

Charity Registration No. 233700

**The London Symphony Orchestra
Endowment Trust**

Report and Financial Statements

31 March 2024

The London Symphony Orchestra Endowment Trust

Report and financial statements 2023-24

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The London Symphony Orchestra Endowment Trust

Report and financial statements 2023-24

Officers and professional advisers

Trustees

Charles Clark (Chairman)
Hon Sir Rocco Forte
Lady Aliai Forte
Richard Hardie
James Lennox Mackenzie OBE
Dame Kathryn McDowell
Lady Wendy Parmley
Sarah Quinn (appointed 25 April 2023)
Harriet Rayfield (resigned 25 April 2023)
Daniel Ross
John Shakeshaft

Secretary

Rikesh Shah

Registered Office

Barbican Centre
Silk Street
London
EC2Y 8DS

Investment managers

Sarasin & Partners
Juxon House
100 St Paul's Churchyard
London
EC2M 2AN

Bankers

Lloyds 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 2023-24

Introduction

The Trustees present their annual report and the audited financial statements for the year ended 31 March 2024.

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 main activity is to build long-term funds which will generate returns that can be used to make grants which support the LSO as this is considered essential to being able to secure the LSO's future. The unrestricted General Fund is the main endowment fund which has been established for this purpose.

In addition, the Trust has received funds raised from the Lord Mayor's Appeals in 2004, 2010 and in 2017, as well as from a number of generous donors towards the Always Playing Appeal, established to support the LSO during and in the aftermath of the Covid-19 pandemic.

In 2012, the Trust raised income of almost £6m and this in turn released funding from the Arts Council England's Catalyst Endowment Scheme of a further £2.9m. The funds from this campaign, known as Moving Music, are invested in the Digital Fund 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.

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Trustees' report 2023-24

The Trust also occasionally receives donations and legacies which are intended to be used for very specific purposes over a limited timeframe. These funds are accounted for separately in order to ensure that the wishes of the donor or legator are honoured.

The Trustees' principal focus is to manage the various funds in the most appropriate way given the relevant purposes and timescales, and to make grants to the LSO Group based on the needs of the LSO. The largest funds are all largely invested in order to maximise returns over the medium- and long-term.

The Trust also makes loans to LSO members to assist them in purchasing musical instruments, and has acquired a small number of instruments which are loaned to the LSO for use by members of the Orchestra.

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 and its concert programme, as well as its wider activities including LSO Discovery's education and community programme, and international dissemination of performances through LSO Live.

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 (and some of which are free of charge), some of which are broadcast on the radio, television and the internet and through audio recordings which are widely available at low cost.

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 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.

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 increased to £21,726,201 reflecting purchases and sales made during the year and a net increase in market value of £2,019,030. Investment performance reflected market conditions and portfolios are positioned to meet agreed investment mandates. At 31 May 2024, the investment portfolio was valued at £24,157,671, reflecting changes in financial markets and additional sums invested after the year end.

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Trustees' report 2023-24

From 1st April 2024, a total return approach has been applied to the Digital Fund through which both income and capital gains can be drawn within parameters designed to protect the value of the fund over time. The initial value of the fund is set as the amount held at the conclusion of the fundraising campaign that led to the creation of this fund. The unapplied total return at 1st April 2024 was the difference between the value of the investment fund at that date and the initial value of the fund.

Following advice from the Trust's solicitors and investment managers (see page 1), the Trust's policy is to draw 3.5% of the 3-year average value of the investment fund subject to sufficient unapplied total return being available. No drawdown was made in the year as charitable activity was funded from previously accumulated income, held separately in the Digital (income) Fund.

Fundraising

Following the major appeal during the pandemic, active fundraising activity during the year was limited. Voluntary income reflected donations and legacies received and associated Gift Aid. The Trust continued to promote legacy giving amongst the LSO's supporters and audiences which is an increasingly important source of income which allows the Trust to increase its ability to support the LSO over time. The Trust did not engage the use of third-party fundraisers.

Grants

During the year, a grant of £300,000 (2023: £609,836) from the Digital Fund was made to the LSO Group. Details of all grants made are set out in note 10.

Loans to Players

The Trust continued to offer loans to members of the LSO to assist them in the purchase of instruments. There were 2 new loans made to players during the year (2023: £nil). At the year-end, 11 players had outstanding loans from the Trust; further details are shown in Note 13 to the Financial Statements.

Financial review

Total income received in the year was £726,050 (2023: £1,098,452), almost all of which related to donations, legacies, gift aid and income from investments.

Expenditure of £402,417 (2023: £637,573) was in line with expectations and related primarily to grants and investment management fees.

Net gains in the value of the investment portfolio were £1,521,277 reflecting strong performance of investment markets during the year. Following reinvestment of income and surplus cash, the value of the portfolio at the year-end was £21,726,201 (2023: £19,259,988).

The Trust's net assets increased from £22,199,410 to £24,044,320 at the year-end.

The London Symphony Orchestra Endowment Trust

Trustees' report 2023-24

Reserves policy

Of the Trust's total funds of £24.0m, a total of £15.5m comprise Endowment Funds or Restricted Funds which can only be used for specific purposes. Of the remaining Unrestricted Funds, £2.3m are held for specific purposes leaving £6.2m in the unrestricted General Fund.

Much of the General Fund comprises investments, which are held to generate income and capital gains, together with instruments for use by the LSO and loans to Members of the LSO. Further amounts at the year end related to legacies due but not yet received, and which are also not liquid funds. Excluding the investments and the other assets which are not liquid, leaves a balance of £870,250 which the Trustees treat as free reserves. This amounts to more than the target level for free reserves of 5% of the General Fund (£310,000) and the surplus is being transferred to the investment portfolio and deposit accounts.

The level of free reserves is considered sufficient given that the Trust has minimal administrative overheads and no on-going liabilities. In addition, the vast majority of investments held in the General Fund are liquid and available for drawdown at short notice if needed. The Trustees review levels of reserves on an annual basis.

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 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 and these are largely outside the Trust's control so can only be mitigated to a certain degree. However, the Trust has long-term time horizons and is largely able to absorb fluctuations in investment markets.

Plans for the future

Work continues to secure donations for general purposes and specific projects. 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.

Careful oversight of the investment portfolio will continue in order to increase over time the value of grants made to support its charitable objectives. The policy of making grants to the LSO, LSO Productions Ltd and LSO Live Ltd is expected to continue along with loans to LSO members to assist with instrument purchases.

Going concern

At the year-end the Trust had significant net assets and minimal liabilities and operating costs. Grants are only awarded if sufficient funds are available to fund the necessary payments. 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 Trust and of the incoming resources and application of resources of the Trust 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 Trust 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 Trust 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 Trust 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 Trust and financial information included on the Trust'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 July 2024

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 2024 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 2024 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 relevant taxation.

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;
- 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
- Reviewing minutes of trustee meetings.

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 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
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 15 July 2024

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 2024

| | Note | 2024 Unrestricted funds £ | 2024 Restricted funds £ | 2024 Endowment funds £ | 2024 Total funds £ | 2023 Total funds £ |
|------------------------------------|------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|-----------------------------|
| Income and endowments from: | | | | | | |
| Donations and legacies | 4 | 132,125 | - | - | 132,125 | 649,018 |
| Charitable activities | 5 | 3,485 | - | - | 3,485 | 1,281 |
| Investment income | 6 | 184,154 | 70,216 | 336,070 | 590,440 | 448,153 |
| Total income | | 319,764 | 70,216 | 336,070 | 726,050 | 1,098,452 |
| Expenditure | | | | | | |
| Expenditure on: | | | | | | |
| Raising funds | 7 | (28,039) | (12,003) | (52,645) | (92,687) | (19,175) |
| Charitable activities | 8 | (9,730) | (300,000) | - | (309,730) | (618,398) |
| Total expenditure | | (37,769) | (312,003) | (52,645) | (402,417) | (637,573) |
| Net gains/(losses) on investments | | 433,092 | 194,824 | 893,361 | 1,521,277 | (735,521) |
| Net (expenditure)/ income | 9 | 715,087 | (46,963) | 1,176,786 | 1,844,910 | (274,642) |
| Transfers between funds | | - | - | - | - | - |
| Net movement in funds | | 715,087 | (46,963) | 1,176,786 | 1,844,910 | (274,642) |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 7,794,678 | 4,128,760 | 10,275,972 | 22,199,410 | 22,474,052 |
| Total funds carried forward | | 8,509,765 | 4,081,797 | 11,452,758 | 24,044,320 | 22,199,410 |

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

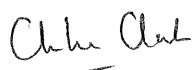
As at 31 March 2024

| | | 2024 | 2024 | 2024 | 2024 | 2023 |
|---|------|------------------|------------------|-------------------|-------------------|-------------------|
| | | 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 | 6,954,249 | 3,319,194 | 11,452,758 | 21,726,201 | 19,259,988 |
| Loans | 13 | 58,753 | - | - | 58,753 | 72,740 |
| Total fixed assets | | 7,558,002 | 3,319,194 | 11,452,758 | 22,329,954 | 19,877,728 |
| Current assets | | | | | | |
| Debtors: amounts falling due within one year | 14 | 45,000 | - | - | 45,000 | 595,969 |
| Loans | 13 | 25,144 | - | - | 25,144 | 32,073 |
| Cash at bank | | 890,619 | 762,603 | - | 1,653,222 | 1,709,967 |
| Total current assets | | 960,763 | 762,603 | - | 1,723,366 | 2,338,009 |
| Current liabilities | | | | | | |
| Creditors: amounts falling due within one year | 15 | (9,000) | - | - | (9,000) | (16,327) |
| Net current assets | | 951,763 | 762,603 | - | 1,714,366 | 2,321,682 |
| Total net assets | | 8,509,765 | 4,081,797 | 11,452,758 | 24,044,319 | 22,199,410 |
| Total funds of the charity | 16 | | | | | |
| Funds brought forward | | 7,794,678 | 4,128,760 | 10,275,972 | 22,199,410 | 22,474,052 |
| Excess/(shortfall) of income over expenditure for the year | | 281,995 | (241,787) | 283,425 | 323,633 | 460,879 |
| Realised and unrealised increase / (decrease) in the value of investment assets | | 433,092 | 194,824 | 893,361 | 1,521,277 | (735,521) |
| Funds carried forward | | 8,509,765 | 4,081,797 | 11,452,758 | 24,044,320 | 22,199,410 |

The notes on pages 13 to 24 form part of these accounts.

Approved by the Trustees on 8 July 2024.

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 2024

| | Notes | 2024 £ | 2023 £ |
|---|-------|-------------------------|-------------------------|
| Cash used in operating activities | A | (200,002) | (844,994) |
| Cash flows from investing activities | | | |
| Income from investments | | 590,440 | 448,153 |
| Cash proceeds from the sale of investments | | 17,332 | 18,728,949 |
| Purchase of investments | | (464,515) | (18,918,735) |
| Decrease in cash and cash equivalents in the year | | <u>(56,745)</u> | <u>(586,627)</u> |
| Cash and cash equivalents at the beginning of the year | B | 1,709,967 | 2,296,594 |
| Total cash and cash equivalents at the end of the year | | <u>1,653,222</u> | <u>1,709,967</u> |

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

| | 2024 £ | 2023 £ |
|---|-------------------------|-------------------------|
| Net movement in funds | 1,844,910 | (274,642) |
| Unrealised (gains)/losses on investments | (2,019,030) | 306,466 |
| Dividend and interest income from investments | (590,440) | (448,153) |
| Decrease/(increase) in loans | 20,916 | 112,754 |
| Decrease/(increase) in debtors | 550,969 | (549,946) |
| (Decrease)/increase in creditors | (7,327) | 8,527 |
| Net cash used in operating activities | <u>(200,002)</u> | <u>(844,994)</u> |

B Analysis of net funds

| | 2024 £ | 2023 £ |
|--------------------------|------------------|------------------|
| Cash at bank and in hand | 1,653,222 | 1,709,967 |

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Year ended 31 March 2024

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 all funds are given in note 16.

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Year ended 31 March 2024

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, including statutory audit fees 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 charity 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 2024

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 | 2023 Unrestricted funds £ | 2023 Restricted funds £ | 2023 Endowment funds £ | 2023 Total funds £ |
|------------------------------------|------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|
| Income and endowments from: | | | | | |
| Donations and legacies | 4 | 649,018 | - | - | 649,018 |
| Charitable activities | 5 | 1,281 | - | - | 1,281 |
| Investment income | 6 | 96,777 | 351,376 | - | 448,153 |
| Total income | | 747,076 | 351,376 | - | 1,098,452 |
| Expenditure | | | | | |
| Expenditure on: | | | | | |
| Raising funds | 7 | (5,369) | (3,553) | (10,253) | (19,175) |
| Charitable activities | 8 | (106,592) | (511,806) | - | (618,398) |
| Total expenditure | | (111,961) | (515,359) | (10,253) | (637,573) |
| Net gains on investments | | (165,168) | (89,241) | (481,112) | (735,521) |
| Transfers between funds | | - | 133,404 | (133,404) | - |
| Net movement in funds | | 469,947 | (119,820) | (624,769) | (274,642) |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 7,324,731 | 4,248,580 | 10,900,741 | 22,474,052 |
| Total funds carried forward | | 7,794,678 | 4,128,760 | 10,275,972 | 22,199,410 |

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Year ended 31 March 2023

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

Comparative Balance Sheet

| | | 2023 | 2023 | 2023 | 2023 |
|---|------|------------------|------------------|-------------------|-------------------|
| | | Unrestricted | Restricted | Endowment | Total |
| | Note | funds | funds | funds | funds |
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 11 | 545,000 | - | - | 545,000 |
| Investments assets | 12 | 5,917,859 | 3,066,157 | 10,275,972 | 19,259,988 |
| Loans | 13 | 72,740 | - | - | 72,740 |
| Total fixed assets | | 6,535,599 | 3,066,157 | 10,275,972 | 19,877,728 |
| Current assets | | | | | |
| Debtors: amounts falling due within one | 14 | 595,969 | - | - | 595,969 |
| Loans | 13 | 32,073 | - | - | 32,073 |
| Cash at bank | | 647,364 | 1,062,603 | - | 1,709,967 |
| Total current assets | | 1,275,406 | 1,062,603 | - | 2,338,009 |
| Current liabilities | | | | | |
| Creditors: amounts falling due within | 15 | (16,327) | - | - | (16,327) |
| Net current assets | | 1,259,079 | 1,062,603 | - | 2,321,682 |
| Total net assets | | 7,794,678 | 4,128,760 | 10,275,972 | 22,199,410 |
| Total funds of the charity | 17 | | | | |
| Funds brought forward | | 7,324,731 | 4,248,580 | 10,900,741 | 22,474,052 |
| (Shortfall)/excess of income over expenditure for | | 635,115 | (163,983) | (10,253) | 460,879 |
| Realised and unrealised increase / (decrease) in | | (165,168) | (89,241) | (481,112) | (735,521) |
| Transfers between funds | | | 133,404 | (133,404) | |
| Funds carried forward | | 7,794,678 | 4,128,760 | 10,275,972 | 22,199,410 |

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Period ended 31 March 2024

| | 2024 | 2023 |
|---|----------------|----------------|
| | £ | £ |
| 4 Income from donations and legacies | | |
| Donations | 23,781 | 50,046 |
| Legacies | 108,344 | 598,972 |
| Total income from donations and legacies | 132,125 | 649,018 |

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 £12,173
(2023: £nil).

| | 2024 | 2023 |
|--|--------------|--------------|
| | £ | £ |
| 5 Income from charitable activities | | |
| Loan interest receivable from player loans | 3,485 | 1,281 |
| Total income from charitable activities | 3,485 | 1,281 |

All income from charitable activities relates to unrestricted funds.

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Period ended 31 March 2024

| | 2024 £ | 2023 £ |
|---|----------------|----------------|
| 6 Investment income | | |
| Dividends and interest from investments | 590,440 | 448,153 |
| Total investment income | <u>590,440</u> | <u>448,153</u> |

| | 2024 £ | 2023 £ |
|---|---------------|---------------|
| 7 Expenditure on raising funds | | |
| Investment management costs | 92,687 | 19,175 |
| Total expenditure on raising funds | <u>92,687</u> | <u>19,175</u> |

| | 2024 £ | 2023 £ |
|---|----------------|----------------|
| 8 Expenditure on charitable activities | | |
| Grants to the LSO Group (see Note 10) | 300,000 | 609,836 |
| Governance costs | 9,730 | 8,562 |
| Total expenditure on charitable activities | <u>309,730</u> | <u>618,398</u> |

| | 2024 £ | 2023 £ |
|---|-----------|-----------|
| 9 Net income/(expenditure) is stated after charging: | | |
| Auditors' remuneration - audit fees | 7,500 | 6,825 |

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 2024

| | Grants to institutions | |
|--|------------------------|----------------|
| | 2024 | 2023 |
| | £ | £ |
| 10 Analysis of grants payable and related party transactions | | |
| Unrestricted General Fund grant to LSO Ltd | - | 28,030 |
| Unrestricted General Fund grant to LSO Productions Ltd for LSO Discovery | - | 30,000 |
| Strategic Fund grant to LSO Ltd | - | - |
| Strategic Fund grant to LSO Productions Ltd for LSO Discovery | - | 40,000 |
| Anglo-Japanese Fund grant for the LSO's work in Japan | - | 140,275 |
| Digital Fund grant to LSO Live Ltd for Moving Music digital projects | 300,000 | - |
| LSO Discovery (one-off) Fund grant to LSO Productions Ltd for LSO Discovery | - | 321,530 |
| Restricted Centre for Music Fund grant to LSO Ltd for concert at St Paul's Cathedral | - | 50,000 |
| Total grants to the LSO Group | 300,000 | 609,836 |

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.

There were no other related party transactions in the year.

11 Tangible fixed assets

| | Musical Instruments |
|-------------------------|---------------------|
| Cost | £ |
| At 1 April 2023 | 545,000 |
| At 31 March 2024 | 545,000 |
| Net book value | |
| At 31 March 2024 | 545,000 |
| At 1 April 2023 | 545,000 |

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Year ended 31 March 2024

| | 2024 | 2023 |
|---|--------------------------|--------------------------|
| | £ | £ |
| 12 Investment assets | | |
| Investment portfolio | | |
| Market value brought forward at 1 April | 19,259,988 | 19,376,668 |
| Additions | 464,515 | 18,918,735 |
| Disposals | (17,332) | (18,728,949) |
| | <u>19,707,171</u> | <u>19,566,454</u> |
| | | |
| Increase/(decrease) in market value | 2,019,030 | (306,466) |
| | | |
| Total investment assets | <u>21,726,201</u> | <u>19,259,988</u> |

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

| | 2024 | 2023 |
|--|--------------------------|--------------------------|
| | £ | £ |
| Cash | 1,612,399 | 1,111,925 |
| Liquid Short Term Deposits | 1,145,939 | 1,365,730 |
| Fixed income/bonds | 3,795,673 | 3,300,178 |
| UK equities | 871,395 | 3,061,518 |
| Overseas equities | 12,394,662 | 7,661,617 |
| Hedge funds, private equity funds and other alternatives | 1,261,102 | 2,041,378 |
| Property funds | 645,031 | 717,642 |
| | | |
| Total | <u>21,726,201</u> | <u>19,259,988</u> |

There are no individual investments in excess of 10% of the total portfolio. The value of the investment portfolio at 31 May 2024 was £24,157,671.

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Year ended 31 March 2024

| | 2024 | 2023 |
|-----------------------------|---------------|----------------|
| | £ | £ |
| 13 Loans | | |
| Amounts owed by LSO players | | |
| Due within one year | 25,144 | 32,073 |
| Due after one year | 58,753 | 72,740 |
| | <u>83,897</u> | <u>104,813</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 linked to the Bank of England base rate. There were no loans to players that had been committed to but not taken up as at the 31 March 2024.

| | 2024 | 2023 |
|--|---------------|----------------|
| | £ | £ |
| 14 Debtors: amounts falling due within one year | | |
| Accrued income | 45,000 | 595,969 |
| | <u>45,000</u> | <u>595,969</u> |

Accrued income primarily relates to legacies to which the Trust is entitled, and gift aid payments not yet received.

| | 2024 | 2023 |
|--|--------------|---------------|
| | £ | £ |
| 15 Creditors: amounts falling due within one year | | |
| Accruals | 9,000 | 16,327 |
| | <u>9,000</u> | <u>16,327</u> |

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Period ended 31 March 2024

| 16 Statement of funds | Balance 1 April 2023 £ | Income £ | Expenditure £ | Gains and losses £ | Transfers £ | Balance 31 March 2024 £ |
|-----------------------------------|---------------------------------|----------------|------------------|--------------------------|----------------|----------------------------------|
| Unrestricted funds: | | | | | | |
| General Fund | 5,586,612 | 267,415 | (28,972) | 372,350 | | 6,197,405 |
| Strategic Fund | 2,107,913 | 49,421 | (8,334) | 51,775 | - | 2,200,775 |
| Wallis Fund | 100,153 | 2,928 | (463) | 8,967 | - | 111,585 |
| Total unrestricted funds | 7,794,678 | 319,764 | (37,769) | 433,092 | - | 8,509,765 |
| Restricted funds: | | | | | | |
| LSO Discovery (long-term) Fund | 2,019,359 | 60,773 | (9,833) | 178,051 | - | 2,248,350 |
| LSO Discovery (short-term) Fund | 513,048 | 9,443 | (2,170) | 16,773 | - | 537,094 |
| LSO Discovery (one-off) Fund | - | - | - | - | - | - |
| Digital (income) Fund | 821,159 | - | (300,000) | - | - | 521,159 |
| LSO St Luke's Fund | 600,000 | - | - | - | - | 600,000 |
| Japanese Student Scholarship Fund | 175,194 | - | - | - | - | 175,194 |
| Total restricted funds | 4,128,760 | 70,216 | (312,003) | 194,824 | - | 4,081,797 |
| Endowment funds: | | | | | | |
| Digital Fund | 10,275,972 | 336,070 | (52,645) | 893,361 | - | 11,452,758 |
| Total endowment funds | 10,275,972 | 336,070 | (52,645) | 893,361 | - | 11,452,758 |
| Total funds | 22,199,410 | 726,050 | (402,417) | 1,521,277 | - | 24,044,320 |

Details of the various funds are set out below:

General Fund

This is the Trust's primary unrestricted fund in which all funds, except those with specific restrictions, are held. Part of the fund comprises instruments which are loaned to the LSO for use by its players, and the majority of funds are invested with the investment return used to make grants to the LSO.

Strategic Fund

This fund was created to receive income during the Covid-19 pandemic as part of the Always Playing Appeal. This is an unrestricted fund, with the main purpose being to provide strategic support to support the LSO during and after the pandemic, in particular to support its musicians and assist in the transition to a new business model over coming years.

Wallis Fund

This is an unrestricted fund which is accounted for separately in line with the requirements of a legacy that was received in 2021. Income and capital growth from the funds invested will be used to support LSO Discovery's work. The fund will be transferred to the General Fund after ten years, in March 2032.

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Period ended 31 March 2024

16 Statement of funds (continued)

LSO Discovery (long-term) Fund

This fund is held for the long-term with funds invested and the investment return used to make grants to support the work of LSO Discovery (and related education and community projects).

LSO Discovery (short-term) Fund

This fund is to be used to support the work of LSO Discovery (and related education and community projects) over a defined time frame, typically less than 10 years.

LSO Discovery (one-off) Fund

This fund has been established following a donation which was to be used to support LSO Discovery's work.

Digital Fund and Digital (income) Fund

These two funds are used to fund audio visual recordings of concert performances by the LSO and the distribution of these worldwide, including to young people and new audiences. The funds are invested for the long-term with investment returns available to be drawn down. Until March 2023, only income generated could be drawn down - this income is held separately in the Digital (income) Fund. From April 2024, a total return approach has been applied to the Digital Fund through which both income and capital gains can be drawn within parameters designed to protect the value of the fund over time.

LSO St Luke's Fund

This fund has been established to receive funds to be used to support capital projects and other activity at LSO St Luke's.

Japanese Student Scholarship Fund

This fund was established 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 & Drama. The remaining funds held can only be used for scholarships.

Centre for Music Fund

The Centre for Music Fund represents a donation towards the Centre for Music project. As that project is now not progressing, it was agreed with the donor that the funds should be applied towards a joint project between the LSO and the Guildhall School of Music & Drama in June 2022.

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

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Period ended 31 March 2024

| 17 Comparative statement of funds | Balance 1 April 2022 £ | Income £ | Expenditure £ | Gains and losses £ | Transfers £ | Balance 31 March 2023 £ |
|-----------------------------------|---------------------------------|------------------|------------------|--------------------------|------------------|----------------------------------|
| Unrestricted funds: | | | | | | |
| General Fund | 5,094,883 | 698,715 | (70,064) | (136,922) | | 5,586,612 |
| Strategic Fund | 2,122,223 | 52,225 | (41,808) | (24,727) | - | 2,107,913 |
| Wallis Fund | 107,625 | (3,864) | (89) | (3,519) | - | 100,153 |
| Total unrestricted funds | 7,324,731 | 747,076 | (111,961) | (165,168) | - | 7,794,678 |
| Restricted funds: | | | | | | |
| LSO Discovery (long-term) Fund | 2,071,128 | 39,812 | (1,823) | (89,758) | - | 2,019,359 |
| LSO Discovery (short-term) Fund | 506,457 | 4,986 | (1,260) | 2,865 | - | 513,048 |
| LSO Discovery (one-off) Fund | 321,530 | - | (321,530) | - | | - |
| Digital (income) Fund | 382,055 | 305,700 | - | - | 133,404 | 821,159 |
| LSO St Luke's Fund | 600,000 | - | - | - | | 600,000 |
| Japanese Student Scholarship Fund | 317,410 | 878 | (140,746) | (2,348) | - | 175,194 |
| Centre for Music Fund | 50,000 | - | (50,000) | - | - | - |
| Total restricted funds | 4,248,580 | 351,376 | (515,359) | (89,241) | 133,404 | 4,128,760 |
| Endowment funds: | | | | | | |
| Digital Fund | 10,900,741 | - | (10,253) | (481,112) | (133,404) | 10,275,972 |
| Total endowment funds | 10,900,741 | - | (10,253) | (481,112) | (133,404) | 10,275,972 |
| Total funds | 22,474,052 | 1,098,452 | (637,573) | (735,521) | - | 22,199,410 |

The London Symphony Orchestra Endowment Trust

Notes to the financial statements

Period ended 31 March 2024

18 Digital Fund - Total Return Approach

With effect from 1st April 2023, the Trust adopted a total return approach to the Digital Fund in line with the provisions of The Charities (Total Return) Regulations 2013. Under this approach, the Digital Fund is invested with the aim of maximising the total return (income and capital gains), with an appropriate proportion of unapplied total return available to be drawn down each year to support charitable activity. Until any unapplied total return is drawn down, it remains invested on the same basis as the rest of this fund.

No drawdown of unapplied total return was made during the year as charitable activity has been funded from previously accumulated income held in the Digital (income) Fund.

| | Digital Fund £ |
|--|-------------------|
| Opening value of fund at 1 April 2023 | 10,275,972 |
| Less: Initial value of the fund (see note below) | (8,831,606) |
| Unapplied Total Return Brought Forward | 1,444,366 |
| Add: Investment return (net of fees) | 1,176,786 |
| Less: Drawdowns | - |
| Unapplied Total Return carried forward at 31 March 2024 | 2,621,152 |
| Add: Initial value of the fund | 8,831,606 |
| Closing value of the fund at 31 March 2024 including unapplied total return | 11,452,758 |

The initial value of the fund is the total amount held at the conclusion of the fundraising campaign that led to the creation of this fund.

19 Post Balance Sheet Events

Shortly after the year end, the Trust received formal confirmation of a restricted grant of £2.5m from the Helen Hamlyn Trust to create an endowment fund. The return from this fund will be used to support the London Symphony Orchestra's work with young composers through The LSO Helen Hamlyn Panufnik Young Composers Scheme.

The Trust also received a restricted donation of £2m in June 2024 the purpose of which is to support the costs of the LSO's refurbishment of LSO St Luke's during 2025.