

Company Registration No. 6830751



LSO Live Limited

Report and Financial Statements

For year ended 31 July 2012



LSO Live Limited

Report and financial statements 2012

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LSO Live Limited

Report and financial statements 2012

Officers and professional advisers

Chairman

Anthony Bloom

Directors

Matthew Gibson (appointed 28 September 2011)
Lennox Mackenzie
Kathryn McDowell CBE

Company Secretary

Rikesh Shah

Company Number

6830751

Registered Office

The Barbican
Silk Street
London
EC2Y 8DS

Company Bankers

Lloyds TSB plc
34 Moorgate
London
EC2R 6PL

Company Solicitors

Baker & McKenzie
100 New Bridge Street
London
EC4V 6JA

Auditor

Deloitte LLP
Chartered Accountants
London

LSO Live Limited

Directors' report

The Directors present their Annual Report and Financial Statements for the year ended 31 July 2012. The Financial Statements are set out on pages 6 to 12.

This report has been prepared in accordance with the provisions applicable to small companies entitled to the small companies' exemption.

Business of the Company

The principal activities of the company are to operate the record label of the London Symphony Orchestra and to produce, market and distribute recordings of concert performances for sale through CDs and digital downloads. The company also markets and distributes recordings produced under other labels where appropriate.

Business review

LSO Live released six new recordings during the year including Nielsen *Symphonies 1 and 6*, Rachmaninov *Symphonic Dances* and Britten *War Requiem*, with positive reviews for all releases. In addition, recordings were made of a number of Barbican concerts including the conclusions of the Nielsen and Tchaikovsky cycles, and Weber *Der Freischutz* and these will be released in future years. Sales have held up well despite continued challenges in the UK retail market.

Financial review

Turnover in the year was £694,162 (2011: £696,333) and was in line with expectations. Expenditure amounted to £680,019 (2011: £696,333) resulting in a surplus of £14,143 (2011: £nil) for the year. The directors do not recommend the payment of a dividend (2011: £nil).

Going concern

In the current economic climate, the major risk facing the Company relates to achieving income targets. However, most operating costs are variable and the Company is expected to continue to generate positive cash flows in future.

To manage cash flows effectively within the LSO group, the company participates in centralised treasury arrangements and benefits from short-term intercompany funding from its parent company as needed. The parent company, London Symphony Orchestra Limited, has confirmed that it will not be seeking repayment of the long-term loan for the foreseeable future and in particular not during the coming 12 months.

The Directors, having assessed the support provided by the parent company and the assurances regarding repayment of intercompany and loan balances, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company to continue as a going concern or to continue with the current banking arrangements.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of the parent company, the company's Directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Future developments

LSO Live will release further recordings including Tchaikovsky *Symphonies 1-3* whilst further audio and video recordings will be made for future release.

Directors

The persons who served as Directors of the Company during the financial year and at the date of signature of this report are listed on page 1 of this report.

LSO Live Limited

Directors' report (continued)

Auditor

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

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Directors have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of the information

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

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them and to authorise the board to approve their remuneration for the ensuing year will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors and signed on behalf of the Board



Kathryn McDowell
Director
12 December 2012

LSO Live Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of its profit or loss for that year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent auditor's report to the members of LSO Live Limited

We have audited the financial statements of LSO Live Limited for the year ended 31 July 2012 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

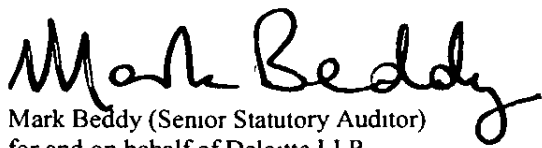
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report.



Mark Beddy (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

12 December 2012

LSO Live Limited

Profit and loss account Year ended 31 July 2012

	Notes	2012 £	2011 £
Turnover	2	694,162	696,333
Cost of sales		(459,926)	(538,728)
Gross profit		234,236	157,605
Administrative expenses		(219,090)	(156,605)
Operating profit	3	15,146	1,000
Interest Payable		(1,003)	(1,000)
Profit for the year		14,143	-

All income and expenditure relates to continuing operations

There have been no recognised gains and losses for the current or the prior financial year other than as stated in the profit and loss account and, accordingly, no separate statement of total recognised gains and losses is presented

LSO Live Limited

Balance sheet As at 31 July 2012

	Notes	2012 £	2011 £
Current assets			
Stocks	5	340,705	291,207
Debtors	6	258,118	177,049
Cash at bank and in hand		21,960	58,516
		<u>620,783</u>	<u>526,772</u>
Creditors: amounts falling due within one year	7	<u>(404,550)</u>	<u>(324,682)</u>
Net current assets		<u>216,233</u>	<u>202,090</u>
Total assets less current liabilities		216,233	202,090
Creditors: amounts falling due after more than one year	7	<u>(200,000)</u>	<u>(200,000)</u>
Net assets		<u>16,233</u>	<u>2,090</u>
Capital and reserves			
Share capital	8	1	1
Profit and loss account	9	16,232	2,089
Shareholders' funds	10	<u>16,233</u>	<u>2,090</u>

These financial statements were approved by the Board of Directors on 12 December 2012

Signed on behalf of the Board of Directors



Kathryn McDowell
Director, LSO Live Limited (company registration number 6830751)

LSO Live Limited

Notes to the accounts Year ended 31 July 2012

1. Accounting policies

Accounting convention

The Financial Statements have been prepared under the historical cost convention and in accordance with United Kingdom accounting standards. The principal accounting policies that the Directors have adopted within that convention are as stated below. They have all been applied consistently throughout the year and the preceding year.

Going concern

As set out on page 2 of the Directors' Report, the Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover represents income from sales of music recordings and ancillary services. Those items on which Value Added Tax is charged have been stated net of that tax.

Agency commissions

The company provides services relating to the distribution and marketing of recordings for external parties on a commercial basis. When providing such services, the company acts as agent for its client rather than as principal. Accordingly, no transactions or balances relating to this activity are included in the financial statements other than the commission earned by the company in its capacity as agent.

Stocks and work-in-progress

Stocks of CDs are held at the lower of cost and net realisable value.

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

Pensions

The company makes employer contributions to the LSO Group Personal Pension Plan underwritten by Scottish Equitable. These are individual money purchase arrangements owned by the employees. The pension cost charge represents contributions payable to the scheme. The Company's liability is limited to the amount of the contribution.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Cash flows

The company is a wholly owned subsidiary of London Symphony Orchestra Ltd and the cash flows of the Company are included in the consolidated cash flow statement of London Symphony Orchestra Ltd. Consequently the Company has taken advantage of the exemption under FRS 1 'Cash flow statements (revised 1996)' from preparing a cash flow statement.

LSO Live Limited

Notes to the accounts Year ended 31 July 2012

2. Turnover

Turnover attributable to each geographical market is as follows

	2012 £	2011 £
United Kingdom	225,811	216,524
Rest of Europe	100,492	141,823
USA	334,225	320,818
Rest of World	33,634	17,168
Total Company turnover	<u>694,162</u>	<u>696,333</u>

3. Operating profit

The operating profit is stated after charging

	2012 £	2011 £
Auditor's remuneration - for audit services	<u>5,400</u>	<u>5,400</u>

4. Staff costs

Staff costs incurred were as follows

	2012 £	2011 £
Wages and salaries	134,624	129,445
Social Security costs	14,599	14,065
Pension contributions	5,886	4,642
	<u>155,109</u>	<u>148,152</u>

No remuneration was paid to any Director for their services as a Director of the Company

The average full-time equivalent number of employees during the year was as follows

	2012 No.	2011 No.
Music Recording and Distribution	<u>4</u>	<u>4</u>

LSO Live Limited

Notes to the accounts Year ended 31 July 2012

5. Stocks of CDs and related development costs

	2012 £	2011 £
Stock of own-label recorded CDs	88,844	84,849
Development cost of own-label CDs not released	251,861	206,358
	<u>340,705</u>	<u>291,207</u>

There is no material difference between the balance sheet value of stocks and their replacement cost

6. Debtors

	2012 £	2011 £
Amounts due from group company	97,738	29,162
Trade debtors	158,490	137,236
Other debtors	-	9,582
Prepayments and accrued income	1,890	1,069
	<u>258,118</u>	<u>177,049</u>

7. Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	120,120	85,592
Other creditors	271,503	210,382
Accruals	12,927	28,708
	<u>404,550</u>	<u>324,682</u>

Creditors: amounts falling due after one year

	2012 £	2011 £
Loan from group company	<u>200,000</u>	<u>200,000</u>

The loan from the group company incurs interest charged at the Bank of England base rate. The loan is for an indefinite period with no fixed repayment date.

LSO Live Limited

Notes to the accounts Year ended 31 July 2012

8. Share capital

	2012 £	2011 £
Authorised		
Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
 Allotted, issued and fully paid	 1	 1
	<u> </u>	<u> </u>

9. Reserves

	2012 £	2011 £
Profit and loss account		
Balance at 1 August 2011	2,089	2,089
Profit in the year	14,143	-
	<u> </u>	<u> </u>
Balance at 31 July 2012	16,232	2,089
	<u> </u>	<u> </u>

10 Shareholders' funds

	2012 £	2011 £
Balance at 1 August 2011	2,090	2,090
Profit in the year	14,143	-
	<u> </u>	<u> </u>
Balance at 31 July 2012	16,233	2,090
	<u> </u>	<u> </u>

11 Related party transactions

The company is taking advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard No 8 "Related Party Disclosures" not to disclose transactions with group companies which are 100% related parties

12. Ultimate parent company

LSO Live Limited is a wholly owned subsidiary of London Symphony Orchestra Limited. The largest and smallest group of which the Company is a member and for which consolidated financial statements are drawn up is London Symphony Orchestra Ltd. These accounts are available from LSO Ltd, Barbican Centre, Silk Street, London, EC2Y 8DS

LSO Live Limited

Notes to the accounts Year ended 31 July 2012

13. Taxation

	2012 £	2011 £
Profit on ordinary activities before taxation	14,143	-
Tax on ordinary activities at standard corporation tax rate of 20% (2011 21%/20%)	2,829	-
Effect of Group relief claimed	(2,829)	-
Current tax charge	-	-