

Charity Registration No. 233700

The London Symphony Orchestra Endowment Trust

Report and Financial Statements

31 March 2021

The London Symphony Orchestra Endowment Trust

Report and financial statements 2021

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The London Symphony Orchestra Endowment Trust

Report and financial statements 2021

Officers and professional advisers

Trustees

Charles Clark	(Chairman)
Clare Duckworth	(resigned 26 February 2020)
Hon Sir Rocco Forte	
Lady Aliai Forte	
Richard Hardie	
James Lennox Mackenzie OBE	
Kathryn McDowell CBE	
Lady Wendy Parmley	
Harriet Rayfield	(Appointed 4 June 2020)
Daniel Ross	
John Shakeshaft	

Secretary

Rikesh Shah

Registered Office

Barbican Centre
Silk Street
London
EC2Y 8DS

Investment managers

Saunderson House	UBS Wealth Management
1 Long Lane	1 Finsbury Avenue
London	London
EC1A 9HF	EC2M 2AN

Bankers

Lloyds TSB Bank plc
34 Moorgate
London
EC2R 6PL

Solicitors

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

Auditor

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

The London Symphony Orchestra Endowment Trust

Trustees' report

The Trustees present their annual report and the audited financial statements for the year ended 31 March 2021.

Structure, governance and management

Constitution

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

Trustees and organisation

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

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

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

Connected charity

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

Objectives and activities

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

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

In addition to the endowment fund, the Trust has received funds raised from the Lord Mayor's Appeals in 2004, 2010 and in 2017.

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

The London Symphony Orchestra Endowment Trust

Trustees' report

In 2012, the Trust was successful in its application to Arts Council England's Catalyst Endowment Scheme. This was a matched funding initiative through which the Trust secured income of almost £6m and this in turn released funding from the Arts Council of a further £2.9m during the campaign which ended in July 2015. The funds from this campaign, which is known as Moving Music, are invested as a restricted long-term endowment with the income generated used to capture audio and audio-visual recordings of the LSO's concert performances and to disseminate them to a wider audience.

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

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

Public benefit

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

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

Achievements and performance

Investment portfolio

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

Saunderson House was appointed as the Trust's investment managers on 1st April 2016. However, UBS continues to manage three remaining funds and as they become liquid are being transferred to Saunderson House to be managed with the rest of the investment portfolio; these funds are expected to be fully liquidated by March 2022.

The investment strategy is set by the Trustees in discussion with the investment manager and this strategy is reviewed regularly. Within the overall strategy, the investment manager takes the decisions on selection, retention and realisation of investments.

The value of the investment portfolio rose to £18,604,675 at the year-end reflecting additions of £1,517,488, disposals of £1,172,677 and unrealised gains of £3,268,614. Investment performance reflected market conditions and portfolios are appropriately positioned to meet agreed investment mandates. As at 30 September 2021 the investment portfolio was valued at £19,866,289.

Fundraising

During the year, the Trust began a fundraising campaign known as the Always Playing Appeal to support the LSO's recovery from the Covid-19 pandemic and to support its musicians. As the LSO emerges from the most challenging period of a generation, it is facing the most financially challenging years in its history. To sustain the Orchestra through the next five years, the aim of the Always Playing Appeal is to preserve the artistic excellence of the LSO's musicians and allowing them to perform together again on stage, as this is the very essence of an Orchestra.

The London Symphony Orchestra Endowment Trust

Trustees' report

As at September 2021, some £2.3m had been raised towards the Always Playing Appeal. The Trustees and LSO are hugely grateful to the lead donors to the Appeal, Alex and Elena Gerko, and to all those who have chosen to support the Appeal so far.

The other main focus of fundraising in recent years has been to promote legacy giving amongst the LSO's supporters and audiences. The Trust did not engage the use of third party fundraisers.

Grants

During the year the Trust donated £295,499 (2020: £487,000) to LSO Productions Ltd which is a subsidiary of the LSO, this grant was a contribution towards LSO Discovery's education and community projects which are in line with the Trust's key objectives.

Donations of £186,631 were made to LSO Ltd (2020: £75,000) and a grant of £158,016 (2020: £147,500) made to LSO Live Ltd which is also a subsidiary of the LSO. A further grant of £12,500 was made in the year from the Anglo-Japanese fund to support the Japanese music students in their work with the LSO (2020: £12,500).

Loans to Players

The Trust continued to offer loans to members of the LSO to assist them in the purchase of instruments. No new loans were made to players during the year (2020: £90,601). At the year-end, 24 players had outstanding loans from the Trust; further details are shown in Note 14 to the Financial Statements.

Financial review

Total income received in the year was £2,312,131 (2020: £599,915), the majority of which related to general donations, legacies, gift aid and income from investments.

Expenditure of £748,975 (2020: £819,805) was in line with expectations and related primarily to grants (see above) and investment management fees.

Gains in the value of the investment portfolio were £3,048,994 (2020: Losses of £2,044,546). Following reinvestment of income and surplus cash, the value of the portfolio at the year-end was £18,604,699 (2020: £14,991,274).

The Trust's total reserves increased from £16,108,276 to £20,720,426 at the year-end reflecting income and expenditure for the year and gains on the investment portfolio.

Reserves policy

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

As the Trust has minimal administrative overheads and no on-going liabilities, the reserves policy is to maintain liquid funds at a low level of up to 5% of total unrestricted net assets. However, since the start of the Covid-19 pandemic, the Trust has temporarily held surplus cash pending payment of grants to the LSO, particularly in relation to all funds raised as part of the Always Playing Appeal.

At the year-end, liquid funds under the above definition amounted to £1,009,240 (2020: £680,490). In addition, a further £2,252,317 (2020: £782,517) of unrestricted assets within the investment portfolio were held as cash at the year-end and were available for drawdown at short notice if needed.

The Trustees review levels of reserves on an annual basis and plans for utilising free reserves to support the objects of the LSO as outlined on page 2 of this report.

The London Symphony Orchestra Endowment Trust

Trustees' report

Risk review

The major risks to which the Trust is exposed, as identified by the Trustees, have been reviewed and systems have been established to mitigate those risks. The primary risks relate to protecting the value of the Trust's investment portfolio and other assets. Trustees delegate management of this risk to professional investment managers, Saunderson House, with oversight by the Investment Committee consisting of five of the Trustees.

Many factors affecting the achievement of the Trust's objectives relate to economic factors such as movement in share prices, interest rates, exchange rates and inflation are largely outside the Trust's control so can only be mitigated to a certain degree. The Trustees are aware of the potential on-going impacts of the Covid-19 pandemic on the value of the investment portfolio. However, the Trust is a long-term investor and currently has no plans to realise investments.

Plans for the future

The Trustees continue to seek to secure further donations towards the Always Playing Appeal and for other purposes, to increase the value of the investment portfolio in order to increase over time the value of grants made to support its charitable objectives.

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

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

Going concern

At the year-end the Trust has significant net assets and minimal liabilities and operating costs. Grants are only awarded if sufficient funds are available to fund the necessary payments. Despite the on-going impacts of the pandemic, and having reviewed expected future cashflows, the Trustees have a reasonable expectation that the Trust has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Trust's financial viability. Accordingly, the Trustees continue to adopt the going concern basis in preparing the financial statements.

Fundraising approach

The Trust 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 Trust is registered with the Fundraising Regulator and adheres to the standards of the Code of Fundraising Practice. No complaints were received about the Trust's fundraising practices during the year.

The London Symphony Orchestra Endowment Trust

Trustees' responsibilities statement

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

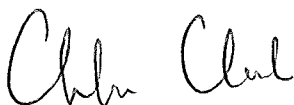
The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing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

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

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

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

Signed on behalf of the Trustees



Charles Clark
Chairman

8 November 2021

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

Opinion

We have audited the financial statements of The London Symphony Orchestra Endowment Trust for the year ended 31 March 2021 which comprise statement of financial activities, the balance sheet, the statement of cash flows 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 charity's affairs as at 31 March 2021 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 6, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity 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 charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the charities act, 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 Charities Act 2011 and consider other factors such as income tax, payroll tax and sales tax.

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of 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, including during the Covid-19 remote working period;
- 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 in particular valuation of the stock held for auction.

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

Haysmacintyre LLP.

Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 10 November 2021

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The London Symphony Orchestra Endowment Trust

Statement of Financial Activities

Period ended 31 March 2021

	Note	2021 Unrestricted funds £	2021 Restricted funds £	2021 Endowment funds £	2021 Total funds £	2020 Total funds £
Income and endowments from:						
Donations and legacies	4	2,002,337	-	-	2,002,337	146,632
Charitable activities	5	-	-	-	-	1,704
Investment income	6	46,485	263,309	-	309,794	451,579
Total income		2,048,822	263,309	-	2,312,131	599,915
Expenditure						
Expenditure on:						
Raising funds	7	(17,431)	(17,291)	(55,452)	(90,174)	(91,950)
Charitable activities	8	(176,310)	(482,491)	-	(658,801)	(727,855)
Total expenditure		(193,741)	(499,782)	(55,452)	(748,975)	(819,805)
Net gains/(losses) on investments		598,977	541,290	1,908,727	3,048,994	(2,044,546)
Net (expenditure)/ income	9	2,454,058	304,816	1,853,275	4,612,150	(2,264,435)
Net movement in funds		2,454,058	304,816	1,853,275	4,612,150	(2,264,435)
Reconciliation of funds						
Total funds brought forward		4,565,749	2,781,700	8,760,827	16,108,276	18,372,712
Total funds carried forward		7,019,807	3,086,517	10,614,102	20,720,426	16,108,276

There were no other recognised gains or losses other than as shown above. All income and expenditure derive from continuing activities.

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

The London Symphony Orchestra Endowment Trust

Balance Sheet

As at 31 March 2021

		2021	2021	2021	2021	2020
		Unrestricted	Restricted	Endowment	Total	Total
		funds	funds	funds	funds	funds
	Note	£	£	£	£	£
Fixed assets						
Tangible assets	11	545,000	-	-	545,000	545,000
Investment assets	12	5,224,279	2,766,318	10,614,102	18,604,699	14,991,274
Loans	13	157,960	-	-	157,960	232,714
Total fixed assets		5,927,239	2,766,318	10,614,102	19,307,659	15,768,988
Current assets						
Debtors: amounts falling due within one year	14	122,308	262,444	-	384,752	51,617
Loans	13	34,412	-	-	34,412	-
Cash at bank		1,009,241	57,755	-	1,066,996	293,491
Total current assets		1,165,961	320,199	-	1,486,160	345,108
Current liabilities						
Creditors: amounts falling due within one year	15	(73,393)	-	-	(73,393)	(5,820)
Net current assets		1,092,568	320,199	-	1,412,767	339,288
Total net assets		7,019,807	3,086,517	10,614,102	20,720,426	16,108,276
Total funds of the charity	16					
Funds brought forward		4,565,749	2,781,700	8,760,827	16,108,276	18,372,712
Excess/(shortfall) of income over expenditure for the year		1,855,081	(236,473)	(55,452)	1,563,156	(219,890)
Realised and unrealised increase / (decrease) in the value of investment assets		598,977	541,290	1,908,727	3,048,994	(2,044,546)
Funds carried forward		7,019,807	3,086,517	10,614,102	20,720,426	16,108,276

The notes on pages 13 to 23 form part of these accounts.

Approved by the trustees on: 8 November 2021

Signed on behalf of the Board of Trustees



Charles Clark
Chairman

The London Symphony Orchestra Endowment Trust

Statement of Cash Flows

Year ended 31 March 2021

	Notes	2021 £	2020 £
Cash used in operating activities	A	808,522	(1,088,393)
Cash flows from investing activities			
Interest from investments		309,794	451,579
Cash proceeds from the sale of investments		1,172,677	892,058
Purchase of investments		(1,517,488)	(129,146)
Purchase of fixed assets		-	(155,000)
Increase/(decrease) in cash and cash equivalents in the year		773,505	(28,902)
Cash and cash equivalents at the beginning of the year	B	293,491	322,393
Total cash and cash equivalents at the end of the year		1,066,996	293,491

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

	2021 £	2020 £
Net movement in funds	4,612,150	(2,264,435)
Unrealised (gains)/losses on investments	(3,268,614)	1,684,839
Dividend and interest income from investments	(309,794)	(451,579)
Decrease/(increase) in loans	40,342	(13,852)
(Increase) in debtors	(333,135)	(43,721)
Increase in creditors	67,573	355
Net cash used in operating activities	808,522	(1,088,393)

B Analysis of net funds

	2021 £	2020 £
Cash at bank and in hand	1,066,996	293,491

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Year ended 31 March 2021

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2015. The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn. The financial statements are drawn up under the historical cost convention except that investments are carried at fair value.

The Trust meets the definition of a Public Benefit Entity under FRS 102.

b) Preparation of accounts on a going concern basis

The financial statements have been prepared on the basis that the Trust is and will remain a going concern for the foreseeable future. At the year-end the Trust has significant net assets and minimal liabilities and operating costs. Grants are only awarded if sufficient funds are available to fund the necessary payments. Despite the on-going impacts of the pandemic, and having reviewed expected future cashflows, the Trustees have a reasonable expectation that the Trust has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Trust's financial viability.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

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

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

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

d) Funds

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

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

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

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

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Year ended 31 March 2021

1 Accounting policies (continued)

e) Expenditure

Expenditure is recognised on an accruals basis.

f) Allocation of support and governance costs

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

g) Tangible fixed assets

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

h) Investments

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

i) Financial instruments and concessionary loans

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any discounts due. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

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

j) Taxation

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

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Year ended 31 March 2021

2 Critical accounting judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

3 Comparative Statement of Financial Activities and Balance Sheet

Comparative Statement of Financial Activities

	Note	2020 Unrestricted funds £	2020 Restricted funds £	2020 Endowment funds £	2020 Total funds £
Income and endowments from:					
Donations and legacies	4	62,132	84,500	-	146,632
Charitable activities	5	1,704	-	-	1,704
Investment income	7	74,340	377,239	-	451,579
Total income		138,176	461,739	-	599,915
Expenditure					
Expenditure on:					
Raising funds	8	(17,778)	(17,759)	(56,413)	(91,950)
Charitable activities	9	(48,355)	(679,500)	-	(727,855)
Total expenditure		(66,133)	(697,259)	(56,413)	(819,805)
Net gains on investments	10	(327,866)	(346,938)	(1,369,742)	(2,044,546)
Transfers between funds		-	-	-	-
Net movement in funds		(255,823)	(582,458)	(1,426,155)	(2,264,435)
Reconciliation of funds					
Total funds brought forward		4,821,572	3,364,158	10,186,982	18,372,712
Total funds carried forward		4,565,749	2,781,700	8,760,827	16,108,276

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Year ended 31 March 2021

3 Comparative Statement of Financial Activities and Balance Sheet (continued)

Comparative Balance Sheet

	Note	2020 Unrestricted funds £	2020 Restricted funds £	2020 Endowment funds £	2020 Total funds £
Fixed assets					
Tangible assets	11	545,000	-	-	545,000
Investments assets	12	3,096,248	3,134,199	8,760,827	14,991,274
Loans	13	232,714	-	-	232,714
Total fixed assets		3,873,962	3,134,199	8,760,827	15,768,988
Current assets					
Debtors: amounts falling due within one	14	17,117	34,500	-	51,617
Cash at bank		680,490	(386,999)	-	293,491
Total current assets		697,607	(352,499)	-	345,108
Current liabilities					
Creditors: amounts falling due within	15	(5,820)	-	-	(5,820)
Net current assets		691,787	(352,499)	-	339,288
Total net assets		4,565,749	2,781,700	8,760,827	16,108,276
Total funds of the charity	17				
Funds brought forward		4,821,572	3,364,158	10,186,982	18,372,712
(Shortfall)/excess of income over expenditure for		72,043	(235,520)	(56,413)	(219,890)
Realised and unrealised increase / (decrease) in		(327,866)	(346,938)	(1,369,742)	(2,044,546)
Funds carried forward		4,565,749	2,781,700	8,760,827	16,108,276

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Period ended 31 March 2021

	2021	2020
	£	£
4 Income from donations and legacies		
Donations	1,842,576	89,408
Legacies	159,761	57,224
Total income from donations and legacies	2,002,337	146,632

All income from donations and legacies in the year relates to Unrestricted Funds.
The total value of donations received from Trustees during the year was £105,000
(2020: £nil).

	2021	2020
	£	£
5 Income from charitable activities		
Loan interest receivable from player loans	-	1,704
Total income from charitable activities	-	1,704

All income from charitable activities relates to unrestricted funds.

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Period ended 31 March 2021

	2021 £	2020 £
6 Investment income		
Dividends and interest from investments	309,794	451,579
Total investment income	<u>309,794</u>	<u>451,579</u>

	2021 £	2020 £
7 Expenditure on raising funds		
Investment management costs	90,174	91,950
Total expenditure on raising funds	<u>90,174</u>	<u>91,950</u>

	2021 £	2020 £
8 Expenditure on charitable activities		
Grants to LSO Group	652,646	722,000
Governance costs	6,155	5,855
Total expenditure on charitable activities	<u>658,801</u>	<u>727,855</u>

	2021 £	2020 £
9 Net income/(expenditure) is stated after charging:		
Auditors' remuneration - audit fees	5,100	4,850

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

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Year ended 31 March 2021

	Grants to institutions	
	2021	2020
10 Analysis of grants payable and related party transactions	£	£
Always Playing Appeal Fund grant to LSO Ltd to provide support during the pandemic	170,155	-
General Fund grant to LSO Productions Ltd for LSO Discovery	-	42,500
Lord Mayor's Appeal 2004 grant to LSO Productions Ltd for LSO Discovery activities	157,000	50,000
Lord Mayor's Appeal 2017 grant to LSO Productions Ltd for LSO Discovery activities	100,000	352,000
Anglo-Japanese Fund grant for the LSO's work in Japan and Scholarships	32,975	37,500
Endowment Fund grant to LSO Ltd for Moving Music digital projects	-	75,000
Endowment Fund grant to LSO Productions Ltd for Moving Music digital projects	-	17,500
Endowment Fund grant to LSO Live Ltd for Moving Music digital projects	158,016	147,500
Restricted Fund grant for lunchtime concerts at LSO St Luke's	34,500	-
Total grants to LSO Group	652,646	722,000

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

11 Tangible fixed assets

	Musical Instruments
Cost	£
At 1 April 2020	545,000
At 31 March 2021	545,000
Net book value	
At 31 March 2021	545,000
At 1 April 2020	545,000

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Year ended 31 March 2021

	2021 £	2020 £
12 Investment assets		
Investment portfolio		
Market value brought forward at 1 April	14,991,274	17,439,025
Additions	1,517,488	129,146
Disposals	(1,172,677)	(892,058)
	<u>15,336,085</u>	<u>16,676,113</u>
 Increase/(decrease) in market value	 3,268,614	 (1,684,839)
 Total investment assets	 <u>18,604,699</u>	 <u>14,991,274</u>

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

	2021 £	2020 £
Cash	2,252,317	782,517
Liquid Short Term Deposits	228,868	237,020
Fixed income/bonds	5,528,471	5,529,732
UK equities	2,145,112	2,740,661
Overseas equities	7,023,470	4,335,810
Hedge funds and private equity funds	217,993	242,471
Property funds	1,208,468	1,123,064
 Total	 <u>18,604,699</u>	 <u>14,991,274</u>

There are no individual investments in excess of 10% of the total portfolio. The value of the investment portfolio at 30 September 2021 was £19,866,289.

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Year ended 31 March 2021

	2021	2020
	£	£
13 Loans		
Amounts owed by LSO players		
Due within one year	34,412	-
Due after one year	157,960	232,714
	<u>192,372</u>	<u>232,714</u>

The LSO players to whom concessionary loans have been made are shareholders of London Symphony Orchestra Ltd. The amounts owed by the LSO players are repayable over varying periods usually not exceeding 7 years. All loans bear interest at a variable rate equating to the Bank of England base rate for that period. However, during the Covid-19 pandemic these terms have varied and interest has been waived until 31 March 2022. There were no loans to players that had been committed to but not taken up as at the 31 March 2021.

	2021	2020
	£	£
14 Debtors: amounts falling due within one year		
Accrued income	122,308	51,617
Other debtors	262,444	-
	<u>384,752</u>	<u>51,617</u>

	2021	2020
	£	£
15 Creditors: amounts falling due within one year		
Other creditors	67,273	-
Accruals	6,120	5,820
	<u>73,393</u>	<u>5,820</u>

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Period ended 31 March 2021

16 Statement of funds	Balance 1 April 2020 £	Income £	Expenditure £	Gains and losses £	Balance 31 March 2021 £
Unrestricted funds:					
General Fund	4,565,749	46,485	(23,586)	598,977	5,187,625
Always Playing Appeal	-	2,002,337	(170,155)	-	1,832,182
Total unrestricted funds	4,565,749	2,048,822	(193,741)	598,977	7,019,807
Restricted funds:					
Lord Mayor's Appeal 2004	1,834,574	31,285	(168,492)	388,419	2,085,786
Lord Mayor's Appeal 2017	459,434	9,729	(103,621)	123,501	489,042
Anglo-Japanese Fund	335,111	2,944	(35,153)	29,370	332,273
Moving Music Income Fund	68,081	219,351	(158,016)	-	129,416
Centre for Music Fund	50,000	-	-	-	50,000
LSO St Luke's Lunchtime Concert Fund	34,500	-	(34,500)	-	-
Total restricted funds	2,781,700	263,309	(499,782)	541,290	3,086,517
Endowments funds:					
Moving Music Capital Fund	8,760,827	-	(55,452)	1,908,727	10,614,102
Total endowment funds	8,760,827	-	(55,452)	1,908,727	10,614,102
Total funds	16,108,276	2,312,131	(748,975)	3,048,994	20,720,426

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

Lord Mayor's Appeal 2004

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

Lord Mayor's Appeal 2017

From November 2016 to November 2017 the Endowment Trust was selected by the then Lord Mayor to be a major beneficiary of the Lord Mayor's Appeal. A wide variety of fund-raising events were held and the funds raised have been set aside in a restricted fund for the benefit of LSO Discovery.

Anglo-Japanese Fund

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

Moving Music Fund

The fund was established in 2012 to receive funds from the fundraising campaign of the same name. The campaign ended in July 2015, and a total of £8,783,563 was raised overall. All funds have been invested in an endowment fund for a period of at least 25 years. On completion of the campaign the accumulated net income of £144,199 was transferred to a separate restricted fund, and all subsequent investment income is also being treated in the same way. This reflects the fact that the income can be spent, whereas the base investments form an endowment and cannot be expended. The existing investment policy is under review by Trustees to address this situation. The income from the investment portfolio will be used to fund audio visual recordings of key concert performances by the LSO and the distribution of these worldwide, including to young people and new audiences.

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Period ended 31 March 2021

16 Statement of funds (continued)

Centre for Music Fund

The Centre for Music Fund represents a donation towards the Centre for Music project which was a joint initiative between the LSO, Barbican Centre and Guildhall School of Music & Drama (GSMD). As that project is now not progressing, it has been agreed with the donor that the funds will be applied toward a joint project between the LSO and GSMD in the future.

LSO St Luke's Lunchtime Concert fund

This fund consists of a legacy to support lunchtime concerts at LSO St Luke's.

Comparative movements in funds for the prior year are shown in Note 17 to these accounts.

17 Comparative statement of funds

	Balance 1 April 2019 £	Income £	Expenditure £	Gains and losses £	Balance 31 March 2020 £
Unrestricted funds:					
General Fund	4,821,572	138,176	(66,133)	(327,866)	4,565,749
Total unrestricted funds	4,821,572	138,176	(66,133)	(327,866)	4,565,749
Restricted funds:					
Lord Mayor's Appeal 2004	2,098,710	49,229	(61,884)	(251,481)	1,834,574
Lord Mayor's Appeal 2017	880,729	14,954	(355,626)	(80,623)	459,434
Anglo-Japanese Fund	384,719	4,975	(39,749)	(14,834)	335,111
Moving Music Income Fund	-	308,081	(240,000)	-	68,081
Centre for Music Fund	-	50,000	-	-	50,000
LSO St Luke's Lunchtime Con	-	34,500	-	-	34,500
Total restricted funds	3,364,158	461,739	(697,259)	(346,938)	2,781,700
Endowments funds:					
Moving Music Capital Fund	10,186,982	-	(56,413)	(1,369,742)	8,760,827
Total endowment funds	10,186,982	-	(56,413)	(1,369,742)	8,760,827
Total funds	18,372,712	599,915	(819,805)	(2,044,546)	16,108,276

