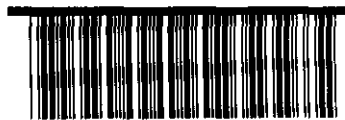


SIGNED

MUSICIANS BENEVOLENT FUND

Chairman: Mr Christopher Yates

**REPORT OF THE EXECUTIVE COMMITTEE
AND ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002**



A11	*AS96HMPM*	0887
COMPANIES HOUSE		17/07/03
A08		0742
COMPANIES HOUSE		03/07/03

The Musicians Benevolent Fund is a registered charity (228089),
a registered company (England 252783) limited by guarantee,
and a Trust Corporation.
The registered office is at 16 Ogle Street, London W1W 6JA.

MUSICIANS BENEVOLENT FUND

YEAR ENDED 31ST DECEMBER 2002

PATRON

Her Majesty The Queen

ADVISORY COUNCIL

Chairman

Sir David Willcocks CBE MC

The Lord Armstrong of Ilminster GCB CVO
Dame Janet Baker CH DBE
Lady Barbirolli OBE
Mr Patrick Benner CB
Sir Colin Davis CBE
Mr John Denison CBE
Lady Gibson
Mr Thomas Hemsley CBE

Sir Ian Hunter MBE
Lady Lewis
Mr John Lill OBE
Sir Charles Mackerras CBE
Mr Malcolm McIver OBE
Sir Neville Marriner CBE
Mr Patric Standford
Mr Martin Williams FSA

EXECUTIVE COMMITTEE

Chairman

Mr Christopher Yates

Deputy Chairman

Mr William Parker

Honorary Treasurer

Mr Andrew Murdoch

Revd Ronald Corp
Mr Thomas Hemsley (until 20th June 2002)
Mrs Audrey Hills
Mr David Lester
Mr John Lill OBE (until 20th June 2002)
Dr Jane Manning OBE
Dr Martin Neary LVO
Mr Daryl Runswick
Mr Thomas Sharpe QC
Mr Christopher Sinclair-Stevenson
Mr Ian Smith
Mr Ian Stoutzker OBE

SECRETARY

Ms Helen Faulkner

MUSICIANS BENEVOLENT FUND

YEAR ENDED 31ST DECEMBER 2002

LEGAL & ADMINISTRATIVE DETAILS

ESTABLISHMENT

Head Office

Sara Dixon - Head of Casework
Susan Dolton - Education Administrator
Ola Barnigboye – Acting Chief Accountant
Michael White - Administrator of Public Affairs

Beryl Godier, Felicity Hammond, Abdul Hye,
Jane Pryce, Rebecca Loomes, Phoebe Madden,
Della Owen, Jane Radford, John Riggs, Julia Salter,
Olwen Stocker, Jennifer Tibbles, Zerrin Ulutash,
Chris Walkling, Rosalind Williams, Naomi Yhap

Visitors

Eileen Bowler, Tony Gibbins,
Barbara Heywood, Margaret Morrow,
Michal Taylor

Ivor Newton House

Sandra Pancham
Linda Standen

MEDICAL ADVISORS

Professor R J Buckley, FRCS
Dr T G Hudson, MB BCH

BROKERS

Gerrard, Old Mutual Place, 2 Lambeth Hill
London EC4V 4GG

AUDITORS

haysmacintyre
Chartered Accountants
Registered Auditors
317 High Holborn
London WC1V 7NL

BANKERS

HSBC Bank plc
117 Great Portland Street
London W1A 4UY

SOLICITORS

IBB Solicitors
Lovell House
271 High Street
Uxbridge
UB8 1LQ

MUSICIANS BENEVOLENT FUND

YEAR ENDED 31ST DECEMBER 2002

SUB-COMMITTEES WHICH HAVE MET DURING THE YEAR

Finance

Mr Andrew Murdoch (Chairman),
Mrs Audrey Hills, Mr William Parker,
Mr Thomas Sharpe, Mr Christopher Sinclair-Stevenson,
Mr Adrian Stanway, Mr Christopher Yates

Casework

Mrs Audrey Hills (Chairman), Mr Alistair Beattie, Mr Patrick Benner,
Mr James Bowman, Mrs Katherine Cobbe, Mr Thomas Hemsley, Dr Ursula Jones,
Lady Lewis, Dr Jane Manning, Mrs Penny Neary, Mrs Patricia Sharland

Education

Revd Ronald Corp (Chairman), Lady Barbirolli,
Mr Ian Fleming, Mr Michael Gough Matthews, Dr Valerie Masterson,
Mr Anthony Payne, Mr Frank Renton, Mr Christopher Yates

Festival Service Advisory Committee

Mr Martin Baker, Revd William Booth, Revd Chris Chivers,
Revd Dr Gordon Giles, Mr James O'Donnell, Mr John Scott

The Chairman and Deputy Chairman are *ex officio* members of each committee. The above-named members of the specialist sub-committees served for all or part of the year under review.

MUSICIANS BENEVOLENT FUND

YEAR ENDED 31ST DECEMBER 2002

CHAIRMAN'S MESSAGE

In common with all charitable organisations the Musicians Benevolent Fund continues to be subject to pressures over which it has little or no influence.

The stock market remained fragile throughout the year and financial confidence in most sectors was weak. Fortunately, the MBF continues to be robust enough to ride these challenges and the financial year showed an overall increase in income and a healthy increase in charitable expenditure.

The amalgamation with the Scottish MBF has proved to be a most rewarding experience, although the increase in beneficiaries has been slower to materialise than we expected. We continue to try to reach as many potential beneficiaries as we can throughout the UK and Ireland through all branches of the media.

The expansion of our Education work into areas of popular music, jazz and musical theatre also gives many opportunities to spread the word about the MBF.

Public awareness of our work is of particular importance in sustaining a healthy legacy income. 2002 proved to be a good year for legacies but legacy income is difficult to predict and the current year is, at present, looking less healthy.

Ivor Newton House enjoyed good occupancy levels and continues to provide an exceptionally comfortable home with high levels of care for all residents.

The MBF puts on its most public face during the annual St Cecilia celebrations and Royal Concert in November and through its annual Supporters Gathering in the Summer. The Service at Westminster Cathedral drew a large congregation and was, as always, most moving and was followed by a festive Lunch in the splendid setting of the Banqueting House. The Royal Concert, held for the first time outside London, was given by the Hallé Orchestra at Manchester's Bridgewater Hall. The annual Supporters Gathering in July featured, also for the first time, young artists who had won MBF awards. We are most grateful to all those who contributed to the success of these events.

In conclusion I would like to place on record my thanks to all our supporters and friends, to all colleagues within the music business who do so much to support the Fund and particularly to our Trustees and Committee members who give so willingly of their time and expertise. However, we could do little without our loyal members of staff at Head Office, at Ivor Newton House and our splendid team of Visitors throughout the country – to all of them I say a huge 'thank you' for all they continue to achieve and for all the goodwill they generate for the Fund.

A handwritten signature in black ink, appearing to read 'Chris Yates', with a stylized flourish at the end.

CHRISTOPHER YATES
Chairman of the Executive Committee

MUSICIANS BENEVOLENT FUND

REPORT OF THE EXECUTIVE COMMITTEE

YEAR ENDED 31ST DECEMBER 2002

The Executive Committee (the managing trustees) of the Musicians Benevolent Fund present their 73rd Annual Report (since incorporation) together with the Accounts of the Fund for the year ended 31st December 2002.

ORGANISATION

The governing body of the Musicians Benevolent Fund is the Executive Committee whose members are elected by the members of the MBF. The Executive Committee defines the MBF's policies and monitors their implementation to ensure that the activities of the MBF are in accordance with its Memorandum & Articles of Association, and are also responsive to changing trends and circumstances.

Sub-committees advise the Executive on policy matters and oversee the day-to-day activities of professional staff. During 2002 the remit and membership of sub-committees was reviewed and some changes implemented in order to enable committees to fulfil changing requirements.

The Advisory Council, drawn from distinguished members of the music profession, is able to advise and comment on broad policy issues.

The MBF has two trading companies. MBF Trading Ltd (Registered company no. 3053538) receives income from Christmas card sales and other merchandise. St Cecilia Enterprises Ltd (Registered company no. 2991785) formerly received income from the Royal Concert. Profits from these companies are paid to the MBF under Deeds of Covenant. The establishment of these companies ensures that the main work of the MBF is protected from tax liability.

AIMS & POLICY

The aims of the MBF are set out in full in its Memorandum and Articles of Association.

The scope of the MBF's beneficiary base was expanded in 1998 so as to include not only musicians but also 'those persons who work or have worked in professions or occupations closely connected with music and who in the opinion of the Association have rendered valuable service to music...'. The MBF's principal aim is to relieve need which affects its potential beneficiaries or their dependants.

The MBF also exists ... 'to advance musical education among musicians and members of the public'. Current policy is to provide support towards the advanced training of young musicians.

FINANCE

The Accounts are presented in a form which complies with the accounting regulations for charities which are laid out in the Charity Commissioners' Statement of Recommended Practice, 2000.

The Accounts include a Consolidated Statement of Financial Activities for the year which brings together the assets and financial activities of the MBF, all its restricted funds and also the separate Trusts of which the MBF is sole trustee. Full annual reports on these Trusts accompany their own sets of Accounts.

The investments are held in accordance with the powers of the Executive Committee.

Total incoming resources for the year were £5,872,500 (£5,114,700 in 2001) of which legacy receipts accounted for £3,361,600 (£3,176,500 in 2001) and income from investments was £1,001,300 (£1,097,800 in 2001). Charitable expenditure was £3,945,900 (£3,376,000 in 2001).

MUSICIANS BENEVOLENT FUND

REPORT OF THE EXECUTIVE COMMITTEE (continued)

YEAR ENDED 31ST DECEMBER 2002

RESERVES

The Trustees do not aim to increase the reserve but they wish to retain a reserve which is sufficient to discharge their ongoing obligations to existing beneficiaries, plus the associated costs of delivering the service.

The Trustees will continue to seek ways to use reserves on areas of provision which they believe to be in accordance with the intentions of the MBF's donors.

COMMON INVESTMENT FUND (MBF-CIF)

The investments of the MBF and its associated trusts are pooled in a Common Investment Fund managed by Gerrard. In a difficult year for financial markets performance of the CIF was a cause of concern but the signs are that values are recovering. This trend has continued during the present financial year. The Finance committee is indebted to Mr Rory McLeod for his advice.

CASEWORK

8,238 grants were made to 891 beneficiaries (2001: 8,123 grants to 912 beneficiaries). Grants ranged from small single payments to deal with short-term crises to large grants or loans for a variety of purposes. Some larger loans are made on a secured basis. 396 beneficiaries received regular packages of help (2001:378).

The total number of open case files recorded at the end of 2002 was 1,404. In addition there are 10 beneficiaries of the Music Trades Charitable Fund which is separately administered.

Early in 2002 the MBF took over responsibility for all the beneficiaries of the Scottish Musicians Benevolent Fund. Of these 60 people, just under half had already been MBF beneficiaries but 31 were new to the MBF. The needs of all the new beneficiaries were speedily assessed to ensure that the help offered to them was consistent with that given to existing cases.

Whilst beneficiary numbers have remained fairly constant in recent years, the complexity of their cases has tended to expand. In order to continue to give a high level of service, an additional Assistant Head of Casework was appointed.

Visits to beneficiaries by professional staff are an essential part of the service provided by the MBF. Most beneficiaries can expect one visit per year and older people or those with more complex problems receive additional visits. In 2002 a total of 937 visits were made (2001:936). The MBF also provides a visiting service for the benevolent fund of English National Opera.

IVOR NEWTON HOUSE

Occupancy levels at Ivor Newton House have continued to be good. At the end of the year there were 17 permanent residents and 30 people had short stays for convalescence or respite care.

EDUCATION

In 2002, 251 individuals and organisations received grants for educational purposes (2001:211). All organisations which received grants during the year are listed below. The total sum of educational grants made during the year was £456,290. Additionally, £67,000 was awarded to 23 individuals from Trusts which are administered under contract by the MBF including, for the second time, grants for music theatre studies made by the Ian Fleming Charitable Trust.

MUSICIANS BENEVOLENT FUND

REPORT OF THE EXECUTIVE COMMITTEE (continued)

YEAR ENDED 31ST DECEMBER 2002

GRANTS TO ORGANISATIONS

Organisations which received payments from the MBF in 2002 were:

	£
Blackheath Halls Young Artists Programme	3,000
British Performing Arts Medicine Trust	75,000
British Youth Opera	5,000
Britten-Pears School	5,000
Chamber Music International	1,000
Cheltenham International Festival of Music	2,500
Clonter Opera	8,000
Hallé Orchestra	10,000
Hallé Orchestra Assistant Conductorship	10,000
Hallé Orchestra Professional Experience Scheme	11,000
Hengrave Hall	1,440
IMS Prussia Cove	1,710
Kathleen Ferrier Awards	1,500
Lake District Summer Music	2,500
Live Music Now!	15,000
London Philharmonic Orchestra	5,000
LSO Scholarship	10,000
LSO String Experience Scheme	16,000
LSO Wind, Brass and Percussion Scheme	7,750
Music House	1,500
National Children's Orchestra	1,500
National Opera Studio	9,500
National Young Musicians Festival	5,000
National Youth Music Theatre	15,000
National Youth Orchestra of Great Britain	15,000
Park Lane Group	3,500
Pro Corda	3,000
Society for the Promotion of New Music	15,000
Stratford International Flute Festival	1,000
Trinity College of Music	2,500
Young Concert Artists Trust	6,000

Three Trustees had connections with organisations receiving grants:

Ronald Corp (mentor/composer, sprnm project)
Ian Stoutzker (Chairman, Live Music Now!)
Christopher Yates (Governor, Live Music Now!)

ASSOCIATED TRUSTS

The MBF is the trustee (either alone or with others) of three charities having independent advisory committees:-

Madame Jelka Delius Trust, Registered charity 207324:
Chairman, David Lloyd-Jones

RVW Trust, Registered charity 1066977:
Chairman, Michael Kennedy CBE

Myra Hess Trust, Registered charity 248778:
Chairman, Yfrah Neaman OBE

MUSICIANS BENEVOLENT FUND

REPORT OF THE EXECUTIVE COMMITTEE (continued)

YEAR ENDED 31ST DECEMBER 2002

ASSOCIATED TRUSTS (continued)

In addition, the MBF is the sole trustee of the following charities which make awards of various kinds which are managed by the MBF's own committees:

- Frank Britton Award (310008)
- The Courtauld Trust for the Advancement of Music (207604)
- Henry & Lily Davis Gift (228089/0005)
- The Professor Charles Leggett Fund (228089/0001)
- Miriam Licette Scholarship Fund (1050949)
- The Ludgate Trust (259109)
- Manoug Parikian Award (228089/0004)
- Sir Henry Richardson Award (1037471)
- Geoffrey Shaw Memorial Fund (228089/0002)
- The Guilhermina Suggia Gift for the 'Cello (1076239)
- The Peter Whittingham Fund (228089/0003).
- Music Trades Charitable Fund (1088850)
- Scottish Musicians Benevolent Fund (SCO12597)

The British Musicians Sick and Pension Charity (207056) and the Stanley Rogers Will Trust (1075244) are permanent endowment funds from which all income is used for the general purposes of the MBF.

PUBLIC AFFAIRS

A major publicity drive was made to inform potential beneficiaries of the work of the MBF. Particular emphasis was placed on Scotland, Ireland and the 'connected' professions and occupations which have been brought into the MBF's remit in recent years.

Christmas card sales increased again, to 284,740 cards (266,520 in 2001).

FESTIVAL OF ST CECILIA

The Festival took place on 7th and 20th November. For the first time the Royal Concert was given outside London, by the Hallé Orchestra under Mark Elder at Manchester's Bridgewater Hall.

RELATIONSHIPS WITH OTHER CHARITIES

The MBF continued to support the British Performing Arts Medicine Trust making a grant to them of £75,000.

We continue to work closely with the Royal Society of Musicians, the benevolent funds of the Incorporated Society of Musicians and the Musicians Union and the members' fund of the Performing Right Society. When it is appropriate a group of these charities puts together a package of help for individual beneficiaries, sharing the costs between us. We have continued to use the invaluable services of a debt counsellor retained by the Equity Trust Fund.

SCOTTISH MUSICIANS BENEVOLENT FUND

The Scottish Musicians Benevolent Fund amalgamated with the MBF in March 2002, the MBF becoming sole Trustee of SMBF. The amalgamation, which came about as the result of an approach from SMBF, was very amicable and the former Trustees of SMBF believe the move to be entirely in the best interests of their beneficiaries. Four former Trustees of SMBF have joined the MBF in various roles; Mr Ian Smith has joined the Executive Committee, Mr Alistair Beattie has joined the Casework Committee, Mr Malcolm McIver and Lady Gibson have joined the Council.

RISK STATEMENT

The major risks to which the charity is exposed, as identified by the Trustees, have been reviewed and systems have been established to mitigate those risks.

MUSICIANS BENEVOLENT FUND

REPORT OF THE EXECUTIVE COMMITTEE (continued)

YEAR ENDED 31ST DECEMBER 2002

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company and charity law requires the directors of the company (namely the Executive Committee of the Musicians Benevolent Fund as trustees) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the results for that period. In preparing the financial statement the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

Charity trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity. 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.

ANNUAL GENERAL MEETING

The 73rd Annual General Meeting (since incorporation) will be held on 26th June 2003 at the National Liberal Club, Whitehall Place, London SW1A 2HE.

In accordance with the Articles of Association, the following members retire by rotation and, being eligible, offer themselves for re-election: Mrs Audrey Hills, Dr Martin Neary, Mr William Parker, Mr Christopher Sinclair-Stevenson, Mr Christopher Yates

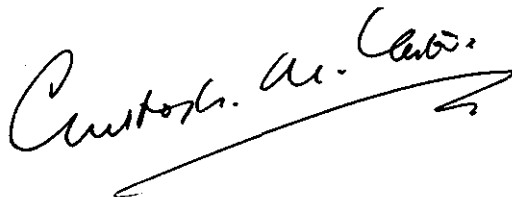
Finally, Messrs Haysmacintyre, offer themselves for re-election as auditors to the Fund in accordance with Section 385(2) of the Companies Act, 1985.

By Order of the Executive Committee

CHRISTOPHER YATES

Chairman

15th May 2003



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MUSICIANS BENEVOLENT FUND

We have audited the financial statements of Musicians Benevolent Fund for the year ended 31st December 2002 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the Report of the Executive Committee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Report of the Executive Committee is not consistent with the financial statements, if the charity has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We are not required to consider whether the statement in the Report of the Executive Committee concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Chairman's Message. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

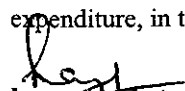
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the charitable company and its subsidiaries' state of affairs as at 31st December 2002 and of its incoming resources and application of resources, including their income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.


haysmacintyre
Chartered Accountants
Registered Auditors

Southampton House
317 High Holborn
London WC1V 7NL

15th May 2003

MUSICIANS BENEVOLENT FUND

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31ST DECEMBER 2002

	Note	Unrestricted Funds £'000	Note 14 Restricted Funds £'000	Note 13 Endowment Funds £'000	Total 2002 £'000	Total 2001 £'000
Incoming resources						
Donations, legacies etc.		3,573.6	27.1	-	3,600.7	3,494.0
Transfer from Scottish MBF		740.0	-	-	740.0	-
Activities in furtherance of the charity's objectives:						
Audition fees		2.1	1.2	-	3.3	3.0
Fees subscriptions and other sales		397.0	-	-	397.0	407.7
Activities for generating funds:						
Trading income		130.7	-	-	130.7	105.2
Investment income and interest		880.2	99.3	21.8	1,001.3	1,097.8
Net gain in disposal of fixed assets		(0.5)	-	-	(0.5)	7.0
Total Incoming Resources		<u>5,723.1</u>	<u>127.6</u>	<u>21.8</u>	<u>5,872.5</u>	<u>5,114.7</u>
Resources Expended						
Cost of generating funds:						
Trading expenses		104.7	-	-	104.7	79.2
Fundraising		229.0	-	-	229.0	217.1
		<u>333.7</u>	<u>-</u>	<u>-</u>	<u>333.7</u>	<u>296.3</u>
Charitable expenditure						
Grants to individuals		1835.3	139.0	6.3	1,980.6	1,602.2
Grants to organisations		129.1	169.0	(2.5)	295.6	192.1
Residential Home		669.6	-	-	669.6	665.5
Casework and counselling		374.0	-	-	374.0	327.7
Support costs		364.4	3.0	1.0	368.4	349.6
Managing and administering the charity	3	250.1	6.9	0.7	257.7	238.9
		<u>3,622.5</u>	<u>317.9</u>	<u>5.5</u>	<u>3,945.9</u>	<u>3,376.0</u>
Total Resources Expended	2	<u>3,956.2</u>	<u>317.9</u>	<u>5.5</u>	<u>4,279.6</u>	<u>3,672.3</u>
Net incoming resources/(resources expended) before transfers		1,766.9	(190.3)	16.3	1,592.9	1,442.4
Transfers between funds		(82.4)	97.1	(14.7)	-	0.0
Net incoming resources/(resources expended)		1,684.5	(93.2)	1.6	1,592.9	1,442.4
(Loss)/gain on revaluations and disposals of investment assets		(4,659.8)	(516.6)	(122.3)	(5298.7)	(3,380.3)
Gain on revaluations of fixed asset properties		-	-	-	-	680.3
Net movement in funds		<u>(2,975.3)</u>	<u>(609.8)</u>	<u>(120.7)</u>	<u>(3,705.8)</u>	<u>(1,257.6)</u>
Fund balances brought forward at 1st January 2002		31,730.7	3,082.3	706.7	35,519.7	36,777.3
Total funds carried forward at 31st December 2002		<u>£28,755.4</u>	<u>£2,472.5</u>	<u>£586.0</u>	<u>£31,813.9</u>	<u>£35,519.7</u>

All transactions are derived from continuing activities.

All recognised gains and losses are included in the Statement of Financial Activities.

MUSICIANS BENEVOLENT FUND

BALANCE SHEETS

31ST DECEMBER 2002

	Note	Group		Charity	
		2002 £'000	2001 £'000	2002 £'000	2001 £'000
Fixed assets					
Tangible assets	7	1,856.4	1,855.8	1,856.4	1,856.8
Loans to Anchor Housing	8	59.5	71.0	59.5	71.0
Investments	9	27,127.6	31,252.3	24,766.1	28,361.3
		<u>29,043.5</u>	<u>33,179.1</u>	<u>26,682.0</u>	<u>30,288.1</u>
Current assets					
Stocks		14.1	8.9	2.7	3.2
Debtors : due within one year	10	2,031.2	1,707.3	2,052.7	1,718.2
Debtors : due after one year	10	341.1	311.0	341.1	311.0
Short term deposits		1,543.0	829.4	1,301.5	665.0
Cash at bank and in hand		36.0	14.1	21.9	4.7
		<u>3,965.4</u>	<u>2,870.7</u>	<u>3,719.9</u>	<u>2,702.1</u>
Creditors : amounts falling due within one year	12	<u>(1,195.0)</u>	<u>(487.6)</u>	<u>(882.5)</u>	<u>(323.1)</u>
Net current assets		<u>2,770.4</u>	<u>2,383.1</u>	<u>2,837.4</u>	<u>2,379.0</u>
Total assets less current liabilities		<u>31,813.9</u>	<u>35,562.2</u>	<u>29,519.4</u>	<u>32,667.1</u>
Creditors : amounts falling due after more than one year	12	<u>-</u>	<u>(42.5)</u>	<u>-</u>	<u>(15.0)</u>
Net assets		<u>31,813.9</u>	<u>35,519.7</u>	<u>29,519.4</u>	<u>32,652.1</u>
Capital Funds					
Endowments	13	586.0	706.7	88.0	106.7
Income Funds					
Restricted funds	14	2,472.5	3,082.3	700.9	839.6
Unrestricted funds :					
Designated funds	15	6,615.8	7,738.8	6,615.8	7,738.8
Other charitable funds		22,114.7	23,967.0	22,114.7	23,967.0
Non-charitable trading funds		24.9	24.9	-	-
		<u>31,813.9</u>	<u>35,519.7</u>	<u>29,519.4</u>	<u>32,652.1</u>

Approved by the Executive Committee on 15th May 2003 and signed on its behalf by:



Christopher Yates – Chairman

MUSICIANS BENEVOLENT FUND

CONSOLIDATED CASHFLOW STATEMENT

YEAR ENDED 31ST DECEMBER 2002

	Note	2002		2001	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	17		1,778.8		1,629.2
Capital expenditure					
Purchase of tangible fixed assets		(81.9)		(80.0)	
Proceeds from sale of tangible fixed assets		0.1		4.2	
Purchase of investments		(1,010.3)		(1,890.9)	
Sale of investments		769.7		100.8	
Loans (advanced)/refund		(30.1)		(62.5)	
Net cash outflow from capital expenditure			(352.5)		
Increase/(decrease) in cash	18		1,426.3		(299.2)

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2002

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared under the historical cost basis as modified by the revaluation of certain fixed assets and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2000) published October 2000 and applicable accounting standards.

Group Financial Statements

Group financial statements have been prepared in respect of Musicians Benevolent Fund and its wholly owned trading subsidiaries, MBF Trading Limited and St. Cecilia Enterprises Ltd together with Trusts where the Musicians Benevolent Fund is sole trustee. In accordance with Section 230 of the Companies Act 1985, no separate Statement of Financial Activities is presented for Musicians Benevolent Fund.

Fund Accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of The Trustees in furtherance of the general charitable objectives.

Designated funds are amounts that have been put aside at the discretion of the Trustees (see note 15).

Incoming Resources

Incoming resources represent the total income receivable during the year comprising of donations, legacies, grants, investments income, and trading.

Resources Expended

The costs of care (being Residential Home and Casework and Counselling expenditure) and of administration comprise expenditure including staff costs, directly attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a pro rata cost basis.

Support costs comprise all services supplied centrally, identifiable as wholly or mainly in support of direct charitable purposes and include an appropriate proportion of general overheads.

Central overheads are allocated to operational and fundraising functions on the basis of their use of central support services with the aim of ensuring that those costs remaining within administration related to the management of the Charity's assets, or organisational administration and compliance with constitutional and statutory requirements.

Depreciation

Fixed assets are stated at cost or donated valuation. Depreciation is calculated to write off the costs of the fixed asset by equal instalments as follows:

Freehold property	- 2% p.a. straight line
Motor vehicles	- 25% p.a. straight line
Fixtures and fittings	- 25% p.a. straight line
Computer equipment	- 25% p.a. straight line

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2002

1. ACCOUNTING POLICIES (continued)

Stocks

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

Investments

Investments are shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities.

Pension Scheme

The Fund contributes to a defined contribution pension scheme and a group personal pension scheme the assets of which are administered by General Accident. The expected cost of pensions is charged to the Statement of Financial Activities over the expected lives of the employees in the scheme.

2. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £'000	Other £'000	Depreciation £'000	Total £'000
Direct charitable expenditure				
Grants to individuals	-	1,980.6	-	1,980.6
Grants to organisations	-	295.6	-	295.6
Residential Home	456.4	191.5	21.7	669.6
Casework and counselling	254.6	101.5	17.9	374.0
Support costs	143.6	214.7	10.1	368.4
Management & Administration of the charity	138.4	111.9	7.4	257.7
	<u>993.0</u>	<u>2,895.8</u>	<u>57.1</u>	<u>3,945.9</u>
Other expenditure				
Trading expenses	-	104.7	-	104.7
Fundraising	98.8	124.9	5.3	229.0
	<u>98.8</u>	<u>124.9</u>	<u>5.3</u>	<u>229.0</u>
Total	<u>£1,091.8</u>	<u>£3,125.4</u>	<u>£62.4</u>	<u>£4,279.6</u>

3. MANAGEMENT AND ADMINISTRATION OF THE CHARITY

The total includes a provision for auditors' remuneration in respect of 2002 of £17,100 (2001: £16,872).

MUSICIANS BENEVOLENT FUND

NOTED TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2002

4. CHANGES IN RESOURCES AVAILABLE FOR CHARITY USE	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000	Total 2001 £'000
Net movement in funds for the year	(2,975.3)	(609.8)	(120.7)	(3,705.8)	(1,257.6)
Net increase/(decrease) in tangible fixed assets:					
for direct charitable purposes	4.6	-	-	4.6	647.9
for other purposes	(4.0)	-	-	(4.0)	49.4
Net movement in Funds available for future activities	(2,974.7)	(609.8)	(120.7)	(3,705.2)	(560.3)
5. STAFF COSTS				2002 £'000	2001 £'000
Salaries and wages				847.8	803.5
National Insurance				71.3	68.8
Pension scheme				100.6	106.6
Private Medical Insurance				10.1	7.1
Related expenses				13.7	13.4
Agency staff				38.6	45.1
Self-employed fees				9.8	10.8
				1,091.9	1,055.3
Less: recharged to third parties				(30.4)	(31.4)
				1,061.5	1,023.9
The number of employees whose emoluments for the year fell within the following bands were :				2002 Number	2001 Number
£ 40,001 - £50,000				2	2
The average number of employees analysed by function was :					
Residential Home				30	29
Casework and counselling				11	7
Support costs				6	8
Fundraising and publicity				4	3
Management and administration of the charity				4	4
				55	51

6. EXECUTIVE COMMITTEE'S EMOLUMENTS AND REIMBURSED EXPENSES

None of the members of the Executive Committee received remuneration during the year (2001: £Nil).

During 2002 expenses totalling £8,653 (2001: £5,692) were reimbursed to two members of the Executive Committee (2001: one).

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2002

7. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £'000	Fixtures & Fittings £'000	Computer Equipment £'000	Motor Vehicles £'000	Total £'000
Cost or valuation					
Balance at 31st December 2001	1,770.0	217.2	73.1	78.1	2,138.4
Additions	58.0	18.4	5.5	-	81.9
Disposals	-	-	(4.1)	-	(4.1)
	<u>1,828.0</u>	<u>235.6</u>	<u>74.5</u>	<u>78.1</u>	<u>2,216.2</u>
Accumulated depreciation					
Balance at 31st December 2001	-	195.6	55.4	31.6	282.6
Disposals	-	-	(3.5)	-	(3.5)
Charge for year	36.6	9.3	15.3	19.5	80.7
	<u>36.6</u>	<u>204.9</u>	<u>67.2</u>	<u>51.1</u>	<u>359.8</u>
Net Book Value					
At 31st December 2002	<u>1,791.4</u>	<u>30.7</u>	<u>7.3</u>	<u>27.0</u>	<u>1,856.4</u>
At 31st December 2001	<u>1,770.0</u>	<u>21.6</u>	<u>17.7</u>	<u>46.5</u>	<u>1,855.8</u>

Freehold land and buildings were revalued as at 31st December 2001 by Cluttons, Chartered Surveyors, on an open market basis in accordance with the Guidelines issued by the Royal Institute of Chartered Surveyors. The historic cost of these assets is £1,185,886, the net book value of the items at historical cost and depreciation would be £1,081,028.

Computer equipment with a net book value of £Nil is in the books of a subsidiary company.

The Net Book Value at 31st December 2002 represents fixed assets used for :

	Freehold Land and Buildings £'000	Fixtures & Fittings £'000	Computer Equipment £'000	Motor Vehicles £'000	2002 Total £'000	2001 Total £'000
Direct charitable purposes						
Residential Home	1,036.8	2.8	0.2	12.7	1,052.5	1,026.1
Casework and Counselling	215.8	17.2	1.6	14.3	248.9	254.9
Support costs	334.3	6.9	2.5	-	343.7	356.6
Management & administration for the charity	107.2	2.0	2.3	-	111.5	114.4
	<u>1,694.1</u>	<u>28.9</u>	<u>6.6</u>	<u>27.0</u>	<u>1,756.6</u>	<u>1,752.0</u>
Other purposes						
Fundraising	97.3	1.8	0.7	-	99.8	103.8
	<u>1,791.4</u>	<u>30.7</u>	<u>7.3</u>	<u>27.0</u>	<u>1,856.4</u>	<u>1,855.8</u>

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2002

8. LOANS TO ANCHOR HOUSING ASSOCIATION

The Fund has advanced six secured loans totalling £230,000 to the Anchor Housing Association in return for six nomination rights in its sheltered housing schemes. Four of the loans totalling £140,000 are for a period of 20 years terminating on 31st December 2006, and carry interest at the rate of 1.75% per annum. The two further loans totalling £90,000 are also for a period of 20 years terminating on 31st December 2010, at the same rate of interest.

The loans are considered non-commercial due to the low rate of interest and the fact that any extension of the loan to secure nomination rights over a longer period would require the payment of a premium. Therefore a provision is made of 5% per annum in order that the loans are fully provided for over their 20 year durations. This year's provision is £11,500 (2001: £11,500).

9. FIXED ASSET INVESTMENTS

	Group		Charity	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Market value at 31st December 2001	31,252.3	32,796.1	28,361.3	29,516.3
Proceeds on disposals	(911.1)	(100.8)	(851.7)	(14.8)
Add : Acquisitions at cost	1,010.3	1,890.9	986.2	1,785.5
Net gains on revaluation at 31st December 2002	(4,223.9)	(3,333.9)	(3,729.7)	(2,925.7)
Market Value at 31st December 2002	27,127.6	31,252.3	24,766.1	28,361.3
Historical cost as at 31st December 2002	22,370.7	21,188.4	20,378.9	19,168.1
The market value represents Fixed Asset Investments of the following categories :				
UK Investment properties	1,121.2	1,336.7	1,121.2	1,336.7
UK Common Investment Fund	24,520.5	29,780.5	22,239.1	29,780.5
UK Investments in trading subsidiaries	25.0	25.0	25.0	25.0
UK Listed investments	1,455.8	105.0	1,375.7	105.0
UK Unlisted investments	5.1	5.1	5.1	5.1
	27,127.6	31,252.3	24,766.1	31,252.3
Income arising from the above categories				
UK Investment properties	31.2	27.3	31.2	27.3
UK Common Investment Fund	944.7	1,026.3	858.5	925.8
UK Listed investments	17.0	6.9	11.0	4.8
UK Unlisted investments	0.5	0.5	0.5	0.5
	993.4	1,061.0	901.2	958.4

The investment properties were revalued as at 31st December 2001 by Christopher Lyons, Bunt & Coker, Cluttons and Rogers and Hambidge on an open market basis in accordance with the guidelines issued by the Royal Institute of Chartered Surveyors.

Investments in trading subsidiaries

Name of Subsidiary	Holding	Proportion of voting rights	Investment £'000
MBF Trading Ltd	Ordinary shares	100%	25
St. Cecilia Enterprises Ltd	Ordinary shares	100%	1

Both companies are registered in England.

Income from the trading subsidiaries is received by way of deed of covenants.

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2002

10. DEBTORS

	Group		Charity	
	2002	2001	2002	2001
	£'000	£'000	£'000	£'000
Balances due within one year :				
Loans (Note 11)	59.1	58.8	59.1	58.8
Income tax recoverable	(6.4)	2.9	(6.4)	2.8
Prepayments	53.4	46.5	53.4	45.0
Current accounts with associated trusts	-	-	7.4	12.9
Trading subsidiaries	-	-	43.2	32.8
Residents' and guest fees	3.6	5.0	3.6	5.0
Other debtors	132.0	196.0	104.6	166.5
H M Customs & Excise	1.7	3.7	-	-
Accrued legacies	1,787.8	1,394.4	1,787.8	1,394.4
	<u>2,031.2</u>	<u>1,707.3</u>	<u>2,052.7</u>	<u>1,718.2</u>
Balances due in more than one year :				
Loans (Note 11)	341.1	311.0	341.1	311.0
	<u>2,372.3</u>	<u>2,018.3</u>	<u>2,393.8</u>	<u>2,029.2</u>

11. LOANS

	2002	2001
	£	£
To beneficiaries :		
Secured loans	341.1	311.0
Loan Fund for musical instruments	52.0	52.0
To staff :		
Unsecured season ticket loans	7.1	6.8
	<u>400.2</u>	<u>369.8</u>

Long term loans to beneficiaries are lent at preferential rates varying between 5% pa to 7% pa or interest free dependent upon the individual circumstances.

12. CREDITORS : amounts falling due within one year

Residents and guest fees	0.7	6.5	0.7	6.5
Custom & Excise	0.2	-	-	-
Trade creditors	797.6	72.9	481.7	59.4
Accruals and deferred income	19.7	19.4	13.0	13.5
PAYE and National Insurance	65.6	63.7	65.6	63.7
Current accounts with associated trusts	-	-	12.0	0.6
Other creditors	22.6	267.4	22.6	122.7
Bank overdraft	288.6	57.7	286.9	56.7
	<u>1,195.0</u>	<u>487.6</u>	<u>882.5</u>	<u>323.1</u>
Balances due in more than one year:				
Other creditors	-	42.5	-	15.0
	<u>1,195.0</u>	<u>530.1</u>	<u>882.5</u>	<u>338.1</u>

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2002

13. ENDOWMENTS

	Balance 31st December 2001 £'000	Movement in Funds: Incoming Resources £'000		Gains/Losses & Transfers £'000	Balance 31st December 2002 £'000
Permanent endowments					
Percy Haywood Fund	68.5	2.1	(14.1)		56.5
St Cecilia's Holiday Fund	38.3	1.2	(7.9)		31.6
British Musicians Sick & Pension Charity	179.1	5.5	(37.0)		147.6
Stanley Rogers Will Trust	174.5	5.4	(35.9)		144.0
The Courtauld Trust for the Advancement of music	50.1	1.5	(6.2)		45.4
Miriam Licette Scholarship Fund	196.2	6.0	(41.3)		160.9
	<u>706.7</u>	<u>21.7</u>	<u>(142.4)</u>		<u>586.0</u>

The Percy Haywood Fund is a permanent endowment established under a bequest to provide income to defray in part the expenditure of the Musicians Benevolent Fund.

St Cecilia's Holiday Fund is a permanent endowment originally given to endow beds in perpetuity at St. Cecilia's House. Following the closure of St. Cecilia's House the Charity Commission made a Scheme on 13th July 1992 whereby the MBF "shall apply the clear income (of the fund)... in providing holidays for those persons who are qualified as beneficiaries of the MBF."

The British Musicians Sick and Pension Charity is a permanent endowment fund from which all income is used for the general purposes of the MBF.

The Stanley Rogers Will Trust is a permanent endowment fund which was registered in April 2001. All income from the Trust is used for the general purposes of the MBF.

The Miriam Licette Scholarship Fund has been re-classified as a permanent endowment fund as a result of legal advice taken in 2001. The income of the Fund is used to provide grants to female singers to further their study of, particularly, French repertoire in the United Kingdom or in France.

The Courtauld Trust for the Advancement of Music has been re-classified as a permanent endowment fund as a result of legal advice taken in 2001. The income of the Fund is used towards the provision of a string quartet project at a conservatoire or university.

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2002

14. RESTRICTED FUNDS

The income funds of the Musicians Benevolent Fund include restricted funds comprising the following unexpended balances of donations held on trusts to be applied for specific purposes.

	Balance 31st December 2001 £'000	Movement in Funds: Incoming Resources Gains/Losses & Transfers		Balance 31st December 2002 £'000
		£'000	£'000	
Music Trades Charitable Trust	68.5	4.6	(9.0)	64.1
Ivor Newton Bequest	839.6	24.8	(163.5)	700.9
The Professor Charles Leggett Fund	236.7	7.4	(68.4)	175.7
Myra Hess Trust	545.8	19.1	(120.2)	444.7
Geoffrey Shaw Memorial Fund	84.8	27.8	27.7	140.3
The Ludgate Trust	401.9	13.4	(193.9)	221.4
Frank Britton Award	75.7	2.4	(15.9)	62.2
Sir Henry Richardson Award	244.2	7.8	(66.5)	185.5
The Peter Whittingham Fund	119.8	3.8	(18.4)	105.2
Henry & Lily Davis Gift	400.1	13.1	(95.7)	317.5
The Guilhermina Suggia Gift for the Cello	37.7	1.3	(10.1)	28.9
Manoug Parikian Award	27.5	2.2	(3.6)	26.1
	<u>3,082.3</u>	<u>127.7</u>	<u>(737.5)</u>	<u>2,472.5</u>

15. DESIGNATED FUNDS

The income funds of the Musicians Benevolent Fund include the following designated funds which have been set aside out of the unrestricted funds by the trustees for specific purposes:

	Balance 31st December 2001 £'000	Income and New Designations £'000	Utilised/ Released £'000	Balance 31st December 2002 £'000
R E Maidment	189.1	5.8	(42.5)	152.4
Fixed Asset Fund	1,855.8	0.6	-	1,856.4
Emily English Memorial Fund	557.8	17.5	(109.5)	465.8
Music Education Award	327.2	21.6	(334.0)	14.8
Ivor Newton House Fund	19.5	2.0	(4.3)	17.2
Holiday Fund	636.8	19.8	(130.9)	525.7
Jacqueline du Pré Memorial Fund	1,266.6	39.1	(242.6)	1,063.1
Anthony Bernard Fund	380.7	11.8	(78.2)	314.3
Joan Randall Fund	1,936.8	60.1	(400.8)	1,596.1
Alan Fluck Memorial Fund	215.5	6.9	(65.0)	157.4
Patricia Cartwright Fund	353.0	11.1	(61.5)	302.6
MSV Lawson Fund	-	-	150.0	150.0
	<u>7,738.8</u>	<u>196.3</u>	<u>(1,319.3)</u>	<u>6,615.8</u>

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2002

15. DESIGNATED FUNDS (continued)

The Fixed Asset Fund represents the net book value of the charity's assets at 31st December 2002.

The Emily English Memorial Fund, established under a bequest in 1982, is used in part to make an annual scholarship to a promising violinist under 25. The balance of income is used to top-up the Music Education Fund.

The Music Education Fund was established in 1988. The fund is used to defray the costs of the Annual Handbook of Music Awards and Scholarships and makes grants for post-graduate study by young performers.

The MBF award was established in 1993 from the assets of the Gertrude Norman Memorial Fund, the Mabel Phillips Fund and the Baroness Ravensdale Scholarship Fund to provide income for awards to young singers.

The Ivor Newton House Fund comprises donations and legacies to the MBF which are specifically expressed as being for the benefit of residents at Ivor Newton House.

The Holiday Fund was established in 1990 to receive the net proceeds from the sale of St Cecilia's House. The income is used to defray the cost of Holiday Grants made from the General Fund.

The Royal Concert Fund was established to receive under covenant from St Cecilia Enterprises Ltd, the net proceeds from the annual Royal Concert. Following changes in the purpose of the Royal Concert, this fund was wound up and the remaining funds distributed to various musical charities in accordance with past policy.

The Jacqueline du Pré Memorial Fund comprises the distribution received by the General Fund from Jacqueline du Pré Memorial Appeal Fund. The income is used to defray grants made from the General Fund to beneficiaries suffering from degenerative diseases.

The Anthony Bernard Fund was established in 1997 under a bequest from Mary Catherine Bernard. The income is used to defray grants made from the General Fund to beneficiaries under 40 years of age.

The Joan Randall Fund was established in 2001 to receive the proceeds of a legacy from Mrs Randall. The income from the fund is used towards the costs of Ivor Newton House and other residential and nursing care costs.

The Alan Fluck Memorial Fund was established in 1998 to receive the proceeds of a legacy from Alan Fluck. The fund is used towards the costs of the creation of new musical works for young people to perform or listen to.

The Patricia Cartwright Fund was established in 2001 to receive the proceeds of a legacy from Miss Patricia Anne Cartwright. The income from the fund goes into the Music Education Fund.

The R E (Dick) Maidment Fund was established in 2001 to receive the proceeds of a discretionary legacy from the estate of Dick Maidment. The income from this fund is used to make an annual award to exceptional students of singing.

The MSV Lawson Fund was established in 2002 to receive the proceeds of a legacy from Helen Hattersley Lawson. The income from the Fund is used for the general purposes of the MBF.

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2002

16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Eliminate Inter-Fund £'000	Total Funds £'000
Fund balances at 31st December 2002 are represented by :					
Tangible fixed assets	1,856.4	-	-	-	1,856.4
Loans to Anchor Housing	59.5	-	-	-	59.5
Investments	23,980.0	2,568.1	579.4	-	27,127.5
Current assets	3,954.8	222.1	10.5	(222.0)	3,965.4
Current liabilities	(1,095.3)	(317.7)	(3.9)	222.0	(1,194.9)
	<u>28,755.4</u>	<u>2,472.5</u>	<u>586.0</u>	<u>-</u>	<u>31,813.9</u>
Creditors due after one year	-	-	-	-	-
Total Net Assets	<u><u>28,755.4</u></u>	<u><u>2,472.5</u></u>	<u><u>586.0</u></u>	<u><u>-</u></u>	<u><u>31,813.9</u></u>

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2002

16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS (continued)

Analysis by Fund

	Tangible Fixed assets £'000	Investments and loans to Anchor £'000	Current Assets £'000	Total Liabilities £'000	Net Assets £'000
Unrestricted Funds					
Musicians Benevolent Fund	-	19,188.0	3,624.4	(697.8)	22,114.6
Fixed Asset Fund	1,856.4	-	-	-	1,856.4
Emily English Memorial Fund	-	455.9	12.9	(3)	465.8
Music Education Fund	-	262.4	47.6	(295.2)	14.8
Ivor Newton House Fund	-	14.9	2.2	-	17.1
Holiday Fund	-	525.8	-	(0.1)	525.7
Anthony Bernard Fund	-	314.4	-	(0.1)	314.3
Jacqueline Du Pré Memorial Fund	-	1,048.6	14.6	-	1,063.2
MBF Trading Limited	-	-	82.0	(57.2)	24.8
St Cecilia Enterprises Limited	-	-	3.4	(3.4)	-
Joan Randall Fund	-	1,596.5	-	(0.4)	1,596.1
Alan Fluck Memorial Fund	-	179.5	10.0	(32.1)	157.4
Patricia Cartwright Fund	-	299.6	3.2	-	302.8
R E Maidment	-	153.9	4.5	(6.0)	152.4
MSV Lawson Fund	-	-	150.0	-	150.0
	<u>1,856.4</u>	<u>24,039.5</u>	<u>3,954.8</u>	<u>(1,095.3)</u>	<u>28,755.4</u>
Restricted Funds					
Music Trades Charitable Trust	-	54.0	10.4	(0.3)	64.1
Ivor Newton Bequest	-	697.9	10.1	(7.1)	700.9
The Professor Charles Leggett Fund	-	195.2	7.7	(27.2)	175.7
Myra Hess Trust	-	436.8	15.2	(7.3)	444.7
Geoffrey Shaw Memorial Fund	-	81.6	142.0	(83.3)	140.3
The Ludgate Trust	-	348.0	5.6	(132.2)	221.4
Frank Britton Award	-	62.4	1.2	(1.5)	62.1
Sir Henry Richardson Award	-	192.6	4.7	(11.8)	185.5
The Peter Whittingham Fund	-	99.6	10.9	(5.2)	105.3
Henry & Lily Davis Gift	-	345.4	12.5	(40.2)	317.7
The Guilhermina Suggia Gift for the Cello	-	28.6	0.7	(0.4)	28.9
Manoug Parikian Award	-	26.0	1.1	(1.2)	25.9
	<u>-</u>	<u>2,568.1</u>	<u>222.1</u>	<u>(317.7)</u>	<u>2,472.5</u>
Endowment Funds					
Percy Haywood Fund	-	56.5	-	-	56.5
St Cecilia's Holiday Fund	-	31.6	-	-	31.6
British Musicians Sick & Pension Charity	-	146.7	1.0	(0.1)	147.6
Stanley Rogers Will Trust	-	144.1	-	(0.1)	144.0
The Courtauld Trust for the Advancement of Music	-	40.3	5.4	(0.2)	45.5
The Miriam Licette Scholarship Fund	-	160.2	4.1	(3.5)	160.8
	<u>-</u>	<u>579.4</u>	<u>10.5</u>	<u>(3.9)</u>	<u>586.0</u>
Inter-Fund Accounts	-	-	(222.0)	222.0	-
Totals	<u>1,856.4</u>	<u>27,187.0</u>	<u>3,965.4</u>	<u>(1,194.9)</u>	<u>31,813.9</u>

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2002

17. RECONCILIATION OF CHANGES IN RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2002 £'000	2001 £'000
Net incoming resources	1,592.9	1,442.4
Depreciation	80.7	62.9
Loss/(gain) on disposal of tangible fixed assets	0.5	(7.0)
Increase/(decrease) in creditors	433.8	(99.2)
(Increase)/decrease in debtors	(323.9)	263.2
(Increase) in stocks	(5.2)	(1.2)
Gain on disposal of legacies received in specie	-	(31.9)
	<u>1,778.8</u>	<u>1,629.2</u>

18. ANALYSIS OF CHANGES IN NET FUNDS

	At 1st January 2002 £'000	Cashflows £'000	At 31st December 2002 £'000
Short term deposits	829.4	713.6	1,543.0
Cash at bank and in hand	14.1	21.9	36.0
Cash awaiting investment	-	921.7	921.7
Bank overdraft	(57.7)	(230.9)	(288.6)
	<u>785.8</u>	<u>1,426.3</u>	<u>2,212.1</u>

19. PENSION SCHEME

The fund operates a defined contribution pension scheme and a group personal pension scheme the assets of which are administered by General Accident.

In addition to the above the Fund has agreed to pay premiums into seven staff members private pension schemes.

£11,264 was prepaid in respect of the defined contribution pension share (2001: £11,638) in respect of the defined contribution pension scheme during 2002.