

Charity Registration No. 233700

The London Symphony Orchestra Endowment Trust

Report and Financial Statements

31 March 2016

The London Symphony Orchestra Endowment Trust

Report and financial statements 2016

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The London Symphony Orchestra Endowment Trust

Report and financial statements 2016

Officers and professional advisers

Trustees

Charles Clark	(Chairman)
Claire Anstee	
Gareth Davies	(appointed 28 June 2016)
Jeremy Delmar-Morgan	
Sir Robert Finch	(died 31 March 2015)
Hon Sir Rocco Forte	
Lady Forte	
Lennox Mackenzie	(resigned 28 June 2016)
Kathryn McDowell CBE	
Christopher Moran	
John Shakeshaft	(appointed 24 November 2015)
Ian Stoutzker CBE	(resigned 24 November 2015)

Secretary

Rikesh Shah

Registered Office

Barbican Centre
Silk Street
London
EC2Y 8DS

Investment managers

UBS Wealth Management
1 Finsbury Avenue
London
EC2M 2AN

Saunderson House
1 Long Lane
London
EC1A 9HF

Bankers

Lloyds TSB Bank plc
34 Moorgate
London
EC2R 6PL

Solicitors

Veale Wasbrough Vizards LLP
Orchard Court
Orchard Lane
Bristol
BS1 5WS

Auditor

Deloitte LLP
2 New Street Square, London, EC4A 3BZ

The London Symphony Orchestra Endowment Trust

Trustees' responsibilities statement

The Trustees present their annual report and the audited financial statements for the year ended 31 March 2016.

Structure, governance and management

Constitution

The London Symphony Orchestra Endowment Trust ("the Trust") was originally established by a deed of settlement dated 12 September 1963 which has subsequently been amended by a trust deed dated 22 October 1991, a Deed of Variation dated 5 July 2006 and a Deed of Amendment dated 1 October 2010.

Trustees and organisation

The Trustees have the power to appoint further Trustees, subject to there being a minimum of 3 and a maximum of 10 Trustees of whom not more than 4 may be directors of London Symphony Orchestra Ltd ("the LSO").

Subject to these limits, new Trustees are recruited on the basis that by virtue of their knowledge, experience and qualifications they will be able to make a contribution to the pursuit of the objects or the management of the Trust. Induction and training is provided to Trustees as necessary.

Names of the Trustees who served during the year and in office at the date of this report are listed on page 1. The Trustees meet twice a year and, in addition, an Investment Committee meets quarterly with the fund managers to review the performance of the investment portfolio and to discuss the future investment approach.

Connected charity

The LSO (Charity Number 232391) is a connected charity of the Trust by virtue of the fact that the two charities have shared objectives and administration. The LSO's subsidiary companies, LSO Productions Ltd and LSO Live Ltd are considered to be related parties to the Trust.

Objectives and activities

The general purpose of the Trust is to support the objects of the LSO, namely to promote, maintain and advance education, particularly musical education and to encourage and advance the arts including music, drama, mime, dancing and singing.

The Trust's primary aim is to build an endowment fund which will generate income that can be used to support the LSO over the long-term as this is considered essential to being able to secure the LSO's future. The Trustees' principal focus is therefore to ensure continued growth in the value of the endowment through receipt and investment of donations as well as sound investment management which leads to capital growth.

In addition to the unrestricted endowment fund, the Trust has received funds raised from the Lord Mayor's Appeals in both 2004 and 2010. The capital and income from these funds are being used to support the LSO's music education and community programme, LSO Discovery.

In 2011, the Trust received a donation to build Anglo-Japanese cultural relations by supporting initiatives such as the LSO's touring activity in Japan and to provide support for Japanese music students to assist them in working with the LSO. This donation is held in a restricted fund with grants made to the LSO to support relevant activity.

In 2012, the Trust was successful in its application to Arts Council England's Catalyst Endowment Scheme. This was a matched funding initiative through which the Trust secured income of up to £6m by 31 July 2015 and funding from the Arts Council of a further £2.9m during the campaign with £858,022 being received in

The London Symphony Orchestra Endowment Trust

Trustees' responsibilities statement

2016. The funds from this campaign, which is known as Moving Music, have been invested as a restricted long-term endowment with the income generated used to capture recordings of the LSO's concert performances and to disseminate them to a wider audience.

The Trust also currently provides financial support for the LSO's core activities as well as loans to the LSO and to LSO members to assist them in purchasing musical instruments.

The Trust does not use the services of volunteers and the minimal operational tasks of the Trust are undertaken by LSO staff.

Public benefit

The Trust provides benefit to the public indirectly by providing funding to the LSO and thereby supporting a world class orchestra. The LSO's core activities encourage the enjoyment of, and participation in, music by the public at large. This is achieved through public concerts which have accessible ticket prices and some of which are broadcast on the radio, and through recordings which are widely available at low cost. A significant proportion of the Trust's grants to the LSO also support the LSO's education and community activities, many of which involve no payment by participants.

The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit and they believe that the support provided to the LSO provides benefit to a wide section of the public.

Achievements and performance

Investment portfolio

The Trust is an endowment trust and as such invests its assets with a view to both capital appreciation and the generation of income to support its charitable activities. There are no restrictions on the Trust's power to invest.

During the year, the Trustees carried out a review of its investment management requirements particularly in the light of the growth in value of the investment portfolio in recent years and reflecting the fact that UBS had been in post as investment managers for some nine years. Following a full tender process, the Trustees appointed Saunderson House as its new investment managers with effect from 1st April 2016. The Trustees wish to thank UBS for its work, advice and support.

The investment strategy is set by the Trustees in discussion with the investment manager and this strategy was reviewed in 2013 and again after the year end in June 2016 following the appointment of Saunderson House. Within the overall strategy, the investment manager takes the decisions on selection, retention and realisation of investments.

The value of the investment portfolio grew to £14,896,781 at the year-end due to contributions made during the year, in particular associated with the Moving Music campaign and reflecting changes in market values. Investment performance reflected market conditions, particularly weakness of equity markets in early 2016, but was overall broadly in line with expectations. As at 30 June 2016 the investment portfolio was valued at £15,219,872.

The London Symphony Orchestra Endowment Trust

Trustees' responsibilities statement

Fundraising

Fundraising activity continued to be focused on the Moving Music campaign with a number of major donations pledged. The final sum raised was just short of the £6m target due to one pledged donation not being received due to the death of the donor. The final tranches of 50% matched funding were received from the Arts Council England during the year, and the combined sum raised through this campaign was £8,903,000.

Following the completion of the Moving Music campaign in July 2015, the main focus of fundraising has been to promote legacy giving amongst the LSO's supporters and audiences. In addition, the Board is grateful to the members of the LSO who all chose to annually donate their fee from one concert to the Trust.

Grants

During the year the Trust awarded grants of £384,798 (2015: £237,411) to LSO Productions Ltd which is a subsidiary of the LSO, this grant was a contribution towards LSO Discovery's education and community projects which are in line with the Trust's key objectives.

A grant of £240,000 was made to LSO Ltd (2015: £150,000) and a grant of £175,000 (2015: £28,130) made to LSO Live Ltd which is also a subsidiary of the LSO. A further grant of £150,000 was made in the year from the Anglo-Japanese fund to support the LSO's work in Japan (2015: £nil).

Loans to Players

The Trust continued to provide loans to members of the LSO to assist them in the purchase of instruments. New loans of £45,312 (2015: £143,830) were made to 6 players during the year. At the year-end, 25 players had outstanding loans from the Trust; further details are shown in Notes 14 and 15 to the Financial Statements.

Financial review

Total income received in the year was £2,646,414 (2015: £4,613,675), the majority of which related to the donations, grants and legacies towards the Moving Music campaign. Other sources of income were investments; interest on bank deposits and loans; and other general donations.

Expenditure of £1,082,217 (2015: £525,514) was in line with expectations and related primarily to grants (see above) and fund management fees.

Losses in the value of the investment portfolio were £416,130 (2015: gain of £691,792). Following reinvestment of income and surplus cash, the value of the portfolio at the year-end was £14,896,781 (2015: £13,413,719).

During the year there were £375,000 additions to fixed asset instruments, consisting of the purchase of a Rugeri violin for £360,000 and the final payment of £15,000 to complete the restoration of the Vuillaume violin.

Debtors balances have decreased overall in total from £1,260,123 to £274,745 reflecting income accrued in the previous year and received after 31 March 2015.

The Trust's total reserves increased from £14,764,354 to £15,912,421 at the year-end reflecting the surplus of income over expenditure for the year and valuation movements on the investment portfolio.

The London Symphony Orchestra Endowment Trust

Trustees' responsibilities statement

Reserves policy

The Trust's liquid funds are considered to be its unrestricted net assets less fixed assets, and less any loans issued to the London Symphony Orchestra or to its members. Restricted and Endowment funds are not considered to be part of the Trust's free reserves because of the conditions regarding the use of those funds.

As the Trust has minimal administrative overheads and no on-going liabilities, the reserves policy is to maintain liquid funds at a low level of up to 5% of total unrestricted net assets. Any liquid funds above this level are transferred on a regular basis to the investment portfolio to be invested for the long-term.

At the year end, liquid funds under the above definition amounted to £438,476 (2015: £237,021). In addition, a further £1,316,869 (2015: £70,581) of unrestricted assets within the investment portfolio were held as cash at the year end and were available for draw down at short notice if needed.

Risk review

The major risks to which the Trust is exposed, as identified by the Trustees, have been reviewed and systems have been established to mitigate those risks. The primary risks relate to protecting the value of the Trust's investment portfolio and other assets. However, many factors affecting the achievement of the Trust's objectives relate to economic factors such as movement in share prices, interest rates, exchange rates and inflation and are largely outside the Trust's control so can only be mitigated to a certain degree.

Plans for the future

The Trustees continue to seek to secure further donations, to increase the value of the investment portfolio in order to increase over time the value of grants made to support its charitable objectives.

The Trust also continues to seek to increase the number of individuals who plan to donate a legacy to the Trust and the Trustees have been notified by a number of individuals of pledged legacies of varying sizes.

The Trust will continue close monitoring of the investment portfolio. The policy of making grants to the LSO, LSO Productions Ltd and LSO Live Ltd is expected to continue.

Going concern

At the year end the Trust has significant net assets and minimal liabilities and operating costs. Grants are only awarded if sufficient funds are available to fund the necessary payments. On this basis the Trustees believe that the Trust is a going concern and expect it to remain so for the foreseeable future.

Auditor

Following a tender process carried out soon after the year-end, the Trustees have decided to appoint Haysmacintyre as auditor for the ensuing year. The Trustees wish to thank Deloitte LLP for its work and advice during the past eight years whilst it was in office.

Signed on behalf of the Trustees



Charles Clark
Chairman

Date 11 January 2017

The London Symphony Orchestra Endowment Trust

Trustees' responsibilities statement

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent auditor's report to the members of The London Symphony Orchestra Endowment Trust

We have audited the financial statements of The London Symphony Orchestra Endowment Trust for the year ended 30 March 2016 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2016, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Independent auditor's report to the members of The London Symphony Orchestra Endowment Trust

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Mark Beddy (Senior Statutory Auditor)

Date: 12 January 2017

For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

The London Symphony Orchestra Endowment Trust

Statement of financial activities

Year ended 31 March 2016

	Note	2016 Unrestricted funds £	2016 Restricted funds £	2016 Endowment funds £	2016 Total funds £	Restated 2015 Total funds £
Income and endowments from:						
Donations and legacies	4	99,382	-	2,072,710	2,172,092	4,170,604
Charitable activities	5	1,258	-	-	1,258	2,373
Other trading activities	6	-	-	-	-	96,388
Investment income	7	150,453	322,611	-	473,064	344,310
Total income		251,093	322,611	2,072,710	2,646,414	4,613,675
Expenditure						
Expenditure on:						
Raising funds	8	(34,534)	(18,412)	(72,693)	(125,639)	(106,780)
Charitable activities	9	(316,780)	(639,798)	-	(956,578)	(418,734)
Total expenditure		(351,314)	(658,210)	(72,693)	(1,082,217)	(525,514)
Net (losses)/gains on investments		(95,337)	(81,761)	(239,032)	(416,130)	691,792
Net (expenditure)/ income	10	(195,558)	(417,360)	1,760,985	1,148,067	4,779,953
Transfers between funds		-	144,199	(144,199)	-	-
Net movement in funds		(195,558)	(273,161)	1,616,786	1,148,067	4,779,953
Reconciliation of funds						
Total funds brought forward		4,604,619	2,944,915	7,214,820	14,764,354	9,984,401
Total funds carried forward		4,409,061	2,671,754	8,831,606	15,912,421	14,764,354

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

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

The London Symphony Orchestra Endowment Trust

Balance Sheet

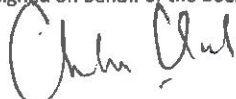
As at 31 March 2016

		2016	2016	2016	2016	2015
		Unrestricted	Restricted	Endowment	Total	Total
		funds	funds	funds	funds	funds
	Note	£	£	£	£	£
Fixed assets						
Tangible assets	12	390,000	-	-	390,000	15,000
Investments assets	13	3,358,261	2,706,914	8,831,606	14,896,781	13,413,719
Loans	14	126,044	-	-	126,044	179,447
Total fixed assets		3,874,305	2,706,914	8,831,606	15,412,825	13,608,166
Current assets						
Debtors: amounts falling due within one	15	148,701	-	1,000	149,701	1,080,676
Cash at bank		392,827	(20,160)	22,618	395,285	93,602
Total current assets		541,528	(20,160)	23,618	544,986	1,174,278
Current liabilities						
Creditors: amounts falling due within one year	16	(6,772)	(15,000)	(23,618)	(45,390)	(18,090)
Net current assets		534,756	(35,160)	-	499,596	1,156,188
Total net assets		4,409,061	2,671,754	8,831,606	15,912,421	14,764,354
Total funds of the charity	17					
Funds brought forward		4,604,619	2,944,915	7,214,820	14,764,354	9,984,401
(Shortfall)/excess of income over expenditure for the year		(100,221)	(335,599)	2,000,017	1,564,197	4,088,161
Realised and unrealised increase / (decrease) in the value of investment assets		(95,337)	(81,761)	(239,032)	(416,130)	691,792
Transfers between funds		-	144,199	(144,199)	-	-
Funds carried forward		4,409,061	2,671,754	8,831,606	15,912,421	14,764,354

The notes on pages 12 to 20 form part of these accounts.

Approved by the trustees on: 15 June 2016

Signed on behalf of the Board of Trustees



Charles Clark
Chairman

The London Symphony Orchestra Endowment Trust

Statement of Cash Flows

Year ended 31 March 2016

	Note	2016 £	2015 £
Cash used in operating activities	A	<u>2,228,450</u>	<u>3,142,730</u>
Cash flows from investing activities			
Interest from Investments		880	533
Purchase of tangible fixed assets		(375,000)	(5,000)
Proceeds from the sale of investments		1,459,549	197,160
Purchase of Investments		(3,012,196)	(3,552,670)
Cash (used in)/ provided by investing activities		<u>(1,926,767)</u>	<u>(3,359,977)</u>
Increase/(decrease) in cash and cash equivalents in the year		301,683	(217,247)
Cash and cash equivalents at the beginning of the year		93,602	310,849
Total cash and cash equivalents at the end of the year		<u>395,285</u>	<u>93,602</u>

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

	2016 £	2015 £
Net movement in funds	1,148,067	4,779,953
Unrealised (Gains)/losses on investments	416,130	(691,792)
Donation received in shares (not cash)	-	(74,903)
Dividend and Interest income from investments	(472,184)	(343,777)
Bank interest	(880)	(533)
Fund management costs	125,639	85,780
Decrease/(increase) in debtors	984,378	(626,328)
Increase/(decrease) in creditors	27,300	14,330
Net cash used in operating activities	<u>2,228,450</u>	<u>3,142,730</u>

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Year ended 31 March 2016

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared under the historic cost convention, as modified by the inclusion of fixed asset investments at market value, and in accordance with the Charities SORP 2015 (FRS 102) and the Companies Act 2006.

In preparing these financial statements, the Trustees have considered whether any restatement of comparatives was required to comply with FRS 102 and the Charities SORP. No restatements were required although there has been a change in the analysis of governance costs: Previously these had been separately analysed on the face of the statement of financial activity. Governance costs are now classified as a support cost and included within the total of expenditure on charitable activities. There is no effect on the total expenditure for the current or prior year.

b) Preparation of accounts on a going concern basis

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

Donations, are recognised when the Trust 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.

d) Funds

The General Fund is a general unrestricted fund and represents funds which are expendable at the discretion of Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes. Such funds represent investments, loans and working capital balances.

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

Endowment funds are funds which the Trustees are legally required to invest for a period of at least 25 years for the Charity's purposes.

Further details of the restricted and endowment funds are given in note 17.

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Year ended 31 March 2016

1 Accounting policies (continued)

e) Expenditure

Expenditure is recognised on an accruals basis.

f) Allocation of support and governance costs

General support costs relating to the operation of the charity, which are minimal, are borne by the London Symphony Orchestra and are not recognised in these financial statements. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees. Governance costs are related to charitable activities and have therefore been included under this heading.

g) Tangible fixed assets

Tangible fixed assets are stated at cost and represent two high quality string instruments. These instruments have not been depreciated because the Trustees are of the opinion that the net residual value is at least equal to the original cost.

h) Investments

Investments are stated at the market value as indicated by the Report of the Investment Managers to the Trustees as at the Balance Sheet date. Any resulting unrealised gain or loss is taken to the fund to which it relates within the Statement of Financial Activities.

i) Financial instruments and concessionary loans

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. The charity only has 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 cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions 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.

Concessionary loans made to members of the LSO to assist them in the purchase of instruments are initially recognised at the amount paid with the carrying amount in subsequent periods adjusted to reflect interest, repayments and any impairment.

j) Taxation

The London Symphony Orchestra Endowment Trust 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 Trust.

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Year ended 31 March 2016

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 there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

3 Comparative Statement of Financial Activities

	Note	2015 Unrestricted funds £	2015 Restricted funds £	2015 Endowment funds £	2015 Total funds £
Income and endowments from:					
Donations and legacies	4	25,207	-	4,145,397	4,170,604
Charitable activities	5	2,373	-	-	2,373
Other trading activities	6	-	-	96,388	96,388
Investment income	7	150,234	54,366	139,710	344,310
Total income		177,814	54,366	4,381,495	4,613,675
Expenditure					
Expenditure on:					
Raising funds	8	(39,548)	(15,536)	(51,696)	(106,780)
Charitable activities	9	(223,163)	(154,911)	(40,660)	(418,734)
Total expenditure		(262,711)	(170,447)	(92,356)	(525,514)
Net gains on investments	10	235,365	152,058	304,369	691,792
Net movement in funds		150,468	35,977	4,593,508	4,779,953
Reconciliation of funds					
Total funds brought forward		4,454,151	2,908,938	2,621,312	9,984,401
Total funds carried forward		4,604,619	2,944,915	7,214,820	14,764,354

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Year ended 31 March 2016

	2016 £	2015 £
4 Income from donations and legacies		
Donations	1,191,070	1,129,526
Legacies	123,000	1,803,748
Arts Council Catalyst grant	858,022	1,237,330
Total income from donations and legacies	2,172,092	4,170,604

Donations were received from Trustees during the year amounting to an aggregate total of £30,000 (2015: £ 18,370).

The Arts Council Catalyst grant was a matched funding initiative through which the Trust was required to secure income of £6M by 31 July 2015 (extended from 31 May 2015), and this in turn released funding from the Arts Council of a further £3M. A total amount of £5,855,709 was raised by 31 July 2015 and therefore £2,927,854 of funding has been received by The Arts Council, with £858,022 being received in the year ended 31 March 2016. The funds from this campaign, which is known as Moving Music, are invested as a long-term endowment with the income generated used to capture audio-visual recordings of the LSO's concert performances and to disseminate them to a wider audience.

	2016 £	2015 £
5 Income from charitable activities		
Loan interest receivable from player loans	1,258	2,373
Total income from charitable activities	1,258	2,373

All income from charitable activities relates to unrestricted funds.

	2016 £	2015 £
6 Income from other trading activities		
Income from fundraising events	-	96,388
	-	96,388

All income from other trading activities relates to a fundraising event for the long-term endowment fund.

Income from fundraising events received from the Trustees during the year was nil (2015: £17,080).

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Year ended 31 March 2016

	2016	2015
	£	£
7 Investment income		
Dividends and interest from investments	472,184	343,777
Bank interest received	880	533
Total investment income	473,064	344,310

	2016	2015
	£	£
8 Expenditure on raising funds		
Investment management costs	125,639	85,780
Fundraising event costs	—	21,000
Total expenditure on raising funds	125,639	106,780

	2016	2015
	£	£
9 Expenditure on charitable activities		
Grants to LSO Group	949,798	415,571
Governance costs	6,750	3,126
Bank charges	30	37
Total expenditure on charitable activities	956,578	418,734

	2016	2015
	£	£
10 Net income/(expenditure) is stated after charging:		
Auditors' remuneration - audit fees	6,000	3,126

The Trustees did not receive any remuneration for their services to the Trust nor were they reimbursed for any expenses in either year.

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Year ended 31 March 2016

	Grants to institutions	
	2016	2015
	£	£
11 Analysis of grants payable and related party transactions		
Lord Mayor's Appeal 2004 grant to LSO Productions Ltd for LSO Discovery activities	50,000	80,000
Lord Mayor's Appeal 2010 grant to LSO Productions Ltd for LSO On Track activities	145,000	74,911
Unrestricted fund grant to LSO Productions Ltd for LSO Discovery	110,000	70,000
Unrestricted fund grant to LSO Ltd's general funds	200,000	150,000
Anglo-Japanese grant for LSO's work in Japan	150,000	-
Endowment fund grant to LSO Productions Ltd for Moving Music digital projects	79,798	12,530
Endowment fund grant to LSO Live Ltd for Moving Music digital projects	175,000	28,130
Endowment fund grant to LSO Ltd for Moving Music digital projects	40,000	-
Total grants to LSO Group	949,798	415,571

As explained in the Trustees' report, London Symphony Orchestra Ltd (registered charity number 232391) is a connected charity. Grants made to the LSO and its subsidiaries, LSO Productions Ltd and LSO Live Ltd during the year are shown above.

12 Tangible fixed assets

	Musical Instruments
Cost	£
At 1 April 2015	15,000
Additions	375,000
At 31 March 2016	390,000
Net book value	
At 31 March 2016	390,000
At 1 April 2015	15,000

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Year ended 31 March 2016

	2016 £	2015 £
13 Investment assets		
Investment portfolio		
Market value brought forward at 1 April 2015	13,413,719	9,033,517
Additions	11,728,823	9,775,113
Disposals	(10,299,757)	(6,831,987)
	<u>14,842,785</u>	<u>11,976,643</u>
Unrealised increase/(decrease) in market value	53,996	1,437,076
Total investment assets	<u>14,896,781</u>	<u>13,413,719</u>

An analysis of the market value of investments at the year end is provided below:

	2016 £	2015 £
Cash	6,163,511	1,637,292
Liquid Short Term Deposits		328,039
Fixed income/bonds	1,980,629	3,408,043
UK equities	5,663,476	4,962,310
Overseas equities	755,803	2,733,554
Hedge funds and private equity funds	314,165	307,567
Property funds	19,197	36,914
Total	<u>14,896,781</u>	<u>13,413,719</u>

None of the direct equity investments held in the portfolio are unlisted, and there are no individual investments in excess of 10% of the total portfolio. The value of the investment portfolio at 30 June 2016 was £15,219,872.

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Year ended 31 March 2016

	2016 £	2015 £
14 Loans		
Amounts owed by LSO players	126,044	179,447
	<u>126,044</u>	<u>179,447</u>

The LSO players to whom concessionary loans have been made are shareholders of London Symphony Orchestra Ltd. The amounts owed by the LSO players are repayable over varying periods not exceeding 5 years. All loans bear interest at a variable rate equating to the Bank of England base rate for that period. There were no loans to players that had been committed to but not taken up as at the 31 March 2016.

	2016 £	2015 £
15 Debtors: amounts falling due within one year		
Amounts owed by LSO players	98,860	119,593
Amounts due from LSO Group Companies	50,841	46,348
Accrued income	-	914,735
	<u>149,701</u>	<u>1,080,676</u>

	2016 £	2015 £
16 Creditors: amounts falling due within one year		
Amounts due to LSO Group Companies	38,618	15,000
Other creditors	772	240
Accruals	6,000	2,850
	<u>45,390</u>	<u>18,090</u>

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Year ended 31 March 2016

17 Statement of funds	Balance 1 April 2015 £	Income £	Expenditure £	Gains and losses £	Transfers £	Balance 31 March 2016 £
Unrestricted funds:						
General reserve	4,604,619	251,093	(351,314)	(95,337)	-	4,409,061
Total unrestricted funds	4,604,619	251,093	(351,314)	(95,337)	-	4,409,061
Restricted funds:						
Lord Mayor's Appeal 2004	1,936,575	63,021	(68,412)	(69,461)	-	1,861,723
Lord Mayor's Appeal 2010	436,440	2	(145,000)	(6,614)	-	284,828
Anglo-Japanese Fund	571,900	6	(150,000)	(5,685)	-	416,221
Moving Music Income Fund		259,582	(294,798)	-	144,199	108,983
Total restricted funds	2,944,915	322,611	(658,210)	(81,761)	144,199	2,671,754
Endowments funds:						
Moving Music Capital Fund	7,214,820	2,072,710	(72,693)	(239,032)	(144,199)	8,831,606
Total endowment funds	7,214,820	2,072,710	(72,693)	(239,032)	(144,199)	8,831,606
Total funds	14,764,354	2,646,414	(1,082,217)	(416,130)	-	15,912,421

Details of the Restricted and Endowment funds are set out below:

Lord Mayor's Appeal 2004

From November 2003 to November 2004 the Endowment Trust was the major beneficiary of the Lord Mayor's Appeal. A wide variety of fund-raising events were held including gala concerts. The funds raised from these events have been set aside in a restricted fund for the benefit of LSO Discovery.

Lord Mayor's Appeal 2010

The LSO was also a joint beneficiary of the 2010 Lord Mayor's Appeal. The net proceeds received by the Trust from fundraising events between December 2009 and November 2011 and by way of grants from the LSO are restricted to support the LSO's education work with young musicians in London through the LSO On Track programme.

Anglo-Japanese Fund

The purpose of this fund is to build Anglo-Japanese cultural relations by supporting the LSO's work in Japan and to provide scholarships to Japanese music students to assist them in studying at the Guildhall School of Music and Drama.

Moving Music Fund

The fund was established in 2012 to receive funds from the fundraising campaign of the same name. The campaign ended in July 2015, and a total of £8,783,563 was raised overall. All funds have been invested in an endowment fund for a period of at least 25 years. On completion of the campaign the accumulated net income of £144,199 was transferred to a separate restricted fund, and all subsequent investment income is also being treated in the same way. This reflects the fact that the income can be spent, whereas the base investments form an endowment and cannot be expended. The accumulated investment income, less grants made, stood at £36,291 as at 31 March 2016 (2015: £144,199). The income from the investment portfolio will be used 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.