>1,675</u>	<u>17,781</u>
Total group expenditure	<u>17,261</u>	<u>2,430</u>	<u>19,691</u>
	2018	2018	2018
	£000	£000	£000
Costs of raising funds:			
Voluntary income	760	365	1,125
St Luke's - commercial activity	443	303	746
	<u>1,203</u>	<u>668</u>	<u>1,871</u>
Costs of charitable activities:			
Barbican concerts	6,172	475	6,647
Engagements	6,653	389	7,042
LSO Live	786	133	919
LSO St Luke's - artistic activity	287	129	416
LSO Discovery	1,857	432	2,289
	<u>15,755</u>	<u>1,558</u>	<u>17,313</u>
Total group expenditure	<u>16,958</u>	<u>2,226</u>	<u>19,184</u>

Staff and direct costs are allocated on an actual basis to each area of activity. Support costs consist of staff costs, overheads and governance costs. The staff costs and overheads are allocated based on an assessment of the time spent by each department in supporting various activities.

London Symphony Orchestra Ltd

Notes to the financial statements

Year ended 31 July 2019

13 Analysis of support costs

	Raising funds	Charitable activities	Total
	2019	2019	2019
	£000	£000	£000
Staff costs	301	668	969
Other overheads	454	1,007	1,461
	<u>755</u>	<u>1,675</u>	<u>2,430</u>

	Raising funds	Charitable activities	Total
	2018	2018	2018
	£000	£000	£000
Staff costs	252	587	839
Other overheads	416	971	1,387
	<u>668</u>	<u>1,558</u>	<u>2,226</u>

2019
£000

2018
£000

14 Governance costs

Included within support costs are the following governance costs:

Audit fees	24	23
Directors' fees	28	27
Other governance costs	9	4
Total Governance costs	<u>61</u>	<u>54</u>

15 Net (expenditure)/Income is stated after charging:

Fees payable to the Company's auditors for the audit of:

- the Company's annual accounts

- the Company's subsidiaries' accounts

Total Audit Fees

Movement in stock

Depreciation

Realised foreign currency exchange loss / (gain)

Operating lease rentals - Land and buildings

2019
£000

2018
£000

11

11

13

12

24

23

(74)

43

152

172

(77)

13

122

94

London Symphony Orchestra Ltd

Notes to the financial statements

Year ended 31 July 2019

16 Analysis of staff numbers and costs

The number of employees during the period was as follows:

	2019	2018	2019	2018
	Average Headcount No.		Full Time Equivalent No.	
Concerts Management	17	17	17	17
Marketing	8	9	8	9
Development	11	11	10	11
Management, Finance and IT	14	13	14	12
Total Charity	50	50	49	49
LSO Discovery	13	13	12	13
LSO St Luke's	14	13	14	13
LSO Live	4	4	4	4
Total Group	81	80	79	79

Overall the average headcount increased by one from the previous year due to Culture Mile activities. The total full-time equivalent number remained the same.

	Group		Charity	
	2019	2018	2019	2018
	£000	£000	£000	£000
All employees aggregate remuneration				
Salaries	3,038	2,842	2,053	1,904
National Insurance	300	287	216	204
Pension Costs	193	181	143	133
Other staff costs	34	32	34	32
	3,565	3,342	2,446	2,273
Key management aggregate remuneration				
Salaries and pension	358	356	358	356
National Insurance	42	42	42	42
	400	398	400	398

London Symphony Orchestra Ltd

Notes to the financial statements

Year ended 31 July 2019

16 Analysis of staff numbers and costs (continued)

The number of Group employees whose emoluments, excluding pension contributions but including benefits in kind, were in excess of £60,000 was:

	2019	2018
	No.	No.
£190,001 - £200,000	1	0
£180,001 - £190,000	0	1
£100,001 - £110,000	1	0
£90,001 - £100,000	0	1
£70,001 - £80,000	1	2
£60,001 - £70,000	2	3

The Directors who are playing members of the orchestra received performance fees and expenses on the same scale as those paid to other playing members in respect of their performances with the orchestra.

Fees in relation to the office of Director were paid to the following playing members:

		2019	2018
		£	£
Gareth Davies	Chairman	10,421	16,981
David Alberman	Chairman	5,975	-
Belinda McFarlane	Vice - Chairman	-	2,874
Clare Duckworth	Vice - Chairman	6,613	5,307
Joost Bosdijk	Vice - Chairman	3,227	1,769
David Jackson	Vice - Chairman	1,793	-

A total of £4,067 (2018: £2,717) was also paid to 9 (2018: 9) Directors in respect of reimbursing expenses incurred for board and committee meetings.

London Symphony Orchestra Ltd

Notes to the financial statements
Year ended 31 July 2019

17 Tangible fixed assets

	Freehold land and buildings £000	Motor vehicles £000	Instruments £000	Fixtures, fittings and equipment £000	Total £000
Group:					
Cost					
At 1 August 2018	622	257	1,475	1,367	3,721
Additions	-	-	20	105	125
Disposals	-	-	-	(208)	(208)
At 31 July 2019	622	257	1,495	1,264	3,638
Depreciation					
At 1 August 2018	225	89	427	1,133	1,874
Charge for the year	29	24	22	77	152
Disposals	-	-	-	(208)	(208)
At 31 July 2019	254	113	449	1,002	1,818
Net book values					
At 31 July 2019	368	144	1,046	262	1,820
At 1 August 2018	397	168	1,048	234	1,847
Charity:					
Cost					
At 1 August 2018	569	257	1,411	455	2,692
Additions	-	-	20	81	101
Disposals	-	-	-	(92)	(92)
At 31 July 2019	569	257	1,431	444	2,701
Depreciation					
At 1 August 2018	172	89	400	369	1,030
Charge for the year	29	24	15	41	109
Disposals	-	-	-	(92)	(92)
At 31 July 2019	201	113	415	318	1,047
Net book values					
At 31 July 2019	368	144	1,016	126	1,654
At 1 August 2018	397	168	1,011	86	1,662

Within the costs of Land and Buildings is a balance of £135,000 relating to Land (2018: £135,000): This element is not depreciated as the Directors are of the opinion that the net residual value is at least equal to the original cost.

London Symphony Orchestra Ltd

Notes to the financial statements

Year ended 31 July 2019

17 Tangible fixed assets

	Freehold land and buildings £000	Motor vehicles £000	Instruments £000	Fixtures, fittings and equipment £000	Total £000
Group:					
Cost					
At 1 August 2017	622	257	1,345	1,176	3,400
Additions	-	-	130	192	322
Disposals	-	-	-	(1)	(1)
At 31 July 2018	622	257	1,475	1,367	3,721
Depreciation					
At 1 August 2017	186	62	401	1,054	1,703
Charge for the year	39	27	26	80	172
Disposals	-	-	-	(1)	(1)
At 31 July 2018	225	89	427	1,133	1,874
Net book values					
At 31 July 2018	397	168	1,048	234	1,847
At 1 August 2017	437	195	944	122	1,697
Charity:					
Cost					
At 1 August 2017	569	257	1,281	363	2,470
Additions	-	-	130	92	222
Disposals	-	-	-	-	-
At 31 July 2018	569	257	1,411	455	2,692
Depreciation					
At 1 August 2017	143	62	380	341	926
Charge for the year	29	27	20	28	104
Disposals	-	-	-	-	-
At 31 July 2018	172	89	400	369	1,030
Net book values					
At 31 July 2018	397	168	1,011	86	1,662
At 1 August 2017	426	195	901	22	1,544

Within the costs of Land and Buildings is a balance of £135,000 relating to Land (2017: £135,000): This element is not depreciated as the Directors are of the opinion that the net residual value is at least equal to the original cost.

London Symphony Orchestra Ltd

Notes to the financial statements

Year ended 31 July 2019

18	Investments in subsidiaries	Charity
	Cost at 1 August 2018 and 31 July 2019	£ 101

The investments represent 100 shares in LSO Productions Ltd (£100) and 1 share in LSO Live Ltd (£1) which were all held at the start of the year. Both subsidiaries are 100% owned by London Symphony Orchestra Ltd and are registered in England and Wales. Their activities are explained in Note 4.

	Group	
	2019	2018
	£000	£000
19		
Stocks of CDs and related development costs		
Stocks of own-label recorded CDs and DVDs	111	119
Deferred development costs of own-label CDs and DVDs	468	386
	<u>579</u>	<u>505</u>

	Group		Charity	
	2019	2018	2019	2018
	£000	£000	£000	£000
20				
Debtors: amounts falling due within one year				
Trade debtors	816	1,131	271	591
Other debtors	37	34	29	19
Prepayments	579	440	507	383
Amounts owed by Group companies	-	-	1,716	1,868
Accrued Income	642	415	642	382
Other taxes and social security	1,314	1,306	-	-
	<u>3,388</u>	<u>3,326</u>	<u>3,165</u>	<u>3,243</u>

21	Creditors: amounts falling due within one year				
		611	473	399	394
	Trade creditors	345	200	247	182
	Other taxes and social security	318	349	45	64
	Owed to players	269	225	62	28
	Other creditors	332	339	292	275
	Accruals	752	725	318	354
	Deferred income	<u>2,627</u>	<u>2,311</u>	<u>1,363</u>	<u>1,297</u>

London Symphony Orchestra Ltd

Notes to the financial statements

Year ended 31 July 2019

	Group		Charity	
	2019	2018	2019	2018
22 Deferred Income				
Brought forward	725	517	354	143
Released in the year	(725)	(517)	(354)	(143)
Deferred in the year	752	725	318	354
Carried Forward	<u>752</u>	<u>725</u>	<u>318</u>	<u>354</u>

23 Statement of funds

	1 August 2018 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	Balance 31 July 2019 £000
Group:						
Unrestricted funds:						
Share Capital	1	-	-	-	-	1
General reserve	3,176	19,124	(18,339)	77	140	4,178
Designated funds	1,738	-	(78)	-	-	1,660
Total unrestricted funds	<u>4,915</u>	<u>19,124</u>	<u>(18,417)</u>	<u>77</u>	<u>140</u>	<u>5,839</u>
Restricted funds	513	1,295	(1,274)	-	(140)	394
Total group funds	<u>5,428</u>	<u>20,419</u>	<u>(19,691)</u>	<u>77</u>	<u>-</u>	<u>6,233</u>
Charity:						
Unrestricted funds:						
Share Capital	1	-	-	-	-	1
General reserve	3,285	26,459	(25,632)	57	140	4,309
Designated funds	1,738	-	(78)	-	-	1,660
Total unrestricted funds	<u>5,024</u>	<u>26,459</u>	<u>(25,710)</u>	<u>57</u>	<u>140</u>	<u>5,970</u>
Restricted funds	340	215	(215)	-	(140)	200
Total charity funds	<u>5,364</u>	<u>26,674</u>	<u>(25,925)</u>	<u>57</u>	<u>-</u>	<u>6,170</u>

London Symphony Orchestra Ltd

Notes to the financial statements

Year ended 31 July 2019

23 Statement of funds (continued)

	1 August 2017 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	Balance 31 July 2018 £000
Group:						
Unrestricted funds:						
Share Capital	1	-	-	-	-	1
General reserve	2,434	18,569	(17,822)	(13)	8	3,176
Designated funds	1,746	-	-	-	(8)	1,738
Total unrestricted funds	4,181	18,569	(17,822)	(13)	-	4,915
Restricted funds	434	1,441	(1,362)	-	-	513
Total group funds	4,615	20,010	(19,184)	(13)	-	5,428
Charity:						
Unrestricted funds:						
Share Capital	1	-	-	-	-	1
General reserve	2,457	25,719	(24,882)	(17)	8	3,285
Designated funds	1,746	-	-	-	(8)	1,738
Total unrestricted funds	4,204	25,719	(24,882)	(17)	-	5,024
Restricted funds	347	495	(502)	-	-	340
Total charity funds	4,551	26,214	(25,384)	(17)	-	5,364

London Symphony Orchestra Ltd

Notes to the financial statements

Year ended 31 July 2019

24 Restricted funds

Restricted funds are those funds raised for a specific purpose within the LSO's charitable objectives. An explanation of each restricted fund and movements during the year are show below.

	Balance 1 August 2018 £000	Income £000	Expenditure £000	Transfers £000	Balance 31 July 2019 £000
Antonio Brenzi Viola	200	-	-	-	200
Sale of Carcassi Double Bass	140	-	-	(140)	-
City of London - Culture Mile grant	-	65	(65)	-	-
Total charity restricted funds	340	65	(65)	(140)	200
LSO Discovery	173	913	(892)		194
Moving Music Grant	-	317	(317)		-
Total group restricted funds	513	1,295	(1,274)	(140)	394

	Balance 1 August 2017 £000	Income £000	Expenditure £000	Transfers £000	Balance 31 July 2018 £000
Antonio Brenzi Viola	200	-	-	-	200
Sale of Carcassi Double Bass	140	-	-	-	140
City of London - digital installation	8	-	(8)	-	-
City of London - Culture Mile grant	-	48	(48)	-	-
Digital Marketing grant	-	297	(297)	-	-
PRS Foundation	-	2	(2)	-	-
Total charity restricted funds	348	347	(355)	-	340
LSO Discovery	86	782	(695)		173
Moving Music Grant	-	312	(312)		-
Total group restricted funds	434	1,441	(1,362)	-	513

London Symphony Orchestra Ltd

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24 Restricted funds (continued)

Antonio Brenzi Viola Fund

This fund represents an Antonio Brenzi Viola which is held in tangible fixed assets. The restriction accompanying this instrument is that it must be used by an LSO orchestra member for the duration of his or her life as a professional LSO

Sale of Carcassi Double Bass

In February 2017 the Orchestra sold a double bass for £140,000. The instrument had been purchased in 2000 with funds from the National Lottery, later paid through the Arts Council. A condition of the funding was that, if sold (which must not be within ten years), the proceeds must be used to purchase a replacement instrument. In September 2017 a new double bass was purchased for £125,000 using the proceeds of the sale. The value of the new instrument along with the cash balance of £15,000 was held as a restricted fund. The restriction had, in fact, been lifted by the Arts Council in 2013 so this fund is not required and a transfer has been made to unrestricted funds.

PRS Foundation

The PRS Foundation gave a grant of £2,000 to support the performance and live stream of Sir Michael Tippett's *The Rose Lake* in April 2018.

LSO Discovery Fund

This fund represents all restricted funds relating to LSO Discovery projects. The balance carried forward at the year end relates to funds received but not yet spent. It is expected that these funds will be applied towards LSO Discovery work in

Moving Music Fund

This fund represents grant funding received to fund audio/visual recordings of key concert performances by the LSO and the distribution of these worldwide, including to young people and new audiences.

25 Analysis of net assets between funds

	Unrestricted General Funds £000	Unrestricted Designated Funds £000	Restricted Funds £000	Total 2019 £000
Group				
Tangible fixed assets	1,620	-	200	1,820
Current assets	5,186	1,660	194	7,040
less: Current and long term liabilities	(2,627)	-	-	(2,627)
At 31 July 2019	<u>4,179</u>	<u>1,660</u>	<u>394</u>	<u>6,233</u>
At 31 July 2018	<u>3,177</u>	<u>1,738</u>	<u>513</u>	<u>5,428</u>
Charity				
Tangible fixed assets	1,454	-	200	1,654
Current assets	4,219	1,660	-	5,879
less: Current liabilities	(1,363)	-	-	(1,363)
At 31 July 2019	<u>4,310</u>	<u>1,660</u>	<u>200</u>	<u>6,170</u>
At 31 July 2018	<u>3,286</u>	<u>1,738</u>	<u>340</u>	<u>5,364</u>

London Symphony Orchestra Ltd

Notes to the financial statements

Year ended 31 July 2019

25 Analysis of net assets between funds (continued)

	Unrestricted General Funds £000	Unrestricted Designated Funds £000	Restricted Funds £000	Total 2018 £000
Group				
Tangible fixed assets	1,522	-	325	1,847
Current assets	3,966	1,738	188	5,892
less: Current and long term liabilities	(2,311)	-	-	(2,311)
At 31 July 2018	<u>3,177</u>	<u>1,738</u>	<u>513</u>	<u>5,428</u>
Charity				
Tangible fixed assets	1,337	-	325	1,662
Current assets	3,246	1,738	15	4,999
less: Current liabilities	(1,297)	-	-	(1,297)
At 31 July 2018	<u>3,286</u>	<u>1,738</u>	<u>340</u>	<u>5,364</u>

26 Commitments under operating leases

At 31 July 2019 the present value of the Group's total future minimum lease commitments under non-cancellable operating leases was as follows:

	2019 £000	2018 £000
Land and buildings		
- within one year	122	94
- between two and five years	326	345
	<u>448</u>	<u>439</u>

London Symphony Orchestra Ltd

Notes to the financial statements

Year ended 31 July 2019

27 Share capital

The charity is a company limited by shares. The authorised share capital is 1,500 ordinary shares with a value of £1 each.

	Shares No.	Shares Value £
Allotted, called-up and fully paid 1,000 shares of £1 each	1,000	1,000

28 Related party matters

LSO Endowment Trust

The registered charity The London Symphony Orchestra Endowment Trust (reg no 233700) has engaged with the London Symphony Orchestra Limited in respect of the following transactions during the year. The LSO Endowment Trust is controlled by a majority of independent trustees and, as such, there is no requirement to consolidate or detail any part of that organisation's results. The matters to report are:

	2019 £000	2018 £000
Donations made to the Group	662	705

No amounts were due to the Group from the LSO Endowment Trust as at 31 July 2019 or 2018.

Members of the London Symphony Orchestra

The permanent members of the London Symphony Orchestra are engaged by the Group to perform at concerts, engagements and education projects. These members are also the shareholders in London Symphony Orchestra Limited.

Directors' & Officers' Insurance

During the year the Group took out Directors & Officers Liability insurance at an annual cost of £560 (2018: £553).

Group transactions between LSO Ltd, LSO Productions Ltd and LSO Live Ltd

All transactions between the charity and its subsidiaries are eliminated on consolidation.

Other transactions

During the year the London Symphony Orchestra made payments to two companies of which members of the LSO Board were also Directors. These payments were: £37,864 to Boosey & Hawkes Ltd, of which Janis Susskind is a Director; and £6,145 to Henry Wood Hall Ltd, of which Kathryn McDowell is a Director and Gareth Davies was a Director. These payments were made in the normal course of business.

London Symphony Orchestra Ltd

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Year ended 31 July 2019

29 Taxation

The London Symphony Orchestra Limited is a registered charity and is thus exempt from tax on income and gains, falling within part 11 of the Corporation Taxes Act 2010 or s256 of the Taxation of Chargeable Gains Act 1992, to the extent that these applied to its charitable objectives. No tax charges have arisen in the charity.

The subsidiary companies donate an amount equivalent to any taxable profits to the charity each year under Gift Aid.

The London Symphony Orchestra's wholly owned subsidiary LSO Productions Limited expects to be making a claim of £1,306,540 for Orchestra Tax Relief based on its results for the year ended 31 July 2019. This income has been accrued to the accounts.

