

SIGNED

MUSICIANS BENEVOLENT FUND

Chairman Mr Christopher Yates

REPORT OF THE EXECUTIVE COMMITTEE

AND ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2006

MONDAY



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COMPANIES HOUSE

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 2006

LEGAL AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

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 John Dankworth CBE
Sir Colin Davis CBE
Mr John Denison CBE (until 31st December 2006)
Ms Helen Faulkner
Lady Gibson
Mr Thomas Hemsley CBE
Dame Cleo Laine DBE

Lady Lewis
Mr John Lill CBE
Sir Charles Mackerras CH CBE
Mr Malcolm McIver OBE
Sir Neville Marriner CBE
Dr John Rutter CBE
Mrs Patricia Sharland
Mr Patric Stanford
Mr Ian Stoutzker OBE
Mr Martin Williams

EXECUTIVE COMMITTEE

Chairman

Mr Christopher Yates

Honorary Treasurer

Mr William Parker

The Revd Ronald Corp
Mr John Axon (appointed 2nd February 2006)
Mr Martin Campbell-White (appointed 11th January 2006)
Mrs Audrey Hills
Mr Richard Johnson (appointed 21st September 2006)
Mr David Lester
Dr Jane Manning OBE
Dr Martin Neary LVO
Thomas Sharpe QC
Mr Christopher Sinclair-Stevenson
Mr Ian Smith

CHIEF EXECUTIVE AND SECRETARY TO THE FUND

Ms Rosanna Preston

MUSICIANS BENEVOLENT FUND

YEAR ENDED 31ST DECEMBER 2006

LEGAL AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

ESTABLISHMENT

Head Office

Sara Dixon - Head of Casework
Susan Dolton - Education Administrator
Michael White - Administrator of Public Affairs
Marnie Woodward - Chief Accountant

Kathryn Bielecki, Adam Buckles, Beryl Godier, Abdul Hye,
Laurent John, Sarah Kingué Kouta, Rebecca Motley, Rosalind Newis,
Rosalind Parry, Emma Perona-Wright, Jane Pryce, Jane Radford, William Steadman, Olwen Stocker, Zerrin Ulutash,
Janet Weston, Jonathan Whiskerd, Rosalind Williams

Visitors

Eileen Bowler, Della Davies, Tony Gibbins, Barbara Heywood,
Michal Taylor, Gina Woods

Ivor Newton House

Sandra Pancham
Linda Standen

MEDICAL ADVISORS

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

INVESTMENT ADVISORS

Gerrard
1 Churchill Place, London
E14 5HP

AUDITORS

haysmacintyre
Chartered Accountants
Registered Auditors
Fairfax House
15 Fulwood Place
London WC1V 6AY

BANKERS

HSBC Bank plc
117 Great Portland Street
London W1W 6QJ

SOLICITORS

IBB Solicitors
Capital Court
30 Windsor Street
Uxbridge
UB8 1AB

MUSICIANS BENEVOLENT FUND

YEAR ENDED 31ST DECEMBER 2006

CHAIRMAN'S MESSAGE

The MBF has had another successful and encouraging year. Initiatives outlined in last year's Annual Report have seen significant developments.

The Healthy Orchestra Charter and its associated Awards were launched in January at the annual ABO Conference where they were well received. The Research Project, supported from the Development Fund, is producing a huge amount of information and feedback and forms the basis of our strategic review.

Our close relationship with BAPAM (British Association for Performing Arts Medicine) is helping them to open new clinics and develop a wider range of services. BAPAM receives by far the largest amount of funding given by the MBF to any organisation. Its work is of immense value to the health of performing artists and fits comfortably with the aims and objectives of the MBF. Our core work with beneficiaries continues unabated with staff at head office and our team of Visitors offering advice, support and an increasing range of financial packages. Ivor Newton House continues to provide a superb level of comfort and service for residents and visitors. The annual Garden Party held in June was also used as an Open Day and showed the garden and the house at their very best. The Casework Committee and staff give us an enormous amount of detailed advice and I am grateful to them all for their commitment to our work.

The work of the Education Department covers a huge variety of activities across many areas of music-making. The MBF supports a significant number of the country's most talented young musicians through funding for lessons, instrument purchase or, at a later stage, for Postgraduate Study in the UK or abroad. We also support an impressive cross-section of UK music organisations by grant aid. The Education work of the MBF displays its public face through Masterclasses, Jazz Awards, a Songwriting Showcase and the Monday Platform Series at the Wigmore Hall. This list is ample testament to the invaluable work of the Staff and Committee members.

Although much of the MBF's work is inevitably private and confidential, we do need as much public recognition for our work as possible. The Public Affairs Department is busy providing that support by organising the Fund's public events – notably the Festival of St Cecilia and the Royal Concert – developing the Friends of the MBF, advertising the work of the MBF, and administering legacies and donations. We are delighted to welcome Richard Johnson, a recently recruited Trustee with expertise in PR and Marketing, to our ranks. Richard is already proving his worth in supporting the work of the Public Affairs Department and the members of staff who do such valuable work for the Fund.

None of our work would be possible without a solid financial footing. Sound and prudent management by previous generations enables the MBF to look forward confidently. The Finance Committee monitors our finances and enjoys excellent service from our Chief Accountant and her team. The committee is currently undertaking a review of the MBF's investment guidelines and advice.

The MBF is very grateful to the individuals and organisations who support its work through donations. In 2006 it received several major donations. The Jean Coubrough Charitable Trust made a restricted donation of £150,000 to support young musicians and Ian Fleming continued his generous and long running support of young musicians through his Charitable Trust with a grant of £64,500. The MBF is grateful to the Promenaders for their annual donation to support young musicians, which in the 2006 Prom season amounted to £33,500. The MBF also received significant donations from Mr E Collins, the Donald Forrester Charitable Trust, the Oppenheim Charitable Trust, and the Wyseslot Charitable Trust.

The largest source of income to the MBF takes the form of legacies, from music lovers who have in mind the needs of current and future generations of musicians. The work of the MBF is also funded by investment income from general and specific funds received from past benefactors.

The Executive Committee (Trustees) is fortunate to enjoy such an impressive array of specialist advice from its various committees, the Heads of Department and especially from Rosanna Preston our indefatigable Chief Executive. During the year there has been much discussion and debate on internal matters. Trustees and staff representatives have been reviewing pay, benefits and personnel procedures and also working on proposed changes to the Fund's management structures. None of this is easy for staff members or Trustees and I am grateful to everyone involved for their patience and forbearance.

MUSICIANS BENEVOLENT FUND

YEAR ENDED 31ST DECEMBER 2006

CHAIRMAN'S MESSAGE (continued)

Sadly, I have to report the death of two distinguished and longstanding supporters of the MBF Philip Cranmer was a former Chairman of the Executive Committee and a member of the Education Committee (Philip was Professor of Music at Queens University in Belfast and then Manchester University) John Denison CBE, as Musical Director of the Arts Council was involved in establishing the Royal Concert and continued his active support for the MBF as a member of Council

Finally, I would like to express my gratitude to all our members of staff and our Trustees for their energy and commitment and to the Friends of the MBF and all those who have contributed to the fund through legacies and donations for their invaluable support and generosity

With the Olympics looming – magnificent perhaps but challenging! – the Arts are likely to find their funding compromised Who knows what effect this could have on an already hard pressed music profession and what might be the implications for the MBF? We will have to wait and see



CHRISTOPHER YATES
Chairman of the Executive Committee

24th May 2007

MUSICIANS BENEVOLENT FUND

REPORT OF THE EXECUTIVE COMMITTEE

YEAR ENDED 31ST DECEMBER 2006

The Executive Committee (the managing trustees) of the Musicians Benevolent Fund present their 77th Annual Report (since incorporation) together with the Accounts of the Fund for the year ended 31st December 2006

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisation

The governing body of the Musicians Benevolent Fund (MBF) is the Executive Committee (maximum 20) whose members are elected by the members of the Association. 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, and are also responsive to changing trends and circumstances.

The Advisory Council, drawn from distinguished members of the music profession, is able to advise and comment on broad policy issues. Members of the council were saddened by the death of Council member John Denison CBE in December 2006. He was a long-standing supporter of the MBF and instrumental in establishing the annual Royal Concert.

The Executive Committee appoints special sub-committees to look at various aspects of its work. Currently there are sub-committees for Finance, Education and Casework. These committees recommend policy initiatives and annual budgets to the Executive Committee for final approval. There is also a Festival Service Advisory Committee with representatives of the three churches that host the Festival of St Cecilia in rotation.

Finance

Mr William Parker (Chairman),
The Revd Ronald Corp, Mrs Audrey Hills,
Thomas Sharpe QC, Mr Christopher Sinclair-Stevenson,
Mr Adrian Stanway, Mr Robert Thomas, Mr Christopher Yates

Casework

Mrs Audrey Hills (Chairman), Mr Alistair Beattie,
Mr Patrick Benner CB, Mr Adrian Bradbury (from May 2006), Mrs Katherine Cobbe,
Dr Ursula Jones, Mr David Lester, Lady Lewis, Mr Jonathan Ouvry (from May 2006)

Education

The Revd Ronald Corp (Chairman), Mr Ian Fleming,
Mr Michael Gough Matthews, Mr David Juritz (from June 2006),
Dr Valerie Masterson CBE, Ms Lucy Parham (from June 2006),
Dr Anthony Payne, Mr Frank Renton

Festival Service Advisory Committee

Mr Malcolm Archer, Mr Martin Baker, Mr Nigel Beavan
The Revd Prebendary William Booth LVO, The Revd Ronald Corp,
The Revd Monsignor Mark Langham, The Revd Dennis Morgan,
Mr James O'Donnell KCSG, The Revd Simon Reynolds

The Chairman and Honorary Treasurer 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.

Authority for operational management of the organisation and policy decisions within the agreed Human Resources policy is delegated to the Chief Executive.

The MBF has a trading company, MBF Trading Ltd (Registered company no 3053538), which receives income from Christmas card sales and other merchandise. Profits from this company are paid to the MBF under Deeds of Covenant. The establishment of this company ensures that the main work of the MBF is protected from tax liability.

MUSICIANS BENEVOLENT FUND

REPORT OF THE EXECUTIVE COMMITTEE (continued)

YEAR ENDED 31ST DECEMBER 2006

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Recruitment, Appointment and Training of Trustees and Committee Members

Trustees are elected to the Executive Committee by the members of the MBF at the AGM. Trustees are eligible to serve until they are 75 and each year one third by rotation are required to stand for re-election. Special committee members serve for three years and can be re-appointed to the committee at the end of the three years. Appointments to special committees are made by the Executive Committee. When vacancies arise or new skills are needed then Trustees and special committee members are recruited by advertisement and personal recommendation. Candidates are given an informal interview with the Chair of the Committee and the Chief Executive. When Trustees are appointed they are given an induction pack of material about the MBF and the role of a Trustee and attend presentations from staff on the work of the individual departments. During 2006, Trustees and Finance Committee members attended seminars on investment management and Trustees attended an away day to consider future strategy for the MBF.

Following a review of skills on the Executive Committee the MBF advertised for a Trustee with expertise in PR and Marketing and appointed Richard Johnson, Head of Media at the Children's Society. The Casework committee and Education committee also each appointed two new members.

Relationships with other Charities

We continue to work closely with the Royal Society of Musicians, the Royal Theatrical Fund, 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 them.

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.

OBJECTIVES AND STRATEGY

The MBF has two core objectives: to relieve need and to advance musical education. These are set out in full in its Memorandum and Articles of Association. In addition the Trustees and senior management team agreed that in 2006 they wished to review the range of support provided to ensure that the MBF is meeting the needs of all musicians in all genres of music by conducting a major research exercise which will be completed in 2007. The MBF would also like to develop its health awareness work to provide a balance between prevention, remedy and nurturing new talent. The objectives and strategies for achieving them are listed below.

1. Relieve need which affects musicians or their dependants. Potential beneficiaries include musicians and people "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." This help is provided through grants to individuals (benevolent), grants to organisations (general) and the MBF residential home, Ivor Newton House.
2. Advance musical education among musicians and members of the public. Current policy is to provide support towards the advanced training of young musicians through grants to individuals (education) and grants to organisations (education).
3. Ensure that the MBF's support is relevant and effective for its beneficiaries by conducting research to find out about the lifestyle of a professional musician in the 21st century, the level of awareness that potential beneficiaries have of the MBF and the impact of the help provided by the MBF through its core objectives.
4. Reduce the level of injury and ill health amongst musicians by developing a Healthy Musician project to raise awareness of health issues and draw together best practice across all areas of the music profession. In 2006 this was achieved through grants to organisations (general).
5. Raise awareness of the MBF and ensure that potential beneficiaries are aware of the help we can provide. This was delivered through our fundraising and publicity work.

MUSICIANS BENEVOLENT FUND

REPORT OF THE EXECUTIVE COMMITTEE (continued)

YEAR ENDED 31ST DECEMBER 2006

OBJECTIVES AND STRATEGY (continued)

- 6 Work in partnership by supporting organisations providing services and support that is in synergy with the work of the MBF through the grants to organisations (general) programme

ACTIVITIES AND ACHIEVEMENTS

(The activities listed below relate to the activities in note 2 of the accounts)

Grants to Individuals – benevolent work

The Casework Department looks after the MBF's beneficiaries individuals or their dependents, who are working within or have retired from the music profession, or a closely-related occupation, and who find themselves in financial or emotional difficulty as a result of old age, illness, accident or other misfortune

Support can take the form of immediate financial aid, or a grant for a specific purpose. The beneficiaries are visited in their home to discuss their circumstances and work with the visitor to formulate the best and most appropriate way to help them

Beneficiaries in need of longer-term assistance (for example, where retired and living on limited and fixed income) may receive an on-going package of support including both financial help and regular social contact via our visiting service. Occasionally the MBF will arrange a secured or unsecured personal loan

9,075 grants were made to beneficiaries (7,614 grants in 2005) to the value of £1.651m. Grants ranged from small single payments to assist with short-term needs to substantial grants to assist with, for example, adaptations to the home needed as a result of disability

In some cases loans are given for a wide variety of purposes, some larger loans being made on a secured basis. In 2006, loans of £92,000 were advanced (£76,000 secured, £16,000 unsecured), and £20,000 repaid. Total loans outstanding to beneficiaries at the year end were £532,900 (£487,700 at end 2005)

At the end of 2006 there were 1,531 case files open (1,472 in 2005), 356 beneficiaries being supported by a long term commitment of regular payments. An additional four beneficiaries were supported by the Music Trades Charitable Fund which is separately administered

An essential part of the service provided by the MBF is the visits made to beneficiaries by professional staff. Most beneficiaries with on-going or new needs receive one visit a year and those who are older or who have more complex needs receive extra visits. In 2006, 909 visits were made (875 in 2005)

A student health grant was piloted in nine institutions in 2006 to provide financial assistance to students in performing arts colleges and conservatoires seeking help with physical and psychological health problems. Uptake of the grant was variable, depending on the existing health infrastructure in each institution and the pilot was extended to June 2007. In 2006, 128 grants totaling £11,199 were made to students at these institutions

A small gardening grant was introduced in 2005 for beneficiaries having problems maintaining their gardens. This proved very popular and was extended to more beneficiaries in 2006

During the year the committee recruited Adrian Bradbury, a working cellist who also has expertise in research, and Jonathan Ouvry who has knowledge of residential care. In addition, Trustee David Lester, joined the committee

MUSICIANS BENEVOLENT FUND

REPORT OF THE EXECUTIVE COMMITTEE (continued)

YEAR ENDED 31ST DECEMBER 2006

ACTIVITIES AND ACHIEVEMENTS (continued)

Grants to Individuals and Grants to Organisations – education

The Education department administers grants to individuals and organisations relating to education work. The MBF Education policy is focused on nurturing the next generation of professional musicians. The MBF currently carries out this remit by running a number of schemes which provide outstanding young musicians, ranging from school age to those at the outset of their professional lives, with help towards the costs of their musical studies or a musical instrument. The Education department also makes grants to organisations which provide young musicians with advanced training or performance opportunities.

In 2006, more than 330 young people benefited from awards totalling £411,200. In addition, almost £371,600 was awarded to organisations. Most organisations are offered grants for three years and payments made in 2006 against grant commitments are listed below. Awards were also made to individuals totalling £64,500 from the Ian Fleming Charitable Trust and £17,000 from the Sybil Tutton Charitable Trust, which are both administered under agreement by the MBF.

An MBF Violin Masterclass led by Anthony Marwood took place at the Royal College of Music on 28th February 2006 featuring MBF Award recipients.

The MBF promoted some of its outstanding award winners through a Monday Platform concert at Wigmore Hall on 12th June. The featured artists were Daniel De Borah, Anna Stéphany and Jonathan Beatty.

At the beginning of 2006, the Education Department introduced a series of concerts for the residents of Ivor Newton House. These give residents the opportunity to hear talented young musicians and young artists the opportunity to perform before an appreciative and knowledgeable audience.

During the year David Juritz, violinist, and Lucy Parham, pianist, joined the committee.

Grants to organisations - general

The bulk of the awards were made to organisations working to improve the health of musicians. The MBF continued to support the British Association for Performing Arts Medicine (BAPAM) granting them £90,000 for core costs, the Head of Casework attends BAPAM Trustee meetings as an observer. In 2006 the MBF agreed to fund a major additional project at BAPAM (£73,176) to employ a health awareness officer providing training and materials for music students and to improve the IT of the organisation. In addition the MBF is contributing to the production of an International Handbook on Musicians' Health, which is being produced by the Royal College of Music.

The MBF has been working closely with the Association of British Orchestras (ABO) to develop a Healthy Orchestra Charter. The aim of the Charter is to encourage orchestras to raise awareness of health issues with their members. The Charter was launched at the ABO conference in January 2006 and three workshops on health related topics were run in the spring of 2006. The Bronze Charter standards were launched in autumn 2006 and the first four Bronze Charters were awarded at the ABO conference in January 2007. Silver and Gold Charters are being developed during 2007. The MBF chaired a strand on the Healthy Orchestra at both the ABO 2006 conference in Gateshead and the 2007 conference in Manchester.

As part of the work in raising its profile the MBF is supporting the Association of Charity Officers (ACO) initiative to raise awareness of benevolent funds.

Research

In order to understand the needs of musicians and ensure that the MBF's support is appropriate the MBF commissioned a major piece of research aimed at all genres and branches of the music profession to find out what it means to be a professional musician in the 21st century and the needs of musicians. The research was initially planned to run from May to November 2006 but the start was postponed to October 2006 to ensure that the questionnaires would reach the maximum number of musicians and students. The research will be completed in May 2007.

MUSICIANS BENEVOLENT FUND

REPORT OF THE EXECUTIVE COMMITTEE (continued)

YEAR ENDED 31ST DECEMBER 2006

ACTIVITIES AND ACHIEVEMENTS (continued)

The research was commissioned from an external agency, *the hub*, and created the opportunity to raise MBF profile through circulation of the questionnaires, press coverage and interviews. We believe it was the largest survey of musicians in the UK and Ireland, with 70,000 questionnaires distributed and nearly 3,000 responses received. The research also allowed the MBF to start to build partnerships with other organisations working with musicians by establishing an advisory group made up of musicians from different branches of the profession. All departments of the MBF were involved in devising and approving the questionnaires and attending focus and advisory group meetings. The results of the research will assist the MBF in reviewing its work and may lead to changes in policy in the future.

Residential Home - Ivor Newton House

Ivor Newton House is a residential home for retired musicians in Bromley, Kent. It can accommodate up to 21 residents and also provides short visits and respite care. During 2006 the MBF appointed a part-time activity worker to develop the range of activities and entertainment provided to the residents. The home continues to receive excellent inspection reports and was rated "good" in the last unannounced inspection. The fees were reviewed in 2006 and brought into line with comparable homes but existing residents were not affected.

Occupancy levels have improved during 2006 thanks in particular to the efforts of the Head of Home and the Full-time Visitor. Over the year occupancy fluctuated between 14 and 16 with an average of 15.5 (14.4 in 2005) residents and we will aim to increase this in 2007 with the help of an advertising campaign and a new brochure.

The MBF also supports residents in other care and nursing homes. During 2006 a total of 19 people were helped in this way.

Trading activities

The principal activity of the company, MBF Trading, is the sale of charity Christmas cards. In 2006, the company marketed two original commissions and sold over 230,000 cards altogether. For the first time the company added a Calendar to its sales items. In addition, the company continues to market a CD of Anthems, "Hail Bright Cecilia", recorded by the BBC Singers in 2004, and a second CD of anthems has been commissioned.

The Christmas card campaign attracted 68 new Friends of the MBF, as well as further requests for information. The amount received in donations to the MBF, accompanying card orders, came to £10,220.

Fundraising and publicity

The role of the Public Affairs Department is to ensure that the work of the MBF is visible to the music business and members of the public and that its image is presented consistently in accordance with its aims and philosophy resulting both in continued applications for help and also financial support in the form of donations and legacies.

Key activities include advertising in a variety of musical and other publications, maintaining the Friends of the MBF and supporter database, legacy administration, running the Christmas card operation, managing the website and compiling the biannual editions of *the key* newsletter. The MBF is fortunate to be generously supported through donations and legacies without needing to invest heavily in fundraising and the only specific fundraising activity it undertakes is legacy marketing. In 2006 the MBF joined the "Remember a charity" legacy marketing campaign. This has provided valuable information on legacy trends as well as helping to promote legacies for the MBF.

The Public Affairs department continues to attract potential beneficiaries to the MBF by publicising the work of the charity via advertising, soliciting media coverage, organising events and distributing promotional merchandise. In 2006 the MBF relaunched its Friends scheme and created a new category of Student Friend to build a relationship with musicians at the start of their careers. The MBF is also developing the role of its voluntary Friends representatives to inform people about its role and three new representatives were recruited in 2006.

The MBF continues to be well represented at conferences and other events and has increased the amount of exhibition equipment to cope with the demand.

MUSICIANS BENEVOLENT FUND

REPORT OF THE EXECUTIVE COMMITTEE (continued)

YEAR ENDED 31ST DECEMBER 2006

Fundraising and publicity (continued)

The Public Affairs department promotes and organises events with the aims of raising the MBF's profile, particularly to new audiences, endorsing the work of the Education department by promoting award winners, and supporting third party events in aid of the MBF. Main MBF events include the annual Festival of Saint Cecilia, the annual Carol Concert at St Paul's, Covent Garden with the Vasari Singers and concerts as part of the Monday Platform series at Wigmore Hall.

Concerts celebrating the lives of Andrew Murdoch and Eleanor Warren were also organised by the Public Affairs Department. Both concerts were well attended. A memorial service was held for John Denison CBE in March 2007.

The Festival of St Cecilia took place on 22nd and 23rd November. The Royal Concert was a performance of Tchaikovsky's *The Queen of Spades* at the Royal Opera House in the presence of HRH Duke of Gloucester with Vladimir Galouzine (tenor) and Katarina Dalayman (soprano), conducted by Semyon Bychkov. The Service, held this year at St Paul's Cathedral with guest preacher The Reverend Canon Jeremy Davies, Precentor of Salisbury, continues to be well attended and the Luncheon sold out sometime before the event. Sir Richard Rodney Bennett composed the anthem specially commissioned by the Musicians Benevolent Fund to words by his sister M. R. Peacocke. The speaker at the Festival Luncheon was Tony Hall, Chief Executive of the Royal Opera House.

Investment/Property management

The investments of the MBF and its associated trusts are pooled in a Common Investment Fund (MBF-CIF) advised by Gerrard. The MBF owns the offices it occupies at Ogle Street, London and Ivor Newton House, Bromley. It also owns one property with a life tenant and a property rented to a beneficiary. All of these properties are managed within the Secretariat team.

FINANCIAL REVIEW

Statement of Trustees' Responsibilities

The trustees (namely the members of the Executive Committee) are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law 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 charitable company and its subsidiaries and of their profit or loss for that period. In preparing those 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,
- state whether applicable 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 company will continue in business.

The trustees are responsible for keeping proper accounting records which 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 1985. 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.

So far as each of the trustees is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

MUSICIANS BENEVOLENT FUND

REPORT OF THE EXECUTIVE COMMITTEE (continued)

YEAR ENDED 31ST DECEMBER 2006

FINANCIAL REVIEW (continued)

Review of the Year

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, 2005. The Accounts include a Consolidated Statement of Financial Activities for the year which brings together the assets and financial activities of the MBF Charity, including all its restricted and endowed funds, as well as the separate Trusts of which the MBF is sole trustee and the subsidiary Trading Company. Full annual reports on these Trusts and the Trading Company accompany their own sets of Accounts.

The investments are held in accordance with the powers of the Executive Committee. The majority of investments of the MBF and its associated trusts are pooled in the Musicians Benevolent Fund - Common Investment Fund (MBF-CIF).

The principal funding sources for the MBF are investment and legacy income. There is no government or local authority funding for MBF activities. Total incoming resources for the year were £5,632,500 (£5,880,000 in 2005), of which legacy income was £3,125,700 (£3,752,200 in 2005). Although legacy income was lower than last year, legacies in 2006 exceeded the average for the previous ten years. Investment income rose to £1,422,900 (£1,299,800 in 2005), due to investment performance and rising interest rates on cash balances. Fee income reflected a review of fee levels charged to residents of the Ivor Newton House retirement home, much of the fees being subsidised by way of MBF charitable grant.

The key objectives of the MBF are the provision of benevolent support to musicians of working age or retired and awards to young musicians at the start of their careers. Charitable expenditure was £4,766,400 (£4,138,500 in 2005), which included £2,622,800 in direct grants to individuals and organisations, and £818,100 on the residential home. The awards to individuals are summarised in the Achievements and Performance section. Awards to organisations are listed below.

The MBF commissioned property valuations of tangible fixed asset and investment properties as of December 2006, and a property revaluation gain of £1,304,800 is reported in the accounts. In addition, investment assets, mainly marketable securities, recorded gains of £3,519,700.

The total resources of the Group rose to £49,174,100 (£44,134,700 in 2005), primarily due to property and investment appreciation. Details of the specific designated, restricted and endowed funds are contained in the notes below.

Reserves

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

In 2005, the Trustees set aside a designated Development Fund of £1,500,000, to be used for research, enhancement of existing programmes, and new work over the next few years.

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.

Investments

In 1990, the MBF established a Common Investment Fund (MBF-CIF) under a Charity Commission Scheme, in order to consolidate the investments and monies belonging to the MBF and charities administered by it. The investment objective is to achieve a balance of income and capital growth to maximise funding of on-going activities, while maintaining the real capital value of the investment funds in the long term. In November 2006, the Trustees set up a sub-committee to review investment policy and investment management arrangements. The review will be concluded during 2007.

The Trustees consider that the subject of ethical investment is of importance, and wish to avoid investments which conflict with the charitable objectives of the investors in the MBF-CIF. Under the current policy, the trustees choose not to invest directly in companies with a significant interest in tobacco.

MUSICIANS BENEVOLENT FUND

REPORT OF THE EXECUTIVE COMMITTEE (continued)

YEAR ENDED 31ST DECEMBER 2006

FINANCIAL REVIEW (continued)

Investments (continued)

Security and property investments generated income of £1,259,900 (£1,032,500 in 2005), an increase of 22% on the previous year, due to additional cash investments and legacies received in specie. Portfolio investment income exceeded the 2006 budget by 9%.

With regard to MBF Common Investment Fund holdings, the value of each unit at 31st December 2006 was £2.28 (2005 £2.12) and the increase in value represented a 7.6% capital appreciation during the year. The capital appreciation in the value of units held since the formation of the MBF-CIF on 1st April 1991 was 128% (2005 112%).

Associated Trusts

The MBF is a trustee, with others, of two charities having independent advisory committees -

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

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

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 Fund (228089/0005)
Myra Hess Trust (248778)
The Professor Charles Leggett Trust (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.

Grants to Organisations

The single largest grant paid to another organisation was the core grant of £90,000 to the British Association for Performing Arts Medicine with a further £73,176 towards funding Special Projects. The MBF provides office accommodation and services, at the MBF Ogle Street headquarters, to three musical charities. The Delius Trust, the Ralph Vaughan Williams Trust and the Loan Fund for Musical Instruments. The value of these benefits to all three charities totals £12,300. Other grants to organisations, for educational and general purposes, paid during 2006 were

	£
Association of British Orchestras	10,875
Association of Charity Officers	2,500
Benslow Musical Instrument Loan Scheme	7,000
Birmingham International Piano Academy	2,000
British Youth Opera	10,000
Britten-Pears Young Artists Programme	5,000

MUSICIANS BENEVOLENT FUND

REPORT OF THE EXECUTIVE COMMITTEE (continued)

YEAR ENDED 31ST DECEMBER 2006

FINANCIAL REVIEW (continued)

Grants to Organisations (continued)

Cadenza International Summer Music School	1,000
Chamber Music International	1,580
Cheltenham International Festival – Young Artists Series	3,500
Clonter Opera	6,000
Dartington International Summer School	1,500
Eton International Cello Course	1,000
European CoUnion Youth Orchestra	5,000
Hallé Assistant Conductorship Scheme	10,000
Hallé Professional String Experience Scheme	11,000
IMS Prussia Cove	2,800
Kathleen Ferrier Awards – MBF Accompanist's Prize	2,000
Lake District Summer School	4,000
Live Music Now ¹	17,000
Live Music Now Fellowship Programme	6,000
London Philharmonic Orchestra – Future Firsts	5,000
LSO - St Luke's Academy	10,000
LSO String Experience Scheme	18,000
LSO Wind, Brass and Percussion Scheme	10,000
Manchester Mid-day Concerts	5,000
Music for Youth	20,000
Music Works	2,000
National Children's Orchestra	5,000
National Opera Studio	10,000
National Portrait Gallery - Young Artists Series	3,000
National Young Musicians Festival	5,000
National Youth Choirs of Great Britain	1,500
National Youth Jazz Orchestra	5,000
National Youth Orchestra of Great Britain	20,000
National Youth Orchestra of Scotland	5,000
National Youth Orchestra of Wales	5,000
National Youth Strings Academy	1,500
National Youth Wind Orchestra	3,000
New London Orchestra	3,000
Oxford Flute Summer School	700
Park Lane Group	7,500
Pro Corda	4,500
Royal Academy of Music - Frank Britton Award	1,250
RSAMD/Scottish Opera Repetiteur Fellowship	10,000
RSAMD – Post graduate – Dance Pianist	2,500
Scottish Symphony Orchestra – Friends	10,000
Southbank Sinfonia	7,000
Spitalfields Festival Music Animateur Apprentice Scheme	10,000
Society for the Promotion of New Music	5,000
St Magnus Festival (Orkney Conducting Course)	3,000
Stratford-upon-Avon International Flute Festival	1,500
Woodhouse Recorder Week	400
YMT UK	10,000
Young Musicians Symphony Orchestra	3,000

Two Trustees had connections with organisations receiving grants

Ronald Corp (Artistic Director New London Orchestra)
Christopher Yates (Governor, Live Music Now¹ and Director, Manchester Mid-day Concerts)

MUSICIANS BENEVOLENT FUND

REPORT OF THE EXECUTIVE COMMITTEE (continued)

YEAR ENDED 31ST DECEMBER 2006

PLANS FOR FUTURE PERIODS

In 2006 the MBF embarked on a strategic review of the support it offered to musicians with the launch of a major piece of research. The results of the research will be published in 2007 and will form the basis for a new strategic plan.

The MBF has identified the following strategic aims

- 1 All musicians are aware of the range of help the MBF can provide and how to access it
 - Raise the profile of the MBF across all genres of music and improve access to our services e.g. through online applications
 - Build partnerships and networks with other organisations
- 2 The support provided by the MBF meets the needs of all musicians within the remit of its charitable objects
 - Continue to provide high quality and responsive support to musicians in need and to the next generation of professional musicians
 - Complete the research into musicians' awareness of the MBF and lifestyles and respond to the results
 - Refine and develop the healthy musician strand of our work
 - Review the student health scheme pilot
 - Research the provision of instruments for musicians entering undergraduate training or in the early years of working as a professional
- 3 The MBF has the necessary funds to provide the support defined in Aim 2
 - Continue to develop Friends scheme
 - Agree investment strategy with Executive Board and complete the review of the management of our investments
- 4 The organisation is run efficiently and effectively to maximise the support it is able to offer to musicians
 - Continue to work with the Trustees on ensuring that the Executive Board and Committees have the appropriate mix of skills
 - Continue to work towards the Investors in People award and aim for first inspection by the end of 2007
- 5 The work of the MBF is client focussed and outputs and outcomes are measured and evaluated
 - Investigate ways of increasing user involvement in designing and providing services
 - Evaluate the impact, outputs and outcomes of the support provided by the MBF

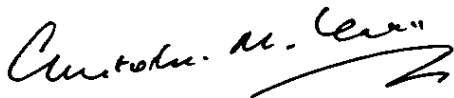
ANNUAL GENERAL MEETING

The 77th Annual General meeting (since incorporation) will be held on Thursday 28th June 2007 at the Royal Over-Seas League, Park Place, off St James's Street, London SW1

In accordance with the Articles of Association, the following members of the Executive Committee retire by rotation and, being eligible, offer themselves for re-election: Mrs Audrey Hills, Dr Martin Neary LVO and Thomas Sharpe QC. In addition Mr Richard Johnson has been appointed as a Trustee since the last AGM and offers himself for election in accordance with the Articles of Association.

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

24th May 2007

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 2006 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 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

As described in the Statement of Trustees' Responsibilities the charity's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The Trustees are also directors of Musicians Benevolent Fund for the purposes of company law.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 Companies Act 1985 and whether the Report of the Executive Committee is consistent with the financial statements. We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

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 Report of the Executive Committee and the Chairman's Statement. 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

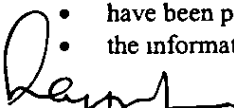
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 charitable company'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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's and group's affairs as at 31st December 2006 and of its incoming resources and application of resources in the year then ended, including its income and expenditure,
- have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Executive Committee is consistent with the financial statements.


haystackmcintyre
Chartered Accountants
Registered Auditors

Fairfax House
15 Fulwood Place
London WC1V 6AY

24th May 2007

MUSICIANS BENEVOLENT FUND

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31ST DECEMBER 2006

	Note	Unrestricted Funds £'000	Note 14 Restricted Funds £'000	Note 13 Endowment Funds £'000	Total 2006 £'000	Restated Total 2005 £'000
Incoming Resources						
Incoming resources from generating funds						
Voluntary income						
Legacies		3,125 7	-	-	3,125 7	3,752 2
Donations		324 4	183 4	-	507 8	349 8
Activities for generating funds						
Trading income		126 0	-	-	126 0	130 3
Investment income		1,278 5	116 9	27 5	1,422 9	1,299 8
Incoming resources from charitable activities						
Fees, subscriptions and other sales		448 1	1 0	-	449 1	344 5
Net gain on disposal of fixed assets		1 0	-	-	1 0	3 4
Total Incoming Resources		<u>5,303 7</u>	<u>301 3</u>	<u>27 5</u>	<u>5,632 5</u>	<u>5,880 0</u>
Resources Expended						
Cost of generating funds						
Trading expenses		103 3	-	-	103 3	126 1
Fundraising and publicity		392 9	-	-	392 9	327 9
Investment/property management		55 1	-	-	55 1	51 9
		<u>551 3</u>	<u>-</u>	<u>-</u>	<u>551 3</u>	<u>505 9</u>
Charitable activities	2b	4,673 2	87 2	5 7	4,766 1	4,138 5
Governance costs		<u>97 4</u>	<u>2 8</u>	<u>-</u>	<u>100 2</u>	<u>65 7</u>
Total Resources Expended	2a	<u>5,321 9</u>	<u>90 0</u>	<u>5 7</u>	<u>5,417 6</u>	<u>4,710 1</u>
Net incoming/(outgoing) resources before transfers		(18 2)	211 3	21 8	214 9	1,169 9
Transfers between funds		<u>196 5</u>	<u>(178 7)</u>	<u>(17 8)</u>	<u>-</u>	<u>-</u>
Net incoming resources before other recognised gains and losses		178 3	32 6	4 0	214 9	1,169 9
Other recognised gains and losses:						
Gain on property revaluation		1,304 8	-	-	1,304 8	-
Gain on investment assets		3,264 6	195 8	59 3	3,519 7	4,722 8
Net movement in funds		<u>4,747 7</u>	<u>228 4</u>	<u>63 3</u>	<u>5,039 4</u>	<u>5,892 7</u>
Fund balances brought forward at 1st January 2006		<u>40,041 1</u>	<u>3,293 5</u>	<u>800 1</u>	<u>44,134 7</u>	<u>38,242 0</u>
Total funds carried forward at 31st December 2006		<u><u>£44,788 8</u></u>	<u><u>£3,521 9</u></u>	<u><u>£863 4</u></u>	<u><u>£49,174 1</u></u>	<u><u>£44,134 7</u></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 2006

		Group		Charity	
	Note	2006 £'000	2005 £'000	2006 £'000	2005 £'000
Fixed assets					
Tangible assets	7	3,128 9	1,887 8	3,128 9	1,887 8
Loans to Anchor Housing	8	13 5	25 0	13 5	25 0
Investments	9	40,651 9	37,285 7	37,447 9	34,242 3
		<u>43,794 3</u>	<u>39,198 5</u>	<u>40,590 3</u>	<u>36,155 1</u>
Current assets					
Stocks		18 0	7 6	2 6	1 5
Debtors due within one year	10	2,349 9	2,046 2	2,392 2	2,033 8
Debtors due after one year	10	480 9	435 7	480 9	435 7
Short term deposits		3,090 6	2,951 9	3,041 5	2,905 8
Cash at bank and in hand		95 7	107 8	28 1	34 3
		<u>6,035 1</u>	<u>5,549 2</u>	<u>5,945 3</u>	<u>5,411 1</u>
Creditors: amounts falling due within one year	12	<u>(491 6)</u>	<u>(459 8)</u>	<u>(472 7)</u>	<u>(411 5)</u>
Net current assets		<u>5,543 5</u>	<u>5,089 4</u>	<u>5,472 6</u>	<u>4,999 6</u>
Total assets less current liabilities		<u>49,337 8</u>	<u>44,287 9</u>	<u>46,062 9</u>	<u>41,154 7</u>
Creditors. amounts falling due after more than one year	12	<u>(163 7)</u>	<u>(153 2)</u>	<u>(134 7)</u>	<u>(89 2)</u>
Net assets		<u>£49,174 1</u>	<u>£44,134 7</u>	<u>£45,928 2</u>	<u>£41,065 5</u>
Capital Funds					
Endowments	13	863 4	800 1	128 3	119 3
Income Funds					
Restricted funds	14	3,521 9	3,293 5	1,036 0	930 0
Unrestricted funds					
Designated funds	15	11,397 8	9,809 2	11,397 8	9,809 2
Other charitable funds		33,366 1	30,207 0	33,366 1	30,207 0
Non-charitable trading funds		24 9	24 9	-	-
		<u>£49,174 1</u>	<u>£44,134 7</u>	<u>£45,928 2</u>	<u>£41,065 5</u>

Approved by the Executive Committee on 24th May 2007 and signed on its behalf by



Christopher Yates – Chairman

MUSICIANS BENEVOLENT FUND

CONSOLIDATED CASHFLOW STATEMENT

YEAR ENDED 31ST DECEMBER 2006

		2006		2005	
	Note	£'000	£'000	£'000	£'000
Net cash inflow from operating activities	17		58 7		1,478 4
Capital expenditure					
Purchase of tangible fixed assets		(40 3)		(122 6)	
Proceeds from sale of tangible fixed assets		1 0		3 4	
Purchase of investments		(78 7)		(750 0)	
Proceeds from investments		232 2		234 7	
Movement on loans		(46 3)		7 5	
Net cash outflow from capital expenditure			67 9		(627 0)
Increase in cash	18		<u>£126 6</u>		<u>£851 4</u>

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2006

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. The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) published March 2005 and applicable accounting standards. Following the adoption of SORP 2005, the presentation of certain income streams and expenditure have changed. Comparative amounts have accordingly been restated.

Group Financial Statements

Group financial statements have been prepared in respect of Musicians Benevolent Fund and its wholly owned trading subsidiary, MBF Trading Limited, together with Trusts where the Musicians Benevolent Fund is sole trustee. In accordance with Section 230 of the Companies Act 1985 and paragraph 397 of SORP 2005, 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).

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed (see note 14).

Endowment funds are detailed in note 13.

Incoming Resources

Voluntary income includes donations and legacies which are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income from trading activities is recognised as earned (as the related goods are provided).

Investment income is recognised on a receivable basis.

Income from charitable activities is recognised as earned (as the related services are provided).

Resources Expended

Expenditure is recognised on an accruals basis as a liability is incurred.

Costs of generating funds include direct costs and where appropriate an allocation of support costs. Trading expenses are incurred in the production, marketing and sale of CDs and charity Christmas cards. Fundraising and publicity costs include a portion of advertising, direct costs of legacy administration and the MBF Friends membership scheme, and other promotional activities. Remaining costs relate to direct costs of maintaining investment properties, and an allocation of support costs to the management of marketable and property investments.

Charitable activity costs comprise mainly benevolent grants given to individuals administered by the Casework Department, education grants to individuals and organisations, administered by the Education Department, and grants to other organisations administered centrally. In addition, the charity maintains a Residential Home in Bromley, Kent, and has embarked on a research project. In all cases, the total cost includes grant funding where relevant, direct activity, and an allocation of support costs on a pro rata cost basis.

Grants payable are payments made to third parties. Single or multi-year grants are accounted for when the trustees have agreed to pay the grant without condition.

Governance activities comprise organisational administration and compliance with constitutional and statutory requirements. Costs include direct costs of external audit, legal fees and independent financial advice regarding the

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2006

1. ACCOUNTING POLICIES (continued)

Resources Expended (continued)

wind-up of an occupational pension scheme, and legal fees relating to certain smaller trusts, as well as an allocation of related support costs

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	- 10% - 25% p a straight line
Computer equipment	- 25% p a straight line

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. The major proportion of marketable investments are held in the MBF Common Investment Fund

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 group personal pension scheme, the assets of which are administered by Scottish Equitable. A defined contribution occupational pension scheme with Norwich Union was wound up during the year

2a ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £'000	Other £'000	Depreciation £'000	Total £'000
Cost of generating funds:				
Trading expenses	-	103 3	-	103 3
Fundraising and publicity	112 1	273 0	7 8	392 9
Investment/property management	13 9	40 4	0 8	55 1
	<u>126 0</u>	<u>416 7</u>	<u>8 6</u>	<u>551 3</u>
Charitable activities				
Grants to individuals - benevolent work	490 9	1,873 3	30 7	2,394 9
Grants to individuals - education	176 5	547 8	12 8	737 1
Grants to organisations - education	56 3	409 4	4 3	470 0
Grants to organisations - general	3 9	195 2	2 8	201 9
Research	11 9	38 1	0 8	50 8
Residential Home	647 6	220 9	42 9	911 4
	<u>1,387 1</u>	<u>3,284 7</u>	<u>94 3</u>	<u>4,766 1</u>
Governance costs	21 0	78 1	1 1	100 2
	<u>£1,534 1</u>	<u>£3,779 5</u>	<u>£104 0</u>	<u>£5,417 6</u>

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2006

2b. COSTS OF CHARITABLE ACTIVITY	Activities directly Undertaken	Grant funding of activities	Support costs	Total
Grants to individuals - benevolent work	421 0	1,650 9	323 0	2,394 9
Grants to individuals - education	105 2	411 2	220 7	737 1
Grants to organisations - education	26 8	371 6	71 6	470 0
Grants to organisations - general	-	189 1	12 8	201 9
Research	27 4	-	23 4	50 8
Residential Home	818 1	-	93 3	911 4
	<u>£1,398 5</u>	<u>£2,622 8</u>	<u>£744 8</u>	<u>£4,766 1</u>

3. ANALYSIS OF SUPPORT COSTS

	Management £'000	Finance £'000	Human Resources £'000	Publicity £'000	Premises Overheads £'000	Total £'000
Cost of generating funds						
Fundraising and publicity	21 4	24 8	-	-	26 9	73 1
Investment/property management	11 2	10 4	-	-	-	21 6
	<u>32 6</u>	<u>35 2</u>	<u>-</u>	<u>-</u>	<u>26 9</u>	<u>94 7</u>
Charitable activities						
Grants to individuals - benevolent work	37 0	33 5	16 0	162 4	74 1	323 0
Grants to individuals - education	18 5	34 9	11 8	121 8	33 7	220 7
Grants to organisations - education	4 3	11 6	3 9	40 6	11 2	71 6
Grants to organisations - general	-	0 5	-	-	12 3	12 8
Research	16 9	-	-	6 5	-	23 4
Residential Home	27 9	24 8	34 1	6 5	-	93 3
	<u>104 6</u>	<u>105 3</u>	<u>65 8</u>	<u>337 8</u>	<u>131 3</u>	<u>744 8</u>
Governance costs	15 6	16 6	-	-	-	32 2
	<u>£152 8</u>	<u>£157 1</u>	<u>£65 8</u>	<u>£337 8</u>	<u>£158 2</u>	<u>£871 7</u>

Support costs are allocated to operational and other functions on the basis of their use of central support services. Premises overheads relate to the head office building and facilities services, and are allocated on the basis of headcount of staff based at the office. All other support costs are allocated on the basis of staff time spent across the activities listed.

4 GOVERNANCE COSTS

The total includes a provision for auditors' remuneration in respect of 2006 of £26,012, of which £23,200 (2005 £19,799) relates to the main consolidated audit, and a further £2,812 towards independent examination required of certain associated trusts. Also included are legal and professional fees arising from the wind-up of an occupational pension plan, as well as an allocation of support costs.

MUSICIANS BENEVOLENT FUND

NOTED TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2006

5. STAFF COSTS

	2006	2005
	£'000	£'000
Salaries and wages	1,109 5	1,023 3
National Insurance	109 6	108 4
Pension scheme	184 3	156 2
Private Medical Insurance	22 2	16 8
Related expenses	58 7	35 9
Agency staff	39 3	11 8
Self-employed fees	10 5	8 1
	<u>1,534 1</u>	<u>1,360 5</u>
Less recharged to third parties	(8 1)	(13 0)
	<u>£1,526 0</u>	<u>£1,347 5</u>

The number of employees whose emoluments for the year fell within the following bands were

	2006	2005
	Number	Number
£60,001 - £70,000	-	-

The average number of employees analysed by function was

Residential Home	36	35
Casework and counselling	13	13
Education	4	3
Fundraising and publicity	5	4
Secretariat and reception	4	4
Finance	4	3
	<u>66</u>	<u>62</u>

6. EXECUTIVE COMMITTEE'S EMOLUMENTS AND REIMBURSED EXPENSES

None of the members of the Executive Committee received remuneration during the year (2005 £Nil)

During 2006 expenses totalling £8,171 (2005 £6,565) were reimbursed to four members of the Executive Committee (2005 five)

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2006

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 2005	1,828 0	450 2	82 2	82 1	2,442 5
Additions	-	23 8	7 4	9 1	40 3
Disposals	-	-	-	(11 9)	(11 9)
Revaluation	1,122 0	-	-	-	1,122 0
Balance at 31st December 2006	<u>2,950 0</u>	<u>474 0</u>	<u>89 6</u>	<u>79 3</u>	<u>3,592 9</u>
Accumulated depreciation					
Balance at 31st December 2005	146 3	291 5	52 5	64 4	554 7
Charge for year	36 5	38 2	19 9	9 4	104 0
Depreciation eliminated on revaluation	(182 8)	-	-	-	(182 8)
Disposals	-	-	-	(11 9)	(11 9)
Balance at 31st December 2006	<u>-</u>	<u>329 7</u>	<u>72 4</u>	<u>61 9</u>	<u>464 0</u>
Net Book Value					
At 31st December 2006	<u>£2,950 0</u>	<u>£144 3</u>	<u>£17 2</u>	<u>£17 4</u>	<u>£3,128 9</u>
At 31st December 2005	<u>£1,681 7</u>	<u>£158 7</u>	<u>£29 7</u>	<u>£17 7</u>	<u>£1,887 8</u>

Freehold land and buildings were revalued as at 31st December 2006 by Cluttons, Chartered Surveyors, on an existing use basis in accordance with the Guidelines issued by the Royal Institution of Chartered Surveyors. The historic cost of these assets is £1,185,000, the net book value of the items at historical cost and after depreciation would be £986,157 (2005 £1,009,874)

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

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, for a period of 20 years, terminated on 31st December 2006, and carry interest at the rate of 1.75% per annum. These loans were subsequently repaid in full in April 2007. 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 had been 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 has been 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 (2005 £11,500)

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2006

9. FIXED ASSET INVESTMENTS

	Group		Charity	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
Market value at 31st December 2005	37,285 7	32,047 6	34,242 3	29,321 2
Proceeds on disposals	(232 2)	(234 7)	(172 7)	(158 8)
Add Acquisitions at cost	78 7	750 0	78 7	750 0
Net gains on revaluation at 31st December 2006	3,519 7	4,722 8	3,299 6	4,329 9
Market Value at 31st December 2006	£40,651 9	£37,285 7	£37,447 9	£34,242 3
Historical cost as at 31st December 2006	£25,599 3	£25,648 2	£23,726 6	£23,728 5

The market value represents Fixed Asset Investments of the following categories :

UK Investment properties	1,900 0	1,240 1	1,900 0	1,240 1
UK Common Investment Fund	38,676 4	35,957 4	35,517 7	32,972 1
UK Investments in trading subsidiaries	25 0	25 0	25 0	25 0
UK Listed investments	45 4	58 1	-	-
UK Unlisted investments	5 1	5 1	5 1	5 1
	£40,651 9	£37,285 7	£37,447 8	£34,242 3

Income arising from the above categories:

UK Investment properties	9 3	11 2	9 3	11 2
UK Common Investment Fund	1,245 3	1,015 9	1,142 2	915 8
UK Listed investments	4 8	4 9	0 1	-
UK Unlisted investments	0 5	0 5	0 5	0 5
	£1,259 9	£1,032 5	£1,152 0	£927 5

The investment properties were revalued as at 31st December 2006 by Knight Freeman, and by Cluttons on an open market basis in accordance with the guidelines issued by the Royal Institution of Chartered Surveyors

Investments in trading subsidiaries

Name of Subsidiary	Holding	Proportion of voting rights	Registered	Investment £'000
MBF Trading Ltd	Ordinary shares	100%	England	25

Income from the trading subsidiary is received by way of deed of covenant

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2006

10. DEBTORS

	Group		Charity	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
Balances due within one year :				
Loans (Note 11)	62 4	61 3	62 4	61 3
Prepayments	40 6	69 5	40 6	69 5
Current accounts with associated trusts	-	-	90 4	56 6
Residents' and guest fees	-	4 1	-	4 1
Other debtors	144 6	170 4	96 5	101 4
H M Revenue & Customs	-	-	-	-
Accrued legacies	2,102 3	1,740 9	2,102 3	1,740 9
	<u>2,349 9</u>	<u>2,046 2</u>	<u>2,392 2</u>	<u>2,033 8</u>
Balances due in more than one year :				
Loans (Note 11)	480 9	435 7	480 9	435 7
	<u>£2,830 8</u>	<u>£2,481 9</u>	<u>£2,873 1</u>	<u>£2,469 5</u>

11. LOANS

	2006	2005
	£	£
To beneficiaries		
Secured loans	480 9	435 7
Loan Fund for musical instruments	52 0	52 0
To staff		
Unsecured season ticket loans	10 4	9 3
	<u>£543 3</u>	<u>£497 0</u>

Long term loans to beneficiaries are lent at preferential rates varying between 5% to 7% fixed pa, or interest free dependent upon the individual circumstances. In 2006 the Fund adopted a policy on new secured loans of charging variable rates, linked to the Bank of England Base Rate, with provisions to waive all or part of the interest charge depending on individual circumstances.

12. CREDITORS : amounts falling due within one year

Residents' and guest fees	1 2	3 0	1 2	3 0
Trade creditors	80 6	88 9	69 3	77 0
PAYE and National Insurance	39 1	33 3	39 1	33 3
Current accounts with associated trusts	-	-	41 1	41 2
Current accounts with trading subsidiaries	-	-	9 4	2 8
Grants payable and other creditors	370 7	334 6	312 6	254 2
	<u>£491 6</u>	<u>£459 8</u>	<u>£472 7</u>	<u>£411 5</u>
Balances due in more than one year:				
Grants payable	163 7	153 2	134 7	89 2
	<u>£655 3</u>	<u>£613 0</u>	<u>£607 4</u>	<u>£500 7</u>

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2006

12 CREDITORS: amounts falling due within one year (continued)

Analysis of Grants Payable:

	Grants to individuals		Grants to organisations		Total £'000
	Benevolent Work £'000	Education £'000	Education £'000	General £'000	
Commitments as at 1 January 2006	-	101 4	357 2	-	458 6
Plus Grants net of write-backs	1,650 9	411 2	371 6	189 1	2,622 8
Less Payments in the year	(1,650 9)	(415 2)	(302 2)	(189 1)	(2,557 4)
Commitments as at 31 December 2006	<u>£ -</u>	<u>£97 4</u>	<u>£426 6</u>	<u>£ -</u>	<u>£524 0</u>

Grant Commitments:

Amounts falling due within one year	360 3
Amounts falling due in more than one year	163 7
	<u>£524 0</u>

13. ENDOWMENTS

	Balance 31 December 2005 £'000	Incoming Resources £'000	Expenditure & Transfers £'000	Gains/ (Losses) £'000	Balance 31 December 2006 £'000
Permanent endowments					
Percy Haywood Fund	76 5	2 6	(2 6)	5 8	82 3
St Cecilia's Holiday Fund	42 8	1 5	(1 5)	3 2	46 0
British Musicians Sick & Pension Charity	198 6	6 9	(6 9)	15 0	213 6
Stanley Rogers Will Trust	195 0	6 8	(6 8)	14 8	209 8
The Courtauld Trust for the Advancement of Music	64 4	2 1	-	4 1	70 6
Miriam Licette Scholarship Fund	222 8	7 6	(5 7)	16 4	241 1
	<u>£800 1</u>	<u>£27 5</u>	<u>£(23 5)</u>	<u>£59 3</u>	<u>£863 4</u>

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2006

13. ENDOWMENTS (continued)

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

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 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, via the Ensemble Awards scheme administered through the MBF Music Education Fund

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

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 2005 £'000	Incoming Resources £'000	Expenditure & Transfers £'000	Gains/ (Losses) £'000	Balance 31st December 2006 £'000
Music Trades Charitable Fund	56.5	3.6	(2.8)	(3.4)	53.9
Ivor Newton Bequest	930.0	30.8	(30.8)	26.0	956.0
The Professor Charles Leggett Trust	254.8	9.1	(5.3)	19.6	278.2
Myra Hess Trust	540.8	19.5	(58.8)	40.4	541.9
Geoffrey Shaw Memorial Fund	201.5	38.8	(83.2)	11.0	168.1
The Ludgate Trust	334.4	14.2	(0.3)	30.6	378.9
Frank Britton Award	83.4	2.9	(2.5)	6.3	90.1
Sir Henry Richardson Award	258.8	8.9	(3.8)	18.8	282.7
The Peter Whittingham Fund	133.6	4.7	(4.3)	10.2	144.2
Henry & Lily Davis Fund	448.0	15.8	(0.3)	34.4	497.9
The Guilhermina Suggia Gift	33.3	1.5	(3.3)	2.6	34.1
Manoug Parikian Award	18.4	1.5	(3.3)	(0.7)	15.9
Jean Coubrough Donation	-	150.0	(70.0)	-	80.0
	<u>£3,293.5</u>	<u>£301.3</u>	<u>£(268.7)</u>	<u>£195.8</u>	<u>£3,521.9</u>

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2006

14. RESTRICTED FUNDS (continued)

The Music Trades Charitable Fund was formed in 2001 as the successor charity to the Music Trades Benevolent Society. The capital and income of the Fund are used to make grants to the remaining beneficiaries of MTBS.

The Ivor Newton Bequest was received in 1982. The income from investments is used for the general purposes of Ivor Newton House.

The Professor Charles Leggett Trust was established in 1987 to benefit needy classical music students. Current policy is to make awards to young brass and wind players.

The Myra Hess Trust was established in 1966. Its object is 'the advancement of the education of the public in music in memory of Dame Myra Hess'. Current policy is to make grants to young musicians at the beginning of their professional careers for fees and maintenance at music colleges, private study, the purchase of instruments, debut recital costs.

The Geoffrey Shaw Memorial Fund was established in 1945. Its objects are 'the advancement and promotion of the education of the public in the art or science of music by the assistance and encouragement of musically talented children in regular attendance at primary or secondary schools in the United Kingdom'. The majority of grants are distributed through the MBF Music Education Fund.

The Ludgate Trust was established in 1969 with broad music educational objects. Current policy is to support schemes offering genuine performance opportunities to young instrumentalists.

The Frank Britton Award was established in 1972 with broad music educational objects. Current policy is to make an annual award to a conservatoire of music to fund masterclasses.

The Henry Richardson Award was established in 1994 to fund the further training of accompanists and répétiteurs.

The Peter Whittingham Fund was established in 1989 to fund the creation, performance, teaching, research or study of popular music of quality.

The Henry and Lily Davis Fund was established in 1960 with broad music educational objects. Current policy is to fund performance opportunities for young singers in professional opera companies.

The Guilhermina Suggia gift was established in 1955 for the advancement and education of the young in relation to the 'cello.

The Manoug Parikian Award was established in 1994 to make an annual award in his memory to a violinist under 21.

The Jean Coubrough Charitable Trust donated £150,000 in 2006 to fund the purchase of musical instruments and to support the National Festival of Music for Youth.

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2006

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 2005 £'000	Income and new designations £'000	Expenditure & Transfers £'000	Gains/ (Losses) £'000	Balance 31st December 2006 £'000
Fixed Asset Fund	1,887 8	40 3	(104 0)	1,304 8	3,128 9
Development Fund	1,500 0	-	(100 7)	-	1,399 3
Emily English Memorial Fund	622 0	21 9	(21 9)	46 7	668 7
Music Education Fund	49 6	658 0	(703 0)	-	4 6
Ivor Newton House Fund	23 0	0 9	(1 5)	1 6	24 0
Holiday Fund	711 7	24 6	(24 6)	53 8	765 5
Jacqueline du Pré Special Fund	1,419 1	49 2	(49 2)	107 4	1,526 5
Anthony Bernard Fund	425 5	14 7	(14 7)	32 1	457 6
Joan Randall Fund	2,160 7	74 8	(74 8)	163 4	2,324 1
Alan Fluck Memorial Fund	211 4	8 0	5 0	17 2	241 6
Patricia Cartwright Fund	405 4	14 0	(14 0)	30 7	436 1
R E Maidment	195 5	7 2	(10 0)	15 8	208 5
MSV Lawson Fund	197 5	6 8	(6 8)	14 9	212 4
	<u>£9,809 2</u>	<u>£920 4</u>	<u>(£1,120 2)</u>	<u>£1,788 4</u>	<u>£11,397 8</u>

The Fixed Asset Fund represents the net book value of the charity's assets at 31st December 2006

The Development Fund was established in 2006 to fund new initiatives in areas such as grant making, research and health promotion

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 auditions for Music Awards and Scholarships and makes grants for post-graduate study by young performers, as well as awards to young instrumentalists up to the age of 18.

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 Jacqueline du Pré Special Fund comprises the distribution received by the General Fund from the 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.

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2006

15 DESIGNATED FUNDS (continued)

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 2003 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

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 2006 are represented by :					
Tangible fixed assets	3,128 9	-	-	-	3,128 9
Loans to Anchor Housing	13 5	-	-	-	13 5
Investments	36,363 6	3,444 8	843 5	-	40,651 9
Current assets	6,237 2	256 2	20 1	(478 4)	6,035 1
Current liabilities	(819 7)	(150 1)	(0 2)	478 4	(491 6)
	<u>44,923 5</u>	<u>3,550 9</u>	<u>863 4</u>	<u>-</u>	<u>49,337 8</u>
Creditors due after one year	(134 7)	(29 0)	-	-	(163 7)
Total Net Assets	<u><u>£44,788 8</u></u>	<u><u>£3,521 9</u></u>	<u><u>£863 4</u></u>	<u><u>-</u></u>	<u><u>£49,174 1</u></u>

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2006

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	-	29,500 1	4,360 0	(494 0)	33,366 1
Fixed Asset Fund	3,128 9	-	-	-	3,128 9
Development Fund	-	-	1,399 3	-	1,399 3
Emily English Memorial Fund	-	663 7	10 9	(5 9)	668 7
Music Education Fund	-	-	418 7	(414 1)	4 6
Ivor Newton House Fund	-	23 4	0 6	-	24 0
Holiday Fund	-	765 5	-	-	765 5
Anthony Bernard Fund	-	457 6	-	-	457 6
Jacqueline Du Pré Special Fund	-	1,526 5	2 9	(2 9)	1,526 5
MBF Trading Limited	-	-	36 2	(11 3)	24 9
Joan Randall Fund	-	2,324 1	-	-	2,324 1
Alan Fluck Memorial Fund	-	243 7	7 9	(10 0)	241 6
Patricia Cartwright Fund	-	436 1	0 8	(0 8)	436 1
R E Mardment	-	224 0	-	(15 5)	208 5
MSV Lawson Fund	-	212 4	-	-	212 4
	<u>3,128 9</u>	<u>36,377 1</u>	<u>6,237 3</u>	<u>(954 5)</u>	<u>44,788 8</u>
Restricted Funds					
Music Trades Charitable Trust	-	30 7	24 0	(0 8)	53 9
Ivor Newton Bequest	-	955 9	1 8	(1 8)	955 9
The Professor Charles Leggett Fund	-	277 0	4 8	(3 6)	278 2
Myra Hess Trust	-	550 8	4 8	(13 7)	541 9
Geoffrey Shaw Memorial Fund	-	157 4	86 9	(76 1)	168 2
The Ludgate Trust	-	432 7	7 5	(61 3)	378 9
Frank Britton Award	-	89 5	3 8	(3 2)	90 1
Sir Henry Richardson Award	-	267 5	17 5	(2 3)	282 7
The Peter Whittingham Fund	-	145 0	3 5	(4 2)	144 3
Henry & Lily Davis Fund	-	488 9	15 2	(6 3)	497 8
The Guilhermina Suggia Fund	-	34 7	0 1	(0 7)	34 1
Manoug Parikian Award	-	14 7	6 3	(5 1)	15 9
Jean Coubrough Donation	-	-	80 0	-	80 0
	<u>-</u>	<u>3,444 8</u>	<u>256 2</u>	<u>(179 1)</u>	<u>3,521 9</u>
Endowment Funds					
Percy Haywood Fund	-	82 3	-	-	82 3
St Cecilia's Holiday Fund	-	46 0	-	-	46 0
British Musicians Sick & Pension Charity	-	213 6	-	-	213 6
Stanley Rogers Will Trust	-	209 8	-	-	209 8
The Courtauld Trust for the Advancement of Music	-	58 6	12 0	-	70 6
The Miriam Licette Scholarship Fund	-	233 2	8 1	(0 2)	241 1
	<u>-</u>	<u>843 5</u>	<u>20 1</u>	<u>(0 2)</u>	<u>863 4</u>
Inter-Fund Accounts	-	-	(478 4)	478 4	-
Totals	<u>£3,128 9</u>	<u>40,665 4</u>	<u>6,035 2</u>	<u>(655 4)</u>	<u>49,174 1</u>

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2006

17. RECONCILIATION OF CHANGES IN RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2006 £'000	2005 £'000
Net incoming resources	214 9	1,169 9
Depreciation	104 0	101 3
Anchor House loan provision	11 5	11 5
Gain on disposal of tangible fixed assets	(1 0)	(3 4)
Increase in creditors	42 3	21 5
(Increase)/decrease in debtors	(302 6)	176 1
(Increase)/decrease in stocks	(10 4)	1 5
	<u>£58 7</u>	<u>£1,478 4</u>

18. ANALYSIS OF CHANGES IN NET FUNDS

	At 1st January 2006 £'000	Cashflows £'000	At 31st December 2006 £'000
Short term deposits	2,951 9	138 7	3,090 6
Cash at bank and in hand	107 8	(12 1)	95 7
	<u>£3,059 7</u>	<u>£126 6</u>	<u>£3,186 3</u>

19. PENSION SCHEMES

The fund operates a group personal pension scheme, the assets of which are administered by Scottish Equitable

The fund has wound up a defined contribution pension scheme, the assets of had been administered by Norwich Union. The employer contributions were £nil in 2006 (2005 £11,487) in respect of this scheme, as all active members were enrolled in the group personal pension scheme. Accumulated funds within the scheme were either transferred into a Section 32 Buy-out scheme, or individual policies were assigned to the members.

In addition to the above, the Fund is currently paying premiums into two staff members' private pension schemes.