



**London Symphony Orchestra Limited
(Consolidated)**

**Report and Financial Statements
For the year ended 31 July 2023**

Company Registration No. 83608

Charity Registration No.232391

London Symphony Orchestra Limited
Report and Financial Statements
For the Year Ended 31 July 2023

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London Symphony Orchestra Limited

Officers and Professional Advisers

Chair

David Alberman*	(retired 18 April 2023)
Sarah Quinn	(appointed 18 April 2023)

Vice-Chairs

David Jackson*	
Harriet Rayfield*	(until 18 April 2023)
Maxine Kwok*	(from 18 April 2023)

Managing Director

Dame Kathryn McDowell CBE

Other Directors

Angela Barnes*	
Her Honour Judge Anuja Dhir	(appointed 18 April 2023)
Steve Doman*	
Professor David Gann CBE	
Matthew Gardner*	(retired 18 April 2023)
Richard Hardie	
Daniel Jemison	(appointed 18 April 2023)
Dame Mary Marsh	
Jonathan Moulds CBE	
Olivier Stankiewicz*	(retired 18 April 2023)
Janis Susskind OBE	
James Thomas	
Ben Thomson*	
Amanda Truelove*	(appointed 18 April 2023)

** 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 LLP, 100 New Bridge Street, London EC4V 6JA

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

London Symphony Orchestra Limited

Directors' Report

Introduction

The Directors of the London Symphony Orchestra Ltd ("LSO") present their Annual Report and Financial Statements for the year ended 31 July 2023.

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 set out 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. Any surpluses are retained by the Company to further support 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 to 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.

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 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 Directors than Playing Directors. 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 a staff team 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 operates LSO Discovery, LSO St Luke's and commercial activity including corporate sponsorships. LSO Live Limited operates 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, have a good understanding of the workings of the Orchestra. Non-Playing Directors are selected based on their skills and experience in particular areas, including finance, business and education. 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, recent Board and Committee minutes, and the Diversity, Equity and Inclusion Action Plan.

Key Management Remuneration Policy

Remuneration of all staff, including key management, is set during the annual budgetary process, using benchmarks where appropriate. Key management remuneration is approved by the Finance Committee.

London Symphony Orchestra Limited

Directors' Report (continued)

The LSO's Mission, Objectives and Activities

From delivering artistic excellence on stage, in recordings, digitally and on film, to a far-reaching education and community programme, the London Symphony Orchestra's mission is to inspire hearts and minds through world-leading music-making. This mission is at the heart of everything the LSO does, and drives 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.
- Continuing to explore ways in which an international symphony orchestra can be more sustainable and environmentally aware.

As the Resident Orchestra at London's Barbican Centre, the LSO regularly performs in London, throughout the UK and overseas, with its signature sound emanating from the combined virtuosity of its outstanding musicians and its family of artists.

LSO Discovery, the world-leading education and community programme, connects people from all walks of life to the power of great music and its reach extends across East London, the UK and the world through both in-person and digital activity.

LSO St Luke's is an essential rehearsal and recording space for the Orchestra, home to many of LSO Discovery's projects, and also hosts a range of artistic, educational and community partners.

LSO Live achieves worldwide reach through streaming services, broadcasts and recordings of performances and educational programmes, allowing many millions of people around the world each year to hear and engage with music of the highest quality.

Public Benefit

As described more fully within the rest of this Directors' Report, 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 by the broadest range of people to the LSO's performances, recordings, broadcasts and its education and community work. The LSO also 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.

Ticket prices are set with affordability for audiences in mind with various schemes such as the Wildcard, which offers tickets from £10 to a range of concerts at the Barbican, and low ticket prices for concerts for families and schools. All LSO concerts at the Barbican have £6 tickets for young people under the age of 18. The annual performance in Trafalgar Square is also free to attend whilst many performances at LSO St Luke's are free of charge or with low ticket prices. Thanks to charitable funding, LSO Discovery's activities are also largely free of charge or have a modest participation fee to contribute towards running costs.

London Symphony Orchestra Limited

Directors' Report (continued)

Most of the concerts recorded during the year were available free of charge for a period of time. In addition, a significant number of concerts were broadcast on BBC Radio 3.

STRATEGIC REPORT

The Directors in preparing this Strategic Report have complied with section 414C of the Companies Act 2006

Orchestral Concerts

The LSO delivered an unrivalled world-class concert programme around the family of conductors, led by Music Director Sir Simon Rattle. For Sir Simon this included further exploration of Janáček operas with Katya Kabanova, Bruckner's Symphony No.7 in a significant new edition, unforgettable concerts of Mahler Symphony No.7 at the Barbican and on tour in Australia and, to conclude his tenure as Music Director, Messiaen's monumental Turangalila Symphony.

Principal Guest Conductor Gianandrea Noseda was able to return to the large-scale Shostakovich and Prokofiev symphonies for the first time since the pandemic curtailed the Orchestra's ability to assemble in large numbers. Noseda also conducted evenings with a strong American influence, featuring John Adams' Saxophone Concerto with guest saxophonist Jess Gillam as part of the EFG London Jazz Festival 2022. François-Xavier Roth, also Principal Guest Conductor, continued his study of Beethoven symphonies and as the champion of modernism presided over the LSO Futures concert, and Panufnik workshops in the spring.

Michael Tilson Thomas, and Sir Antonio Pappano returned to the Barbican during the season joined by an impressive International roster of guest conductors including Marin Alsop, Rafael Payare and Natalie Stutzmann. Associate Artist André J Thomas curated and conducted another roof-raising evening of Gospel music and a second concert of symphonic music.

Associate Artist Barbara Hannigan conducted two programmes at the Barbican and also led the Orchestra for a concert at Bath Forum, deepening relationships with audiences in the West of England ahead of the opening of Bristol Beacon. A bonus for the concert was the free live streaming to care homes across the UK, a joint initiative with Bristol Beacon, giving a welcome musical uplift to residents in care homes across the country.

The Orchestra marked the passing of its Patron, the late Queen Elizabeth II, with a performance of Elgar's 2nd Symphony (written on the death of Edward VII) and the Bruckner Symphony No 7 on the eve of the funeral, reflecting the national mood at the time.

Responding to emergence of new enthusiastic younger audiences with a healthy appetite for new compositions, this year included the world premieres of Betsy Jolas' Ces belles années, Louise Drewett's The Daymark, Daniel Kidane's Sun Poem, Colin Matthew's Mosaics and Jonathan Woolgar's Symphonic Message: "Wach Auf". In addition, there was the UK premiere of Magnus Lindberg's Piano Concert No 3, and more performances of Cassie Kinochi's Six Fanfares, which were first heard at 40th Anniversary of the Barbican Centre in March 2022. Similarly, the jazz and gospel-influenced evenings drew new and diverse audiences with works by composers in the African American tradition, Carlos Simon, Wynton Marsalis, Joel Thompson and Black Canadian composer Samy Moussa.

Special events during the season included the LSO playing Sir Arthur Bliss' score for 1936 film of HG Wells' Things to Come in a live simulcast in the Barbican Hall in March 2023, widely viewed as one of the greatest ever British films scores. For one-night only the LSO collaborated with Grammy-nominated composer, producer, multi-instrumentalist, songwriter and vocalist Devonté Hynes (also known as Blood Orange), in March 2023 performing a selection of his orchestral works, as well as solo piano pieces and a piano duet with pianist Adam Tendler. The LSO also joined Soweto Kinch at the Printworks for a concert of his highly acclaimed White Juju project, playing to a crowd of several thousand in the iconic East London dance venue.

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Directors' Report (continued)

A stellar line-up of guest soloists featured this year including singers Fleur Barron, Florian Boesch, Katarina Dalayman, Andrew Staples, Hanna Hipp, and Magdalena Kožená; pianists Alice Sara Ott, Sunwook Kim, Eric Lu, Simon Trpčeski, Mitsuko Uchida, and Yuja Wang; violinists Veronica Eberle, Vilde Frang, and Patricia Kopatchinskaja; and saxophonist Jess Gillam. In addition, Christian Tetzlaff was the subject of Artist Portrait series, working with the Orchestra over an extended period including performing in a number of Barbican concerts, curating and playing in chamber concerts in LSO St Luke's, joining the Orchestra on tour, and working with Orchestral Artistry students from Guildhall School of Music & Drama.

LSO section Principals also took centre-stage as guest soloists throughout the period showcasing the breadth and depth of world class talent within the Orchestra, with Principal Trombone Peter Moore playing for Takemitsu *Fanastasia/Cantos II* (Trombone and Orchestra); Principal Oboe, Juliana Koch for Strauss's Oboe Concerto in Japan and her colleague Oliver Stankiewicz for Zimmermann's Oboe Concerto; LSO Leader Roman Simovic for Bartók's Violin Concerto No 2; Principal Cello David Cohen for Beethoven Triple Concerto; and Principal Tuba Ben Thomson for Wynton Marsalis' Tuba Concerto; with Principal Trumpet James Fountain guest soloist for Hummel's Trumpet concerto.

Overall, the season at the Barbican received consistently positive feedback from audiences and critical reviews, with ticket sales returning to pre-pandemic levels. New audiences continued to demonstrate an appetite for orchestral music: 14% of audience members in the season were entirely new to orchestral concerts in London, more accessible Wildcard tickets were sold than in any previous season, and the Half Six Fix format was particularly popular with school groups and families with older children.

In June 2023, the Orchestra once again performed in Trafalgar Square to a large audience attending free of charge with Sir Simon Rattle conducting a varied programme including works by Ravel, Stravinsky and Adams. The Orchestra also performed concerts at Snape Maltings and Brighton Festival and played live for screenings of Star Wars films at the Royal Albert Hall.

Overseas touring built back to full strength during the year, the LSO appearing in Paris, Munich, Granada, Bucharest, Hamburg, Berlin, Lucerne, Luxembourg, Frankfurt, Dortmund, Amsterdam, Baden Baden, Essen, Cologne and Antwerp, the latter group repeating the streamlined city to city sustainable tour model, using fewer planes and more trains. Further afield, the LSO returned to Japan and South Korea to huge acclaim as these markets opened up, and later to Australia with Sir Simon Rattle for a spectacular sell out three state tour, with further summer residencies at Aix-en-Provence Festival and The Music Academy in Santa Barbara.

LSO Discovery

The LSO's education and community programme, LSO Discovery, delivered a full programme of projects at LSO St Luke's, elsewhere in London and the UK and also overseas. Across the year, LSO Discovery delivered 791 sessions, workshops and concerts for young people, schools, families, with communities and for students in higher education and for artists at the start of their careers. In total an estimated 47,500 people engaged with LSO Discovery's work across the year, including more than 23,000 young people.

Work continued with young instrumentalists in partnership with the LSO's ten East London Music hub partners, with the most recent performance in June at the LSO's BMW Classics open-air concert in Trafalgar Square. Work with the LSO East London Academy is now proving to be a successful progression pathway, with alumni from these programmes taking up places at a range of music colleges and training orchestras.

In November 2022, LSO Discovery launched LSO Pathways, responding to the lack of diversity in UK orchestras and devised in conjunction with Members of the Orchestra. The focus of the scheme is on the pipeline of emerging orchestral musicians aged 18 or over but who have faced barriers relating to ethnicity, gender identity, disability or their socio-economic status. The current cohort of six musicians have been working with an LSO mentor and have taken part in three residential weekends so far.

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Directors' Report (continued)

Work with emerging composers continues across the LSO Panufnik Composers scheme; LSO Soundhub; and Jerwood Composer+, where Jerwood Arts have recently renewed their support. Students from the Guildhall Orchestral Artistry Masters in the 2022/23 academic year have shared positive feedback on the programme. Across the year, 17 new works were commissioned from composers by LSO Discovery.

In April 2023, LSO Discovery released the online reimagining of the early years album *Jemma's Journey*. This includes a full concert recording alongside a collection of musical activities for under-5s. Projects in community settings include a new Special Educational Needs project for under 5s in partnership with Bright Start Islington. There has also been a concerted effort to capture and film LSO Discovery activity in hospitals, which has increased the visibility of the work and shared its value and impact.

Through LSO Connect, musicians have been creating new work with older Islington residents through partners Help On Your Doorstep and the Claremont project. Feedback has been universally positive, and residents who arrived at the project through social prescribing (through their GP) say that they feel more relaxed, and that the project has reduced their anxiety and stress.

LSO Discovery has also delivered work as part of the Orchestra's overseas residencies. LSO players were involved in coaching the Mediterranean Youth Orchestra in Aix-en-Provence whilst five LSO principals travelled to California to work with the Music Academy players in Santa Barbara, giving masterclasses and individual lessons as well as helping them prepare them for an orchestral concert.

In the Konzerthaus Dortmund, LSO Discovery delivered Musical Storytelling concerts for Under 5s as well as workshops and performances with family groups, supporting the team there to engage with new families. During the Orchestra's visit to Australia, the Sydney Opera House convened a project involving LSO players working with young players from the Sydney youth and regional orchestras. In Melbourne there were sessions for the MSO Academy, the Australian National Academy of Music and for the Melbourne Youth Orchestra.

The first LSO Discovery showcase in four years took place in June 2023, involving over 200 participants including members of LSO Create, Discovery Choirs, LSO East London Academy, and LSO On Track Next Generation. The showcase included films sharing the impact of LSO Discovery.

Also in June 2023, The Alice Sound (www.thealicesound.com) was launched – a website hosting cross-curricular learning resources for young people, opening up the sound world of the iconic Alice in Wonderland books by Lewis Carroll. The site, created in partnership with Queen Mary University of London, features recorded audio-visual performances by the LSO of Paul Rissmann's musical adaptations of the two books.

LSO St Luke's

LSO St Luke's had a full schedule hosting LSO rehearsals and recordings, a range of LSO Discovery activity, BBC Radio 3 concerts and number of high-profile events including BBC Question Time, Classic FM Rising Stars, and a recording for the first night of the BBC Proms. Other events during the year included a sold-out production with Roger Eno promoted by the Barbican, and various rehearsals, concerts and recordings for external ensembles and artists.

The past year has also seen the development of new community partners, and a model which opens the venue out to the community. New partnerships have been nurtured by the LSO to support overall goals of increasing the diversity of artists performing in the venue, of being able to engage with diverse or hard-to-reach communities, or bringing in genres of music that complement and add to the work of the LSO. As part of this initiative, the Tangram collective as Associate Artists at St Luke's have now delivered 3 successful projects, welcoming in large audiences and showcasing the work of artists from the global Chinese diaspora. New relationships are now evolving with Music Action International, who work with refugees and have opened up a London base close to St Luke's; Drake Music, who specialise in musicians with disability; and the local St Clement's Community Choir, whose members are all drawn from the EC1 postcode.

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Directors' Report (continued)

Having been opened in its current form for 20 years, plans were developed for a major refurbishment project to take place in 2025. As well as replacing and upgrading plant and equipment which is at the end of its working life, a number of improvements will be made to enhance the facilities for musicians, LSO Discovery's participants, audiences and the wider local community. The project will allow increased use of the building for LSO Discovery's work and more performances by LSO groups and external organisations. There will also be a particular focus on installing permanent infrastructure to support audio and audio-visual broadcasts and recordings, in response to the increase in this activity within the building since the pandemic began.

LSO Live

As the LSO's media arm, LSO Live continued to play a central role in the capture and dissemination of performances ensuring that the Orchestra's work is enjoyed by as many people as possible. Working with broadcast partners continued to enable greater worldwide access to the LSO's performances including two concerts through international TV networks reaching some 60,000,000 viewers, 18 full orchestra concerts streamed online, reaching some 160,000 viewers including the partnership with Marquee.tv which delivered 8 new programmes to their service.

The recording label released six recordings, including the launch of the Prokofiev symphony cycle, conducted by Gianandrea Noseda and Beethoven's Violin Concerto performed by Veronika Eberle and conducted by Sir Simon Rattle. The new releases achieved 3 million streams across the year, and the complete label totalled 63 million streams. LSO Live was also a major partner in the launch of Apple Music's Classical app, which included spatial audio mastering of some recordings and exclusive content for the platform as well as ensuring the LSO was well-represented in all the communications around the Apple Music Classical launch.

A new 3-year partnership with the record label Platoon began with the album *A New Dawn* (comprising bespoke-filmed performances of Stravinsky, Boulanger and Chevalier de Saint-Georges, conducted by Jonathon Heyward and featuring the violinist Francesca Dego). Separately, the book publisher, Hachette, launched the Little Book of Instruments series in partnership with the LSO – securing three language versions within months of the initial publication.

Third Party Recordings

The Orchestra continued to record with external clients with more of this work taking place at LSO St Luke's given the increasingly limited availability of other recording studios in London. The variety of projects undertaken saw the release of Amanda Lee Falkenberg's *Moons Symphony* (which involved members of NASA's Jet Propulsion Lab and astronaut Nicole Stott participating at the sessions); recording Lorne Balfe's music for the upcoming Netflix series *Life On Our Planet* narrated by Morgan Freeman; and filming a music video for Eva Cassidy's *Time After Time* single.

Elsewhere, the Orchestra performed for Audible's first ever musical audiobook *Crush Hour* reconnected with the cello star Hauser for a future album release, and continued its relationship with the video game company miHoYo to record the soundtrack for *Genshin Impact: Chapter IV*. This latter project included a filmed performance of two cues which had 2.4 million views on YouTube in the first three months since being released.

Alongside two nominated awards for Best Classical Compendium at the 2023 Grammy Awards (including Kitt Wakeley's *Adoption Story* which took the prize), one of the biggest highlights of the year was the collaboration with Bradley Cooper for his *Maestro* film. This film documents the relationship between Felicia Montealegre and the LSO's former president Leonard Bernstein and features the LSO performing both on screen and on the soundtrack.

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Directors' Report (continued)

Partnerships

The LSO's success across the activities described in this report is made possible by the strong partnership with the City of London Corporation and Arts Council England. The LSO is hugely grateful for their significant investment and ongoing commitment. This funding, combined with support from the private sector, ticket sales, and commercial income from recordings and other engagements, is vital for the LSO to achieve its mission and generate the scale of public benefit set out in this report.

The LSO continues to invest heavily in nurturing, developing and sustaining relationships with key stakeholders, and is fortunate to have partners and donors who share the LSO's vision and underpin the Orchestra's successes. This includes the support of Principal Partner, BMW, which over many years has allowed the BMW Classics open-air concert in Trafalgar Square to reach unprecedented online audiences, building on an enthusiastic in-person response, and including many attendees who had not previously experienced a live classical music concert.

The generous philanthropy of individuals continues to grow and the work of LSO Discovery received vital support from a large number of charitable trusts and foundations, as well as from a number of individuals.

The LSO's Board and Members remain extremely grateful to all those companies, individuals and charitable trusts who provide funding and without which the Orchestra could not achieve the full scale of its ambitions. A list of acknowledgements is set out towards the end of this report, in recognition of this invaluable support.

The LSO has many other partnerships with organisations and individuals across the music sector in the UK and abroad. Whilst too many to mention individually, BBC Radio 3's continued a long-standing relationship and broadcast recordings of five main season concert performances, and the LSO also remains Classic FM's Orchestra in the City of London.

A new partnership was established with Bell Music through which the LSO has long-term loan of its stock of percussion instruments and makes these available to hire to orchestras, other ensembles and educational institutions across the UK. This partnership has ensured that organisations across the country have access to instruments which are required for certain repertoire and which would otherwise be difficult or expensive to source elsewhere.

Diversity, Equity and Inclusion

The LSO believes firmly in the value and importance of supporting and promoting diversity, equity and inclusion ("DEI") in everything that it does, and it expects all those that work with the LSO in any capacity to support this approach. By promoting and supporting DEI, the LSO's work becomes immeasurably stronger through innovation, new ideas and consideration from different perspectives. It enables the widest range of people to access, benefit from, and contribute to the LSO's work, and it creates an inclusive culture which values and celebrates difference.

As an international leader in its sector, the also LSO recognises its role in championing DEI and setting an example in this area. In both the activity that the LSO delivers, and the people that deliver it, the LSO seeks to ensure that DEI is a central element of its ethos. This commitment is key to ensuring that the LSO remains relevant and reflective of wider society now and into the future.

The LSO's DEI Policy and Action Plan, which was adopted by the LSO Board in early 2021 and outlined clear objectives, actions and KPIs across all areas of the LSO's activity and people for the period to July 2023. Substantial progress was made in delivering this plan's objectives and an updated 3-year plan was approved by the LSO Board in autumn 2023.

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Directors' Report (continued)

Within the LSO's main concert season at the Barbican in 2022/23, half of the 21st Century works featured were by female composers or composers from Black, Asian or Ethnically Diverse backgrounds, including works by Samuel Taylor Coleridge, Daniel Kidane, Cassie Knoch, Carlos Simon, Wynton Marsalis, Sammy Moussa, André J Thomas, and Joel Thompson. As noted earlier, a particular highlight was the successful return to Soweto Kinch's *White Juju*, which the Orchestra performed with Kinch at Printworks in Surrey Quays. Regular projects with Associate Artists Barbara Hannigan and Dr André J. Thomas also explore a diverse range of repertoire which enriches and broadens the LSO's programme.

LSO St Luke's also showcased an increasingly diverse programme throughout the season including the performances by Ayanna Witter-Johnson teaming up with the LSO Percussion Ensemble for an evening of jazz-infused music including some new compositions by Witter-Johnson. The BBC Radio 3 lunchtime concert series *Jazz Inflections* welcomed pianist Joanna McGregor and the Orsino Ensemble with programmes including pieces by female jazz composers Mary Lou MacGregor, and Valerie Coleman. Also at LSO St Luke's composer and alumna of the LSO composer's professional schemes, Hollie Harding, created an evening exploring the themes of memory and time, with new works by emerging composers of all genders whilst Associate Artists at LSO St Luke's Tangram were joined by percussionist and composer Beibei Wang for her new music theatre piece *Five Elements* in January 2023.

Throughout the year, each LSO Discovery Friday Lunchtime Concert (which were all free to attend) included at least one work by a female composer, disabled composer, or Black, Asian or Ethnically Diverse composer. A number of Relaxed Performances also took place; these were designed to be fully inclusive and accessible for people with autism, sensory and communication impairments and learning disabilities.

LSO Discovery's programme also continued to provide creative opportunities for people with specific protected characteristics. The LSO East London Academy involved 40 participants of whom 72% were from Black, Asian or Ethnically Diverse backgrounds. LSO Create and the LSO Musical Inclusion programme provided a range of music activities for adults and young people with learning disabilities. As a new area of the LSO's work, LSO Connect provided intergenerational opportunities for older adults and school children, working in partnership with the Golden Lane Community Centre, St Luke's Community Centre and St Luke's Primary School.

Work continued to increase the diversity of the LSO's people, and to increase understanding of this area. Two Board Members and ten Members of the Orchestra are Diversity Champions, with specific responsibility for championing and promoting DEI. All Board Members, Orchestra Committee Members, Diversity Champions and staff members received unconscious bias training, and this was extended to Members of the Orchestra during the year. Progress was also made in recruitment methodology for staff and musicians with new systems and processes being introduced.

Continuing to increase diversity, equity and inclusion across all areas of the organisation remains a priority for the LSO over the coming years, ensuring that the LSO becomes more reflective of the London communities in which it works.

Plans for the future

The LSO will continue its broad range of activities, with a full programme of activity planned for 2023/24 including the season of concerts at the Barbican, partnerships in the UK and engagements overseas. There will be a number of projects with Chief Conductor Designate, Sir Antonio Pappano, and regular performances with Sir Simon Rattle in his new role as Conductor Emeritus.

LSO Discovery will continue its multi-faceted programme of education and community work, and LSO St Luke's will host additional events in addition to its role as the Orchestra's base when it is not at the Barbican and the home of LSO Discovery. LSO Live will continue to develop and distribute audio and audio-visual recordings and broadcasts, including in partnership with commercial partners.

Other priorities include a continued focus on Diversity, Equity and Inclusion and initiatives to deepen the LSO's engagement with audiences, communities and the wider public. Work will continue on the planned refurbishment of LSO St Luke's in 2025. The LSO's Environmental Action Plan will be reviewed and updated to maintain efforts to reduce the environmental impact of the LSO's work over coming years.

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Directors' Report (continued)

Achievements against objectives

As the report above demonstrates, the LSO delivered a full range of activity of the highest quality despite the on-going challenges and uncertainty of the pandemic and its aftermath. Key achievements included the following:

- A full season of performances at the Barbican Centre, working with a diverse range of conductors, composers and soloists during the year.
- Attracting audiences to attend live performances in large numbers, particularly those from under-represented demographics and those attending an LSO concert for the first time.
- The completion of a series of overseas engagements despite the continued challenges of travel disruption and additional administration that has arisen in recent years.
- LSO Discovery delivered a full programme of projects, providing inspiring musical opportunities and experiences to people of all ages and backgrounds at LSO St Luke's, across London, elsewhere in the UK and overseas.
- Continued use of LSO St Luke's for rehearsals and recordings, alongside use by LSO Discovery and a return of other artistic projects and other external events.
- LSO Live released a number of new recordings and delivered high quality streaming and broadcasts of many of the Orchestra's performances.
- An on-going busy schedule of recordings for external partners, providing additional work and income for the LSO's musicians.
- Further significant progress in implementing the LSO's Diversity, Equity and Inclusion Plan with across the full breadth of the organisation's work.

Financial Review

Income in the year for the LSO group totalled £21.52m (2021/22: £21.11m), with operating expenditure of £21.13m (2021/22 £18.34m).

Within income, core funding from Arts Council England (ACE) has reduced following the 12% reduction in annual funding effective from April 2023; the full impact of this 12% reduction will be seen in the current 2023/24 year. This ACE core funding is recognised within Restricted Funds, reflecting the conditions of the funding agreement. Income in the 2021/22 year also included funding from the ACE Cultural Recovery Fund and most of the income recognised on winding up the St Luke Centre Management Company. This has, in part, been compensated for in 2022/23 by additional grant funding from the LSO Endowment Trust and other donations.

Strong box office performance for Barbican and other UK concerts in 2022/23, along with a very strong year for touring (three major tours and residencies), are all reflected in higher income in the year, matched by increased levels of expenditure. This in turn has generated increased revenue from Orchestra Tax Relief, a consequence of both increased concert activity, and the higher rate of tax relief at 50% sustained across the whole year.

The group has also increased income and expenditure from films and recordings due in large part to the major film project for Netflix in Autumn 2022.

Staff costs have increased to £3.75m in 2022/23 (2021/22 £3.20m). More staff have been employed to manage the increased activity in concerts and at LSO St Lukes, and there was a general pay rise at the beginning of the year. Other overhead costs have also risen due to general inflationary pressures.

The net surplus for the year was £0.41m (2021/22 £2.76m), of which £0.04m was unrestricted, and there was minimal capital spend of £0.11m (2021/22 £0.10m excluding assets from St Luke Centre Management Company).

The total value of Unrestricted General Funds carried forward increased to £4.11m.

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Directors' Report (continued)

The Group balance sheet and cash position remain sound but, going forward, the medium-term outlook, particularly for the next two financial years, remains more challenging both in terms of the level of overseas engagements and the cumulative impact of inflation.

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 and the potential adverse impact of wider economic uncertainty on all of these sources of income.

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 £2.5 million and £5 million, based on pre-pandemic levels of activity. The free reserves at 31 July 2023 were £2.65m (2022: £2.52m) which is at the bottom of the target range. Given the on-going financial challenges expected over coming years, the priority is to continue to stabilise the financial position and then to build up reserves over time.

Going Concern

The LSO benefits from the ongoing commitment of its core funders, with funding from Arts Council England confirmed through to March 2026 and funding confirmed from the City of London Corporation until March 2024. A number of sponsorship and other funding agreements are in place, for specific and defined activities, for varying periods beyond the balance sheet date.

In addition to public funding, the LSO has a diversified range of other income streams and seeks to avoid being critically dependent on any other single organisation for funding. These other income streams are gradually rebuilding following the pandemic with a number of international residencies and engagements planned over the coming 2 years as well as residencies within the UK. The group also continues to grow its digital output and income from commercial films, recordings and broadcasts.

There remain a number of significant financial challenges in the years ahead, and the LSO is implementing plans to respond to the changing economic and funding environment and to ensure that the organisation is thriving, successful, relevant and resilient in the decade ahead. It is likely that significant operating deficits will be incurred over the next 2-3 years; however, additional government support and drawdowns from the LSO Endowment Trust of funds raised from the Always Playing Appeal will fund these deficits until a balanced financial model is restored.

Taking all these factors into account, and having reviewed future cash flow projections, the Directors believe that the LSO is able to manage its business and financial risks and 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.

Principal Risks and Uncertainties

A risk register is reviewed, discussed and updated by Heads of Department on a regular basis, and the Finance Committee and Board of Directors review key risk areas periodically. Through this process, the major risks to which the group is exposed have been reviewed, and procedures have been established, maintained and monitored to mitigate the impact of those risks.

London Symphony Orchestra Limited

Directors' Report (continued)

The major risks facing the group are the impacts of economic difficulties in the UK and globally, particularly the impact on UK and overseas ticket sales; the challenges of raising sufficient funds from the public and private sectors; the impact of significant increases in the cost of living for the LSO's personnel; and the on-going and long-term impacts of the pandemic and Brexit on operations and finances. Plans and processes are in place to manage and mitigate these and other risks as far as is practical.

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 Partner: BMW; Corporate Sponsor Baker McKenzie, and all other Corporate Supporters;
- Trusts and Foundations including major supporters The Sir Joseph Hotung Charitable Settlement, The Helen Hamlyn Trust, Jeremy and John Sacher Charitable Trust, Jerwood Arts, The City Bridge 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.

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

Fundraising Approach and Performance

The LSO subscribes to principles of fundraising best practice by committing to high standards, and being clear, honest, open, respectful, fair and reasonable, and accountable and responsible. The LSO is registered with the Fundraising Regulator and adheres to the standards of the Code of Fundraising Practice. No complaints were received about the LSO's fundraising practices in the current year.

Auditor

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

- So far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- They have taken all the steps that they ought to have taken as a Director in order to make themselves 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.

London Symphony Orchestra Limited

Directors' Report (continued)

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.

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



Sarah Quinn
Chair

29 January 2024

London Symphony Orchestra Limited

Independent Auditor's Report to the Members of London Symphony Orchestra Ltd

Opinion

We have audited the financial statements of London Symphony Orchestra Limited for the year ended 31 July 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement 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 2023 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

London Symphony Orchestra Limited

Independent Auditor's Report to the Members of London Symphony Orchestra Ltd (continued)

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' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Directors' Annual Report have 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 the Directors' Annual Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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

Responsibilities of Directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 15, the Directors (who are the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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.

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

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity and company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

London Symphony Orchestra Limited

Independent Auditor's Report to the Members of London Symphony Orchestra Ltd (continued)

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to revenue recognition, in particular in relation to recording income and charitable activities in the correct accounting period and management override of controls. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the charity relevant to the preparation of the financial statements to ensure these were in place throughout the year;
- Reviewing debtor recoverability post year end.
- Reviewing post balance sheet events.
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions, and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

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

Use of our report

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



Richard Weaver (Senior Statutory Auditor)
for and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

Date: 9 February 2024

London Symphony Orchestra Ltd

Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
Year ended 31 July 2023

		2023	2023	2023	2023	2022
		Unrestricted	Designated	Restricted	Total	Total
		funds	funds	funds	funds	funds
	Note	£000	£000	£000	£000	£000
Income from:						
Donations, grants and legacies	6	3,335	30	2,870	6,235	7,879
Charitable activities	7	11,705	-	438	12,143	10,341
Other trading activities	9	487	-	-	487	450
Investment income	10	37	-	-	37	1
Other	11	2,598	-	18	2,616	2,442
Total Income	5	18,162	30	3,326	21,518	21,113
Expenditure on:						
Raising funds		1,452	-	-	1,452	1,147
Charitable activities		16,693	147	2,838	19,678	17,191
Total expenditure	12	18,145	147	2,838	21,130	18,338
Net expenditure	15	17	(117)	488	388	2,775
Transfers between funds		-	-	-	-	-
Other recognised losses						
Currency exchange gains/(losses)		24	-	-	24	(14)
Net movement in funds		41	(117)	488	412	2,761
Reconciliation of funds						
Total funds brought forward		4,066	3,782	467	8,315	5,554
Total funds carried forward		4,107	3,665	955	8,727	8,315

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 £335,292 including the donation of a subsidiary company's profit.

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.

The notes on pages 20 to 40 form part of these accounts.

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

London Symphony Orchestra Ltd

Consolidated and Charity Balance Sheet

As at 31 July 2023

		Group		Charity	
	Note	2023 £000	2022 £000	2023 £000	2022 £000
Fixed assets					
Tangible assets	17	2,190	2,424	2,064	2,260
Investment assets	18	-	-	-	-
Total fixed assets		2,190	2,424	2,064	2,260
Current assets					
Stock	19	603	520	-	-
Debtors: amounts falling due within one year	20	5,038	4,758	4,543	4,415
Cash at bank		4,261	3,765	3,717	3,476
Total current assets		9,902	9,043	8,260	7,891
Current liabilities					
Creditors: amounts falling due within one year	21	(3,365)	(3,152)	(1,615)	(1,868)
Net current assets		6,537	5,891	6,645	6,023
Total net assets		8,727	8,315	8,709	8,283
Total funds	23				
Unrestricted funds		4,107	4,066	4,551	4,281
Designated funds		3,665	3,782	3,665	3,782
Restricted funds		955	467	493	220
Funds carried forward		8,727	8,315	8,709	8,283

The notes on pages 20 to 40 form part of these accounts.

Approved by the Board on 29 January 2024 and signed on its behalf by:



S Quinn
Chair



K McDowell
Managing Director

London Symphony Orchestra Ltd

Consolidated and Charity Statement of Cash Flows Year ended 31 July 2023

	Note	Group		Charity	
		2023 £000	2022 £000	2023 £000	2022 £000
Cash from operating activities	A	568	1,889	275	1,732
Cash flows from investing activities					
Bank interest		37	1	37	1
Purchase of fixed assets		(110)	(801)	(72)	(755)
Increase / (decrease) in cash and cash equivalents in the year		<u>495</u>	<u>1,089</u>	<u>240</u>	<u>978</u>
Cash and cash equivalents at the beginning of the year		3,765	2,676	3,476	2,498
Total cash and cash equivalents at the end of the year		<u>4,260</u>	<u>3,765</u>	<u>3,716</u>	<u>3,476</u>
Reconciliation to cash at bank and in hand:					
Cash at bank and in hand		2,129	3,420	1,585	3,131
Short-term deposits		2,132	345	2,132	345
		<u>4,261</u>	<u>3,765</u>	<u>3,717</u>	<u>3,476</u>
A Reconciliation of net movement in funds to net cash flow from operating activities					
Net movement in funds		412	2,761	426	2,691
Net depreciation charge		344	232	268	157
Bank interest		(37)	(1)	(37)	(1)
Increase in stock		(83)	(2)	-	-
Increase in debtors		(280)	(473)	(127)	(332)
Increase/(Decrease) in creditors		214	(628)	(255)	(783)
Net cash from operating activities		<u>568</u>	<u>1,889</u>	<u>275</u>	<u>1,732</u>

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

As at 31 July 2023

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).

The Group Financial Statements consolidate the results of the charitable company and its subsidiaries for the year ended 31 July 2023 after elimination of intra-group transactions.

b) Preparation of accounts on a going concern basis

The Directors have considered the financial and other risks facing the Group, including those arising as a result of Covid-19, and have assessed the Group's ability to operate as a going concern including reviewing the financial position and forecasts, reserves levels and future plans. Following this assessment, the Directors are confident that there is no material uncertainty that the charity and Group's ability to remain as going concerns, will continue for the foreseeable future.

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.

Government grants relating to revenue are recognised in the income and expenditure statement over the

London Symphony Orchestra Ltd

Notes to the financial statements

As at 31 July 2023

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.

The Directors have established a Designated Fund, the purpose of which is to fund strategic initiatives and potential operating deficits in coming years, particularly to support the LSO's recovery from the Covid-19 pandemic.

Restricted funds are subject to specific restrictions imposed by the donors and these funds are therefore not available for the Directors to apply at their discretion. The purpose and use of the various restricted funds is set out in Note 25.

London Symphony Orchestra Ltd

Notes to the financial statements

As at 31 July 2023

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:

Property lease	- 5 years
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.

* 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.

l) 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

During the year the charity 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.

London Symphony Orchestra Ltd

Notes to the financial statements

As at 31 July 2023

1 Accounting policies (continued)

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) Group financial statements

The Group Financial Statements consolidate the results of the charitable company and its subsidiaries for the year ended 31 July 2023 after elimination of intra-group transactions.

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 Directors 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 Directors do not consider that there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

As explained in Note 31, the Headlease for LSO St Luke's was transferred to London Symphony Orchestra Ltd during the prior year. This lease, which runs until March 2176, gives the right to occupy the building but also places responsibility on the LSO to keep the building in good repair throughout the lease term. Given the particular nature of the building and terms of the lease, placing a value on the lease involves a number of assumptions and judgements. Following a detailed review, the value has been placed on the lease of £585,000 representing the estimated net present value of the benefit of use of the building less the costs of keeping it in repair. This value is being amortised over 5 years beginning in 2022/23, as the majority of the value of the lease relates to this period.

London Symphony Orchestra Ltd

Notes to the financial statements

As at 31 July 2023

3 Comparative Statement of Financial Activities

	2022 Unrestricted funds £000	2022 Designated funds £000	2022 Restricted funds £000	2022 Total funds £000
Income and endowments from:				
Donations and legacies	5,225	1,091	1,563	7,879
Charitable activities	10,197	-	144	10,341
Other trading activities	450	-	-	450
Investment income	1	-	-	1
Other	1,252	1,174	16	2,442
Total income	17,125	2,265	1,723	21,113
		-		
Expenditure on:				
Raising funds	1,147	-	-	1,147
Charitable activities	15,673	30	1,488	17,191
Total expenditure	16,820	30	1,488	18,338
Net income	305	2,235	235	2,775
Transfers between funds	(13)		13	-
Currency exchange (losses)	(14)		-	(14)
Net movement in funds	278	2,235	248	2,761
			-	
Reconciliation of funds				
Total funds brought forward	3,788	1,547	219	5,554
Total funds carried forward	4,066	3,782	467	8,315

London Symphony Orchestra Ltd

Notes to the financial statements

As at 31 July 2023

4 Subsidiary companies' trading activities

London Symphony Orchestra Ltd 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. London Symphony Orchestra Ltd also owns the whole of the share capital of LSO Live Limited which manages all aspects of the LSO Live recording label and other media activity. 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	
	2023	2022	2023	2022
	£000	£000	£000	£000
Turnover	12,748	10,989	1,290	1,135
Cost of sales	(14,139)	(12,098)	(890)	(1,021)
Gross profit/(loss)	(1,391)	(1,109)	400	114
Less: Administration Expenses	(1,167)	(1,171)	(145)	(113)
Operating profit/(loss) for the year	(2,558)	(2,280)	255	1
Corporation Tax relief	2,550	2,346	-	-
Less: Donation to parent charity	-	-	(255)	(1)
Retained Profit/ (Loss) for the year	(8)	66	-	-
Assets	3,001	2,920	1,317	1,229
Liabilities	(2,995)	(2,905)	(1,305)	(1,217)
Net Funds	6	15	12	12

5 Group Income analysis

	by Source of Funds		by Location of Activity	
	2023	2022	2023	2022
	£000	£000	£000	£000
United Kingdom	9,800	14,608	15,315	19,337
Europe	10,758	4,524	3,812	889
Rest of world	480	290	2,330	-
Rest of world	-	-	-	-
USA	480	1,691	61	887
	21,518	21,113	21,518	21,113

London Symphony Orchestra Ltd

Notes to the financial statements

As at 31 July 2023

	2023 £000	2022 £000
6 Income from donations, grants and legacies		
Arts Council England core grant	2,157	2,242
Arts Council England Cultural Recovery Fund grants	-	623
City of London Corporation core funding	1,975	1,975
City of London Corporation other funding	-	-
St Luke Centre Management Company grant	30	1,091
LSO Endowment Trust grants	440	263
Grants for LSO Discovery	273	499
Sponsorships and donations	1,360	1,186
Total Income from grants and donations	6,235	7,879
7 Income from charitable activities		
LSO Concerts at the Barbican	1,761	1,252
Engagements	7,894	6,318
LSO Live	937	874
LSO St Luke's - Artistic	326	257
LSO Discovery	579	686
Sponsorships	646	954
Total Income from charitable activities	12,143	10,341
8 Income from engagements		
Overseas Residencies, Tours and Partnerships	6,062	4,596
UK Residencies, Concerts and Partnerships	498	373
Third-Party Recordings	1,334	1,348
Total Income from engagements	7,893	6,318
9 Income from other trading activities		
LSO St Luke's - Commercial	487	450
Total Income from trading activities	487	450
10 Income from investments		
Bank interest received	37	-
Total Investment Income	37	-
11 Other Income		
Other Income	2,616	2,442
Total other Income	2,616	2,442

Other Income primarily comprises Orchestra Tax Relief, including amounts receivable at a temporary higher rate since October 2021.

London Symphony Orchestra Ltd

Notes to the financial statements

As at 31 July 2023

12 Analysis of group expenditure

	Staff and Direct Costs	Allocated Support Costs	Total
	2023	2023	2023
	£000	£000	£000
Costs of raising funds:			
Voluntary income	556	486	1,042
St Luke's - Commercial	345	65	410
	<u>901</u>	<u>551</u>	<u>1,452</u>
Costs of charitable activities:			
Barbican concerts	6,844	512	7,356
Engagements	7,687	419	8,106
LSO Live	1,019	202	1,221
LSO St Luke's - Artistic	174	259	433
LSO Discovery	2,076	486	2,562
	<u>17,800</u>	<u>1,878</u>	<u>19,678</u>
Total group expenditure	<u>18,701</u>	<u>2,429</u>	<u>21,130</u>
	2022	2022	2022
	£000	£000	£000
Costs of raising funds:			
Voluntary income	565	326	891
St Luke's - Commercial	204	52	256
	<u>769</u>	<u>378</u>	<u>1,147</u>
Costs of charitable activities:			
Barbican concerts	6,398	413	6,811
Engagements	6,389	337	6,726
LSO Live	1,117	130	1,247
LSO St Luke's - Artistic	168	208	376
LSO Discovery	1,705	326	2,031
	<u>15,777</u>	<u>1,414</u>	<u>17,191</u>
Total group expenditure	<u>16,546</u>	<u>1,792</u>	<u>18,338</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. 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

As at 31 July 2023

13 Analysis of support costs

	Raising funds 2023 £000	Charitable activities 2023 £000	Total 2023 £000
Staff costs	212	725	937
Other overheads	339	1,153	1,492
	<u>551</u>	<u>1,878</u>	<u>2,429</u>

	Raising funds 2022 £000	Charitable activities 2022 £000	Total 2022 £000
Staff costs	106	397	503
Other overheads	272	1,017	1,289
	<u>378</u>	<u>1,414</u>	<u>1,792</u>

2023
£000

2022
£000

14 Governance costs

Included within support costs are the following governance costs:

Audit fees	33	28
Directors' fees	30	29
Other governance costs	5	5
Total Governance costs	<u>68</u>	<u>61</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	15	13
- the Company's subsidiaries' accounts	18	15
Total Audit Fees	<u>33</u>	<u>28</u>

Movement in stock	(83)	(2)
Depreciation	344	232
Realised foreign currency exchange loss	(24)	14
Operating lease rentals - Land and buildings	134	82

London Symphony Orchestra Ltd

Notes to the financial statements

As at 31 July 2023

16 Analysis of staff numbers and costs

The number of employees during the period was as follows:

	Full Time Equivalent No.		Average Headcount No.	
	2023	2022	2023	2022
Concerts Management	16	17	31	18
Marketing	7	6	7	6
Development	12	10	12	11
Management, Finance and IT	14	12	16	15
Total Charity	49	45	66	50
LSO Discovery	12	10	12	11
LSO St Luke's	8	8	9	8
LSO Live	5	4	5	5
Total Group	74	67	92	74

	Group		Charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
All employees aggregate remuneration				
Salaries	3,129	2,709	2,367	1,947
National Insurance	335	233	300	221
Pension Costs	233	219	190	188
Other staff costs	51	43	51	43
	3,748	3,204	2,908	2,399
Key management aggregate remuneration				
Salaries and pension	384	359	384	359
National Insurance	45	40	45	40
	429	399	429	399

London Symphony Orchestra Ltd

Notes to the financial statements

As at 31 July 2023

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:

	2023	2022
	No.	No.
£190,001 - £200,000	1	-
£170,001 - £180,000	-	1
£100,001 - £110,000	-	-
£80,001 - £90,000	2	1
£70,001 - £80,000	3	1
£60,001 - £70,000	4	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:

		2023	2022
		£	£
David Alberman	Chair	11,899	16,000
Sarah Quinn	Chair	5,129	-
Harriet Rayfield	Vice - Chair	5,949	8,000
David Jackson	Vice - Chair	5,428	5,000
Maxine Kwok	Vice - Chair	1,710	-

A total of £4,658 (2022: £5,162) was also paid to 9 (2022:10) Directors in respect of reimbursing expenses incurred for Board and Committee meetings.

London Symphony Orchestra Ltd

Notes to the financial statements

As at 31 July 2023

17 Tangible fixed assets

	Freehold & leasehold land and buildings £000	Motor vehicles £000	Instrument s £000	Fixtures, fittings and equipment £000	Plant and Machinery £000	Total £000
Group:						
Cost						
At 1 August 2022	1,209	304	1,534	1,672	120	4,839
Additions	-	34	33	43	-	110
Disposals	-	(37)	(8)	(208)	-	(253)
At 31 July 2023	1,209	301	1,559	1,507	120	4,696
Depreciation						
At 1 August 2022	341	186	502	1,356	30	2,415
Charge for the year	147	34	19	114	30	344
Disposals	-	(38)	(8)	(208)	-	(254)
At 31 July 2023	488	182	513	1,262	60	2,505
Net book values						
At 31 July 2023	<u>721</u>	<u>119</u>	<u>1,046</u>	<u>245</u>	<u>60</u>	<u>2,191</u>
At 1 August 2022	868	118	1,032	316	90	2,424
Charity:						
Cost						
At 1 August 2022	1,156	304	1,471	654	120	3,705
Additions	-	34	33	5	-	72
Disposals	-	(38)	(8)	(119)	-	(165)
At 31 July 2023	1,156	300	1,496	540	120	3,612
Depreciation						
At 1 August 2022	288	186	450	491	30	1,445
Charge for the year	146	34	13	45	30	268
Disposals	-	(38)	(8)	(119)	-	(165)
At 31 July 2023	434	182	455	417	60	1,548
Net book values						
At 31 July 2023	<u>722</u>	<u>118</u>	<u>1,041</u>	<u>123</u>	<u>60</u>	<u>2,064</u>
At 1 August 2022	868	118	1,021	163	90	2,260

Within the costs of Land and Buildings is a balance of £135,000 relating to Land (2021: £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. Land and Buildings also includes the valuation of the donated leasehold building (see Note 31). No amortisation was charged on the lease in the year as it was transferred at the end of the financial year.

London Symphony Orchestra Ltd

Notes to the financial statements

As at 31 July 2023

17 Tangible fixed assets (continued)

	Freehold land and buildings £000	Motor vehicles £000	Instruments £000	Fixtures, fittings and equipment £000	Plant and Machinery £000	Total £000
Group:						
Cost						
At 1 August 2021	624	304	1,511	1,609	-	4,048
Additions	585	-	27	69	120	801
Disposals	-	-	(4)	(6)	-	(10)
At 31 July 2022	1,209	304	1,534	1,672	120	4,839
Depreciation						
At 1 August 2021	312	160	490	1,231	-	2,193
Charge for the year	29	26	16	131	30	232
Disposals	-	-	(4)	(6)	-	(10)
At 31 July 2022	341	186	502	1,356	30	2,415
Net book values						
At 31 July 2022	868	118	1,032	316	90	2,424
At 1 August 2021	312	144	1,021	378	-	1,855
Charity:						
Cost						
At 1 August 2021	571	304	1,447	632	-	2,954
Additions	585	-	28	22	120	755
Disposals	-	-	(4)	-	-	(4)
At 31 July 2022	1,156	304	1,471	654	120	3,705
Depreciation						
At 1 August 2021	259	160	444	429	-	1,292
Charge for the year	29	26	10	62	30	157
Disposals	-	-	(4)	-	-	(4)
At 31 July 2022	288	186	450	491	30	1,445
Net book values						
At 31 July 2022	868	118	1,021	163	90	2,260
At 1 August 2021	312	144	1,003	203	-	1,662

Within the costs of Land and Buildings is a balance of £135,000 relating to Land (2021: £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. Land and Buildings also includes the valuation of the donated leasehold building (see Note 31). No amortisation was charged on the lease in the year as it was transferred at

London Symphony Orchestra Ltd

Notes to the financial statements

As at 31 July 2023

	Charity
	£
18 Investments in subsidiaries	
Cost at 1 August 2022 and 31 July 2023	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	
	2023	2022
	£000	£000
19 Stocks of CDs and related development costs		
Stocks of own-label recorded CDs and DVDs	90	115
Deferred development costs of own-label CDs and DVDs	513	405
	<u>603</u>	<u>520</u>

	Group		Charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
20 Debtors: amounts falling due within one year				
Trade debtors	1,571	1,523	1,166	1,076
Other debtors	17	6	3	1
Prepayments	291	487	266	480
Amounts owed by Group companies	-	-	2,478	2,479
Accrued Income	3,159	2,700	630	315
Other taxes and social security	-	42	-	64
	<u>5,038</u>	<u>4,758</u>	<u>4,543</u>	<u>4,415</u>

	Group		Charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
21 Creditors: amounts falling due within one year				
Trade creditors	822	441	420	244
Other taxes and social security	130	79	149	63
Owed to players	343	333	37	44
Other creditors	519	531	72	117
Amounts owed to Group companies	-	-	-	261
Accruals	665	827	525	735
Deferred income	886	941	412	404
	<u>3,365</u>	<u>3,152</u>	<u>1,615</u>	<u>1,868</u>

London Symphony Orchestra Ltd

Notes to the financial statements

As at 31 July 2023

	Group		Charity	
	2023	2022	2023	2022
22 Deferred Income				
Brought forward	941	1,316	404	1,030
Released in the year	(941)	(1,316)	(404)	(1,030)
Deferred in the year	886	941	412	404
Carried Forward	<u>886</u>	<u>941</u>	<u>412</u>	<u>404</u>

23 Statement of funds

	1 August 2022 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	Balance 31 July 2023 £000
Group:						
Unrestricted funds:						
Share Capital	1	-	-	-	-	1
General fund	4,065	18,162	(18,145)	24	-	4,106
Designated fund	<u>3,782</u>	<u>30</u>	<u>(147)</u>	<u>-</u>	<u>-</u>	<u>3,665</u>
Total unrestricted funds	<u>7,848</u>	<u>18,192</u>	<u>(18,292)</u>	<u>24</u>	<u>-</u>	<u>7,772</u>
Restricted funds	467	3,326	(2,838)	-	-	955
Total group funds	<u>8,315</u>	<u>21,518</u>	<u>(21,130)</u>	<u>24</u>	<u>-</u>	<u>8,727</u>
Charity:						
Unrestricted funds:						
Share Capital	1	-	-	-	-	1
General fund	4,280	24,888	(24,651)	33	-	4,550
Designated fund	<u>3,782</u>	<u>30</u>	<u>(147)</u>	<u>-</u>	<u>-</u>	<u>3,665</u>
Total unrestricted funds	<u>8,063</u>	<u>24,918</u>	<u>(24,798)</u>	<u>33</u>	<u>-</u>	<u>8,216</u>
Restricted funds	220	2,418	(2,145)	-	-	493
Total charity funds	<u>8,283</u>	<u>27,336</u>	<u>(26,943)</u>	<u>33</u>	<u>-</u>	<u>8,709</u>

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As at 31 July 2023

23 Statement of funds (continued)

	1 August 2021 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	Balance 31 July 2022 £000
Group:						
Unrestricted funds:						
Share Capital	1	-	-	-	-	1
General fund	3,787	17,125	(16,820)	(14)	(13)	4,065
Designated fund	1,547	2,265	(30)	-	-	3,782
Total unrestricted funds	5,335	19,390	(16,850)	(14)	(13)	7,848
Restricted funds	219	1,723	(1,488)	-	13	467
Total group funds	5,554	21,113	(18,338)	(14)	-	8,315
Charity:						
Unrestricted funds:						
Share Capital	1	-	-	-	-	1
General fund	3,858	22,184	(21,752)	(10)	-	4,280
Designated fund	1,547	2,265	(30)	-	-	3,782
Total unrestricted funds	5,406	24,449	(21,782)	(10)	-	8,063
Restricted funds	186	1,009	(975)	-	-	220
Total charity funds	5,592	25,458	(22,757)	(10)	-	8,283

24 Designated Funds

Designated Funds are those unrestricted funds which have been set aside by the Directors for specific purposes.

	Balance 1 August 2022 £000	Income £000	Expenditure £000	Transfers £000	Balance 31 July 2023 £000
Strategic Fund	2,721	-	-	-	2,721
LSO St Luke's Designated Fund	1,061	30	(147)	-	944
Total Designated funds	3,782	30	(147)	-	3,665

Strategic Fund

The Strategic Fund has been established to fund strategic initiatives and potential operating deficits in coming years, and particularly to support the LSO's recovery from the Covid-19 pandemic.

LSO St Luke's Designated Fund

This fund has been established to support the costs of future maintenance and refurbishment of LSO St Luke's.

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25 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 shown below and on the following page.

	Balance 1 August 2022 £000	Income £000	Expenditure £000	Transfers £000	Balance 31 July 2023 £000
Antonio Brenzi Viola	200	-	-	-	200
ACE Grant	-	2,005	(2,005)	-	-
Always Playing Appeal	20	140	(140)	-	20
LSO Discovery	-	273	-	-	273
Government Grants	-	-	-	-	-
Total charity restricted funds	220	2,418	(2,145)	-	493
LSO Discovery	247	438	(241)	-	444
ACE Grant	-	152	(152)	-	-
Moving Music Fund	-	300	(300)	-	-
Other sponsorship	-	18	-	-	18
Total group restricted funds	467	3,326	(2,838)	-	955

	Balance 1 August 2021 £000	Income £000	Expenditure £000	Transfers £000	Balance 31 July 2022 £000
Antonio Brenzi Viola	200	-	-	-	200
ACE Grant	-	802	(802)	-	-
Always Playing Appeal	(17)	263	(242)	16	20
City of London - Culture Mile Grant	3	-	-	(3)	-
Government Grants	-	15	(15)	-	-
Total charity restricted funds	186	1,080	(1,059)	13	220
LSO Discovery	33	643	(429)	-	247
Total group restricted funds	219	1,723	(1,488)	13	467

London Symphony Orchestra Ltd

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25 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 musician.

ACE Grant

Since April 2022, Arts Council England has requested that its core funding is shown as restricted. This funding supports the delivery of the whole of the LSO's business plan, the costs of which exceed ACE's grant. Costs equal to the value of this grant have been allocated to this restricted fund.

Always Playing Appeal

This fund relates to fundraised income received to support the LSO's recovery from the Covid-19 pandemic over coming years.

Government Grants

These funds relate to government contributions to furloughed employees and support for the Kickstart job creation scheme.

City of London - Culture Mile Grant

This fund represents a restricted grant from the City of London Corporation for cultural and community activities as part of the Culture Mile Programme.

LSO Discovery

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 future years.

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.

London Symphony Orchestra Ltd

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As at 31 July 2023

26 Analysis of net assets between funds

	Unrestricted General Funds £000	Unrestricted Designated Funds £000	Restricted Funds £000	Total Funds £000
Group				
Tangible fixed assets	1,462	528	200	2,190
Current assets	6,010	3,137	755	9,902
Current and long term liabilities	(3,365)	-	-	(3,365)
At 31 July 2023	<u>4,107</u>	<u>3,665</u>	<u>955</u>	<u>8,727</u>
Charity				
Tangible fixed assets	1,336	528	200	2,064
Current assets	4,830	3,137	293	8,260
Current liabilities	(1,615)	-	-	(1,615)
At 31 July 2023	<u>4,551</u>	<u>3,665</u>	<u>493</u>	<u>8,709</u>
	Unrestricted General Funds £000	Unrestricted Designated Funds £000	Restricted Funds £000	Total Funds £000
Group				
Tangible fixed assets	1,549	675	200	2,424
Current assets	5,608	3,168	267	9,043
less: Current and long term liabilities	(3,091)	(61)	-	(3,152)
As at 31 July 2022	<u>4,066</u>	<u>3,782</u>	<u>467</u>	<u>8,315</u>
Charity				
Tangible fixed assets	1,385	675	200	2,260
Current assets	4,703	3,168	20	7,891
less: Current liabilities	(1,807)	(61)	-	(1,868)
As at 31 July 2022	<u>4,281</u>	<u>3,782</u>	<u>220</u>	<u>8,283</u>

27 Commitments under operating leases

At 31 July 2023 the present value of the Group's total future minimum lease commitments under non-cancellable operating leases was as follows:

	2023 £000	2022 £000
Land and buildings		
- within one year	138	82
- between two and five years	593	-
- after more than five years	796	-
	<u>1,527</u>	<u>82</u>

London Symphony Orchestra Ltd

Notes to the financial statements

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28 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

29 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:

	2023 £000	2022 £000
Donations made to the Group	440	263

In addition the following positions existed between the Group and the LSO Endowment Trust as at 31 July:

	2022 £000	2021 £000
Amounts owed to the Group by the LSO Endowment Trust	-	-
Amounts owed by the Group to the LSO Endowment Trust	-	-

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 which was included in a commercial combined policy covering a wider range of Insurable risks. Therefore no separate premium specifically for Directors' and Officers' Liability is available. (2022: no separate premium available).

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: £21,679 (2022: £40,724) to Boosey & Hawkes Ltd, of which Janis Susskind is a Director; and £9,654 (2022: £24,286) to Henry Wood Hall Ltd, of which both Kathryn McDowell and David Jackson are Directors. These payments were made in the normal course of business.

London Symphony Orchestra Ltd

Notes to the financial statements

As at 31 July 2023

30 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.

31 Transfer of Assets from St Luke's Centre Management Company Ltd

During the prior year, a number of assets were transferred from St Luke Centre Management Company Ltd (SLCMC) to LSO Ltd. SLCMC was a registered charity and held the Headlease for LSO St Luke's from the freeholder, the Diocese of London. In turn, SLCMC was the landlord to LSO Productions Ltd for the building and it had no other operations other than to administer the lease and carry out landlord repairs which were funded by contributions to a Sinking Fund by the LSO Productions Ltd.

During the 2021-22, the Board of SLCMC decided to wind-up its operations and, having taken independent legal advice, decided to transfer the Headlease and its other assets, comprising plant, infrastructure and cash to LSO Ltd. The LSO agreed to take on these assets along the obligations relating to the Headlease and any residual liabilities attributable to SLCMC. The transfer was completed on 25 July 2022. The transfer gives the LSO direct control over LSO St Luke's, subject to the terms of the Headlease, which is increasingly important given the central role of the venue in the LSO's current and future activities.

The gift of the Headlease and other assets has been recorded in the LSO's accounts under Income from Donations, Grants and Legacies (see Note 6) and the assets added to the balance sheet. The income and assets have all been attributed to a new Designated Fund for LSO St Luke's (see Note 24). This is because the Headlease and other physical assets are not liquid, and the cash balances will be applied towards the funding of future maintenance and refurbishment of the building. The Headlease and other physical assets will be depreciated in accordance with the policy set out in Note 1.

SLCMC was dissolved on 4 April 2023.