

# **Musicians Benevolent Fund**

Chairman The Hon Richard Lyttelton  
Chief Executive and Secretary to the Fund David Sulkin

**Annual Reports and Financial Statements  
for the year ended 31 December 2011**



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 7 – 11 Britannia Street London WC1X 9JS  
[helpmusicians.org.uk](http://helpmusicians.org.uk)

**Musicians Benevolent Fund**  
**Year Ended 31 December 2011**

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**Musicians Benevolent Fund**  
**Year Ended 31 December 2011**

**Chairman's message**

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As the economic uncertainty continues to affect national life and the number of its beneficiaries increases, the Musicians Benevolent Fund is maintaining its position at the forefront of charities which support professional musicians

2011 was the Fund's 90<sup>th</sup> birthday year. We celebrated this significant milestone with special events throughout the year – around one hundred were arranged and staged on our behalf – and we also celebrated the life of the English tenor, Gervase Elwes, whose untimely death in a railway accident in the United States in January 1921 caused the foundation of what was then called the Gervase Elwes Memorial Fund which became the Musicians Benevolent Fund in 1930. During the year we were happy to re-establish links with the Elwes family whose members have quickly become supporters of our work. We value this friendship and thank the family for their enthusiasm for all that we do.

During the year we concluded the rationalisation that we talked about at our last AGM. We have established a new Giving department to combine the Care and Welfare and Awards and Partnerships functions which has enabled us to reduce administrative costs while providing trustees and co-opted members with much more information about the range of work that we undertake to help musicians. The Chairman of the new combined Giving Committee is trustee Rev Ronald Corp, to whom congratulations on his well-deserved OBE, ably helped by the Vice-chairman, Audrey Hills.

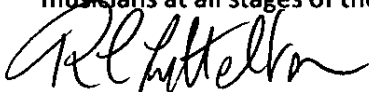
2011 has also been a year of research. We asked our beneficiaries for their thoughts about the services that we provide. It is imperative that we are responsive to those we serve not only with a view to improving our relationship with existing beneficiaries but also to improving, refining and evaluating our services for the future. We have begun a process whereby, at the end of 2012, we shall be able to report on the impact of the support we offer all those who come to the Fund for help.

It is significant that, in 2011, we saw an almost 80% upswing in applications for help from working musicians. Many of these requests came from people in extreme crisis. We believe that this is partly due to the prevailing economic climate but also because changes in working patterns are causing many musicians to have to work longer and harder to make ends meet.

With a growing increase in requests for help, we believe that by combining a better understanding of the needs of our current beneficiaries with careful assessment of the impact and outcomes of our help, the Fund will be in a better position to support musicians in future.

Our confidence to move ahead has been underpinned by generous benefactors. Throughout 2011 donations were very slightly up on 2010 and we have also been deeply touched by the generosity of people who have thought of musicians and included them in their wills. We received 80 notifications of Gifts in Wills in the year. Such kindness enables us to plan and increase our support for professional musicians. We thank all those who have contributed in 2011.

There is no place for complacency but it is clear that the measures taken by David Sulkin and the executive team to rationalise the Fund are proving effective. In conclusion I would like to thank my fellow trustees, the co-opted members of our committees, members of our Advisory Council, our President, Sir Peter Maxwell Davies, and our staff team for their work, advice and commitment without which we could not carry out our primary charitable objective, the support and welfare of musicians at all stages of their careers.



**The Hon. Richard Lyttelton**  
**Chairman**

**Musicians Benevolent Fund**  
**Year Ended 31 December 2011**

**Report of the Executive Committee**

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**Objects of the charity**

- *To relieve need and advance education among musicians and among those persons who work or have worked in professions or occupations closely connected with music and who in the opinion of the Association<sup>1</sup> have rendered valuable service to music not being members of the Association who were born in the British Isles or who are citizens of the United Kingdom by birth, descent or naturalisation or who are domiciled or who have been resident for three years in the British Isles and their spouses, children or other dependents*
- *To advance musical education among musicians and also among members of the public*

**Running the Fund effectively. Structure, governance and management of the Fund**

The Fund comprises:

- **Members of the Fund.** There are 91 'shareholders' liable for £1 00
- **Executive Committee** – members of which are elected from the membership. The Executive Committee defines the Fund's strategy and policy and monitors its implementation and execution to ensure that the activities of the Fund are in accordance with its Articles and Memorandum of Association, and are also responsive to changing trends and circumstances in the music profession
- **Sub-committees.** The Executive Committee appoints sub-committees to monitor the core activities of the Fund. Following a restructure in 2011, these committees are now
  - Giving
  - Finance
  - Audit

Committees receive and debate policy recommendations from the Senior Management Team of the Fund. The Giving and Audit Committees include co-opted members who advise on and support the work of the committees. Trustees have recently formed a Nominations Group to plan trustee succession as a result of the inclusion of a rotation system for trustees and co-opted committee members following a revision of the Fund's Articles and Memorandum in 2011.

- **Advisory Council**, chaired by the President of the Fund, Sir Peter Maxwell Davies, comprises distinguished members of the music profession who are asked to advise and comment on broad policy issues.

**Staff and Volunteers**

The Musicians Benevolent Fund is led by Chief Executive, David Sulkin and secretary to the Fund, supported by Susan Dolton, Director of Giving and Martin Ensom, Director of Operations and Company Secretary.

In January 2011, two new departments were established and began work

- Giving – incorporating Care and Welfare, Awards and Partnerships and Communications and Fundraising led by Susan Dolton, Director of Giving

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<sup>1</sup> The 'Association' is the Musicians Benevolent Fund

- Operations – including Finance, HR, IT and support for governance led by Martin Ensom, Director of Operations

During 2012, the Fund will introduce a volunteer network of Musicians' Supporters who will complement the work of the highly valued professional Musicians' Visitors in the English regions and across the UK nations. Preparations have taken place for the setting up of the network during 2011. The Fund has benefited from the support of an external specialist who provided pro bono advice and guidance to enable us to implement a high-quality plan for the recruitment and induction of volunteers. Musicians' Supporters will provide a local befriending service to beneficiaries who have asked to be linked with a volunteer. This activity will complement the work of our professional Visitors.

In 2011, the Fund also benefited from the involvement of other volunteers and interns. One volunteer has supported our advice and guidance work in Care and Welfare for nearly four years, working at Britannia Street.

In 2011, we began to consolidate the Fund's position by better understanding the needs and wants of those we help. This work will continue in 2012.

- 1 **Greater knowledge of beneficiaries' needs** In September 2011 we undertook a review of beneficiaries' needs by asking 656 people about the service we provide, its effect and impact on their lives. The *Keeping in Touch* questionnaire let us know how best to maintain contact with our beneficiaries. The questionnaire addressed the topics of

- The value and importance of visits to beneficiaries by Musicians Benevolent Fund staff
- New ways of supporting beneficiaries through a proposed network of volunteers
- Contemporary ways of keeping in touch – e-mail and Skype as well as telephone and letters

371 beneficiaries returned the questionnaire – that is 57% of those asked for views and opinions.

In November 2011, we surveyed 387 regular beneficiaries aiming to learn more about them and their needs. We asked questions designed to help us prepare for musicians who come to us in the future. Questions included

- The value placed on our advice and guidance
- The methods by which we provide financial assistance and how we collect financial details
- How we help beneficiaries plan for their futures
- Views and opinions of the Fund and its staff

215 beneficiaries responded to the second survey, a return rate of 56%.

We also carried out telephone research with beneficiaries who had received crisis grants between 2009 and 2011 to help us evaluate, develop and improve our services.

- 2 **Impact** Alongside gathering up-to-date information on how our services are received we began to plan how we will measure the impact of all that we do. This will aid us in planning services in future and help us tell our supporters about the effect of our work.

Longer-term plans include regular reviews with colleagues in the music profession to ensure that services provided by the Fund are relevant and needed. As knowledge of our work increases and the world of work for professional musicians becomes even more competitive and demanding, we

anticipate more calls on our resources. This means that very careful monitoring, planning and evaluation of our services will be a continuous part of the work of officers of the Fund going forward

### **Public benefit**

The Fund supports eligible individual musicians with an appropriate mix of advice, guidance and financial support. We are committed to the well-being of musicians and we support musicians from all backgrounds and genres. Unusually for a benevolent fund, in line with our charitable objectives and the intentions of those who created the Fund in 1921, we support musicians throughout their careers. This support falls into three broad categories:

- 1 Musicians planning to enter the profession who are in their post-graduate years and musicians at the start of their careers who need advice, guidance and occasional financial help
- 2 Musicians in their working lives who hit a serious crisis, illness or accident
- 3 Musicians in retirement and later on in their lives

In 2011, 56% of the people we helped came from non-classical music backgrounds, which includes 15% from rock and pop genres. As well as performing musicians – instrumentalists, singers, composers – our support can be offered to people who work or have worked in the wider music profession, including music teachers and lecturers, sound-engineers, music retailers, piano tuners, instrument makers and repairers, roadies, sound designers and technicians, concert promoters, music administrators and music education leaders. The Fund can also support the dependents of musicians. To qualify for help, a musician need not subscribe to the Fund, be a member or even a supporter. The principal qualification is working in or having worked in the music profession.

The two grant-making teams are Care and Welfare and Awards and Partnerships and are part of the Giving unit. Both have policies relating to their grant making which will be reviewed in 2012 as a result of our research and development work. The Fund also invests in partner organisations related to the well-being and professional development of musicians.

### **Achievements during 2011**

2011 was our 90<sup>th</sup> birthday year. As well as celebrating the vision of those who set up the Fund, we have learned that the pressures of being a professional musician in the 21<sup>st</sup> century are many and that a benevolent fund which is fully focused and ready to respond to individual musicians' needs has never been more needed. As a charitable organisation we aim to be sure that all of those who need our help know how to access it which is part of how we communicate what we do. Evidence shows that low income, unsocial hours, irregular employment, working away from home and continuous use of the body in repetitive work can take its toll while we are also reminded that the creative satisfaction of being a musician or working in the music profession can be exceptionally rewarding. This potent mix of vocational commitment and, often, low pay and rewards coupled with vulnerability when things go wrong, is the reason that the Fund exists.

The support that we provide comes in two forms - financial help and advice and guidance. During 2011, we improved our advice and guidance services and have yet more to do. Advice and guidance ranges from ensuring that a musician who is eligible for State Benefits is able to access them through to helping very vulnerable people with mental health problems access healthcare. We also receive many requests for help from musicians of all ages who have physical problems as a result of work.

In 2011, we have significantly reduced the time that it takes to assess an application. Urgent cases result in help being provided in no more than ten days. Some cases that we hear about need even quicker action. The young musician and songwriter, Eva Maria Hess, who lost everything in the summer riots was helped overnight. Speed is usually of the essence. We have achieved this change by working with a committed, flexible and imaginative staff team.

Advice and guidance is also provided to young musicians who have come to the Fund because of health issues, anxiety about studies or their cost. Young musicians are also sometimes searching for information about career development and training.

The Fund helps individuals. This is different to the work of a grant-making charity that supports organisations. Helping individuals with a tailor-made service, with staff members who are ready to listen, give time and offer specific advice has a measurable cost which the Fund's trustees are keen to express and even keener to support.

To celebrate our 90<sup>th</sup> birthday year, the Fund commissioned a CD of the work of the English tenor, Gervase Elwes who was accidentally killed in a railway accident in the USA in January 1921. The CD features almost all Elwes' discography taken from acoustic gramophone records. The disc was produced with the permission and help of the EMI Archive Trust and EMI Classics. It was offered as a gift to Friends of the Fund.

In the summer of 2011, we thanked the Promenaders' Musical Charities by commissioning a special work *Musica Benevolens* that had its premiere at the Last Night of the BBC Proms. The Fund values our friendship with the Promenaders and their on-going support of our work by undertaking bucket collections after every concert. In 2011, their contribution to the Fund and its work came to £35,000.

In 2011, we undertook a governance review and updated the Fund's Articles and Memorandum. This new draft was approved by members at the AGM in June 2011. A Nominations group was also set up to plan for the succession of the Fund's trustees.

#### **Giving Committee created in 2011**

An important change to the structure of the Fund was the establishment of the Giving Committee. This committee guides and oversees the work of the Giving Unit. It is chaired by the Rev Ronald Corp OBE with Audrey Hills as deputy chair. The committee combines the work of the previous Care and Welfare and Awards and Partnerships Committees. It also gives an opportunity for the Communications and Fundraising department to report to a committee of trustees.

#### **Care and Welfare team**

In 2011, the Care and Welfare team comprised five staff providing support to professional musicians in crisis, suffering from accident or illness or needing specialist physical or psychological help.

The Fund helped 170 new applicants in 2011. In 2010, we helped 95 new applicants. This is a 79% rise in musicians in crisis. 48% of these musicians were under 50 years of age.

The team also provided ongoing help to 575 older musicians in retirement, either living in their own homes or in care. Sometimes these people are frail and vulnerable and their wellbeing remains a top priority for the Fund. As already mentioned, in 2011 we developed a volunteer network of Musicians' Supporters which will be launched in 2012.

Much attention was paid in 2011 to refining existing processes and systems. We have now reformed how we maintain contact with beneficiaries. More and more older beneficiaries are connected to the internet. While lightening our administrative load, we are committed to individual care, giving each beneficiary tailored, personal support.

In 2011, the Care and Welfare team achieved the following

- Redefined the policy for visiting and keeping in touch with beneficiaries which was approved by the Giving Committee in November
- Visited 450 beneficiaries in their own homes or in care homes
- Reviewed the scope of short-term crisis grants and helped 151 people in 2011 with a total of £168,000
- Provided 65 therapy grants to beneficiaries needing physical or psychological help
- Recruited 16 Musicians' Supporters to the volunteer network and held the first training day on 28 November
- Provided financial help on a regular basis, sometimes for life, to those who need continuing care and support with a total of £258,000
- Provided help with care home fees either as a top-up for registered care homes or to provide care in the community – up to £200 a week The total was £108,000

In 2011, the total Care and Welfare grants made to beneficiaries was almost £1.1 million

### **Awards and Partnerships team**

In 2011, the Awards and Partnerships team comprised three staff providing grants and career development support to young and emerging artists, as well as to musicians already working in the profession

The Fund ran schemes to support musicians across a number of genres, not only classical music. It puts particular emphasis on helping financially needy musicians with postgraduate study costs

The team provided grants to students experiencing performance related problems through the Student Health Scheme. It carried out research with over 100 students who had benefited through the scheme over the past five years. The results underline the importance of the Health Scheme and the value of early intervention in helping young people recover and get back on track. We are especially grateful to Michael and Mary Wyatt for their generous support of this work in memory of their son, Duncan. Their help will ensure that we can continue this work until the end of 2015.

In 2011, the Awards unit provided grants to partner organisations offering outstanding opportunities to young artists and emerging professionals

In 2011, the Awards and Partnerships team achieved the following

- 88 awards totalling £219,000 to financially needy, outstanding young artists undertaking advanced study with the highest grant to an individual being £5,000
- Grants totalling £32,200 were given to 21 emerging artists and groups through a number of schemes including for jazz and songwriting
- 12 awards totalling £13,800 to working musicians to help with professional development projects
- Grants were awarded to 18 partner organisations making a total commitment of £135,000 towards specific projects and bursaries. A further 18 organisations received funds agreed in previous years for activity taking place in 2011
- Grants of up to £500 each were offered to 102 students with performance-related health problems. Total expenditure towards treatment costs in 2011 was just under £28,000

In 2011, the Awards and Partnerships team administered over £400,000 in total grants

The two grant giving units together made grants of over £1.5 million in 2011



## Communications and Fundraising team

A focus for the team was the Fund's 90<sup>th</sup> birthday. Musicians, music lovers and music organisations – professional and amateur – throughout the UK joined a campaign called '90 for 90'. This scheme, in the end, resulted in more than 100 events taking place on behalf of the Fund. Many were music events while others were more physical – marathons and half-marathons and one skydive all undertaken to raise money for the Fund.

Staff at the Fund staged *A Date to Remember* on 8 February 2011 which launched the 90<sup>th</sup> year celebrations. *A Date to Remember* featured distinguished performers, John Mark Ainsley, tenor, Simon Lepper, piano, the Badke Quartet and broadcaster Sean Rafferty.

The annual Festival of Saint Cecilia took place on 23 November with 1,150 people attending a 90<sup>th</sup> birthday service at Westminster Cathedral followed by lunch for 360 at the Banqueting House. The address at the Festival service was given by Archbishop Vincent Nichols. The Fund's President, Sir Peter Maxwell Davies, was guest speaker at the lunch. The Fund values the collaboration with St Paul's Cathedral, Westminster Abbey and Westminster Cathedral very much and thanks the Directors of Music for their support.

The Communications team expanded its reach during 2011 particularly through the use of online media including Twitter and Facebook. The Fund now has 780 Facebook 'fans' and 2,700 'followers' on Twitter. More young people contacted the Fund in 2011 as well as an increase in professional musicians outside classical music getting in contact for the first time. We continue to work to place the Fund at the core of musical life in the UK and to become better known as an organisation throughout the UK.

The Fund re-launched its Friends Scheme in 2011 and we are grateful to Sir Michael Parkinson for his endorsement and on-going support.

In the current economic climate 2011 donations reached £470,000 [2010, £471,000]. There are a number of fundraising initiatives that the team is working on including a scheme which will be launched early in 2012 called 'love music help musicians'. The intention is that the Fund builds long-term relationships with a growing number of donors.

In 2011, the Fund benefited from 80 Gifts in Wills notifications.

## Communications and Fundraising achievements in 2011

- 104 events were held on our behalf as part of the *90 years 90 big ideas* campaign
- £6,300 was raised during the Silent Auction held at the 2011 Festival of Saint Cecilia lunch
- Following the Last Night of the Proms three national daily papers covered the story of our thank-you piece *The Independent*, *The Guardian* and *The Times*
- Our key messages were in the Proms programme and conductor Edward Gardner told an audience of 4,000 in the Royal Albert Hall and millions of television viewers about the work of the Fund
- A cover feature in *Classical Music* magazine on our 90<sup>th</sup> birthday
- Interview with Director of Giving, Susan Dolton, on BBC Northern Ireland
- Three of our beneficiaries and the Chief Executive, David Sulkin, interviewed for BBC Radio 3's *Music Matters*
- Feature in *Arts Industry* magazine
- Introduction of a monthly e-newsletter, *e-Notes*, circulated to a readership of 8,000
- The development of a fundraising toolkit produced as a resource for those putting on independent events in aid of the Fund
- Fifteen free adverts in concert programmes and magazines

- New range of branded greetings cards and e-cards commissioned for sale and for use by the Care and Welfare team for beneficiaries

### **Operations. Finance, Human Resources, IT and governance**

The Operations department supported all developments of the Fund helping the Giving Unit to meet its objectives. Additional work has been undertaken:

- Successful selection process to review and appoint two investment advisors to manage our Common Investment Fund [CIF]
- Leading the conclusion of the Finance project which has resulted in a transformation of accounting systems and a significant reduction of complexity and cost of administration
- A review of our Britannia Street building ensuring that costs to the Fund are reduced and additional income provided
- Finalising work to reduce the number of designated and restricted funds to further reduce complexity and administrative costs
- A regular review of administrative expenditure to ensure cost-effectiveness and economy

### **Partnerships, collaborations and relationships**

Partnerships are a vital way for the Fund to act as a collaborator and supporter of initiatives. We are pleased to work with the PRS for Music Members' Benevolent Fund, the Royal Society of Musicians, the Musicians' Union, the Incorporated Society of Musicians and the benevolent funds of the UK orchestras and opera companies.

In 2011, we maintained our partnership with Making Music, which will be reviewed in 2012. We work with the Association of British Orchestras [ABO] and are pleased that, in 2011, we renewed our partnership with them, working on the Healthy Orchestra Charter.

In 2011, the Chief Executive joined the board of the Association of Charitable Organisations [ACO]. ACO is the charity that champions the work of the benevolent sector. Also in 2011 we provided support to the Royal Philharmonic Society [RPS] for their annual instrumentalist award.

### **British Association of Performing Arts Medicine [BAPAM] – [bapam.org.uk](http://bapam.org.uk)**

Our most significant partnership is with BAPAM. The Fund has supported BAPAM each year since the early 1990s. In 2009, our grant to BAPAM was £235,000. This was 87% of BAPAM's total income. In 2010, a three-year cycle of support was agreed which is to be reviewed annually. In 2010 the BAPAM grant was £208,000 – 65% of total income. In 2011, this was £188,500 – 61% of total income.

BAPAM's mission is to achieve nationwide occupational health provision for performing artists. While BAPAM provides an extensive service for instrumentalist musicians and singers who together comprise 85% of its clients, it also looks after actors and dancers, and to this end is additionally supported by Equity as well as the Musicians' Union.

BAPAM runs free, confidential health-assessment clinics for full-time and part-time professional, and student performing artists, and makes referrals to the best medical, surgical and other therapeutic help available. It maintains a directory of clinical specialists and practitioners in many branches of health care, both mainstream and complementary, who have an interest in treating performing artists. It also offers a health education service, training and development for healthcare practitioners, and research support for clinicians engaged in research projects into performance-related injury and illness.

BAPAM additionally oversees the Association of Medical Advisers to British Orchestras [AMABO], a group of medical doctors each of whom provides free and specialist health support to 'their own' orchestra

In 2011, BAPAM introduced a Diploma and MSc in Performing Arts Medicine in collaboration with University College London, the Royal College of Music and Trinity Laban. Development work on the Diploma/MSc is funded by Phonographic Performance Ltd [PPL]. The first comprehensive Performing Arts Medicine course in the English speaking world, this programme provides specialised training to graduates from a range of clinical and performance science backgrounds in how to treat the specific health needs of the very special subset encompassing instrumental musicians, singers, actors, dancers and variety artists.

#### **Annual accounts - financial review**

The financial statements have been prepared in a form which complies with the accounting regulations for charities which are laid out in the Charity Commissioners' Statement of Recommended Practice [SORP] '*Accounting and Reporting by Charities*' issued in 2005, revised 2008. They include a Consolidated Statement of Financial Activities for the year, which brings together the assets and financial activities of the Fund, including all its restricted and endowed funds, as well as the separate trusts for which the Fund is sole trustee and the subsidiary trading company. Full annual reports are prepared for these trusts and the trading company with their own sets of accounts. The financial statements also comply with the current statutory requirements and with the requirements of the Fund's own rules.

#### **Review of the year**

Following the economic crisis of 2008 and 2009, 2011 was another uncertain year for investment income. We had a disappointing first three quarters but the results improved in the last three months, ending the year slightly better than expected. Our Gifts in Wills income, as in 2010, held up well against all external trends and resulted in a significant increase on budget. Our target for 2011 was £1.3 million with a result of £3.4 million.

Total income for the year was £5.3 million [£4.1 million in 2010], of which £3.4 million [£2.3 million in 2010] was derived from Gifts in Wills. Investment income of £1.2m is a slight increase on the previous year [£1.1 million]. Donations to the Fund in 2011, [£470,000] were the same as 2010 [£471,000] while trading income was slightly down to £77,000 [£80,000 in 2010].

In 2011 we undertook a programme that maintained services and funding to our most vulnerable and older beneficiaries. As part of our re-organisation in 2010 and in anticipation of a deficit in 2011, trustees decided to reduce the expenditure on Awards and Partnerships. This resulted in charitable expenditure of £2.7 million [£3.2 million in 2010]. We monitor the changing needs of the music community and, as a result of a significant increase in crisis applications from working musicians in 2011 [up by 79%], we expect to increase support in this area in 2012. We know that income from Gifts in Wills is unpredictable so we are managing our reserves policy to enable us to provide support for musicians based on modest growth in the period 2012 – 2016 avoiding possible swings from significant surpluses to potential deficits.

The net result for 2011 was a total expenditure of £3.2 million [£3.9 million in 2010] with a surplus of just over £2 million before investment losses. In 2010, the Fund had a small surplus of £161,000.

Investment assets, mainly marketable securities held in the Common Investment Fund [CIF], recorded a loss in 2011 of £2.7 million, compared to a gain the previous year of £3.6 million. The income returns increased very slightly, while the CIF decreased in capital value, due to the on-going volatility of world markets. The total resources of the group decreased to £47.9 million [£49.2

million in 2010] Details of the specific designated, restricted and endowed funds are contained in the notes to the accounts

### **Investment policy and performance**

A review of the Fund's Investment Policy, investment activity and our investment managers took place in 2011. A revised investment policy was drawn up, a selection panel of trustees was established and five investment banks were invited to tender for the responsibility of managing our investments. Following interviews and consideration, UBS and Rathbones were appointed as our investment houses with effect of 1 October 2011. The Sybil Tutton Charitable Trust was incorporated into the CIF and two trusts – the Delius Trust and the RVW Trust – withdrew from it.

Both managers followed a similar remit with regard to the CIF, and were measured against benchmarks and income targets.

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

In 2011, the Fund increased its investment in the CIF with the addition of £1.9 million, from the proceeds of the additional Gifts in Wills income.

### **Reserves**

The intention of early benefactors of the Fund was to build up reserves to enable the work of the Fund to continue no matter the economic climate. In the early 1930s the Fund lurched from deficit to very modest surpluses year after year. Following World War II an investment base was slowly developed through Gifts in Wills.

Now trustees view reserves as a basis to support current and future commitments to existing beneficiaries and to cushion the Fund from the effects of unpredictable Gifts in Wills income and to maintain the charity in a volatile economic climate. They therefore aim to retain sufficient capital [in the form of long term investments, fixed assets and bank deposits] to ensure that the work of the Fund can continue to meet the needs of both current and future beneficiaries.

Trustees of the Fund acknowledge that, to meet the long-term needs of our older beneficiaries, the Fund must sustain a reserve of approximately £15 million. Currently, to sustain a net income of about £1 million a year requires investment assets of around £40 million.

Trustees aim to retain additional free reserves equivalent to approximately 12 months' revenue expenditure to provide against unexpected shortfalls in income or increases in expenditure. The revenue expenditure amounts to approximately £3.2 million at the end of 2011. The trustees feel confident that the overall funds freely available are best used to generate income to continue to fund our grant-making activity and cover unforeseen circumstances. The trustees review and approve the Fund's reserves policy each year.

### **Risk management**

In 2010, an Audit Committee was established which reports to the Executive Committee. The Audit Committee's terms of reference include

- Monitoring the annual audit
- Considering internal controls and risk management statements
- Overseeing the Fund's policy on fraud and irregularity

- Corporate governance arrangements
- Monitoring major risks to which the charity may be exposed

The Audit Committee is the guardian of the risk register, which is part of the responsibility of the Chief Executive. The Executive Committee reviews the register once a year and it is reviewed by the Audit Committee at every meeting. The register includes a matrix for financial, operational, and regulatory risks as well as any risk to the Fund's reputation.

Advice is regularly taken to ensure that the insurances in respect of the Fund's operational risks, including insurances for public, employer, building and contents are properly maintained. The most recent review took place in January 2012. The risk register is included in the business plan.

### **Statement of trustees' responsibilities**

Trustees, who are also directors of the Musicians Benevolent Fund for the purposes of company law, are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards [United Kingdom Generally Accepted Accounting Practice].

Company law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and the group, of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgments and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

In so far as trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- 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 auditor is aware of that information

### **Annual General Meeting**

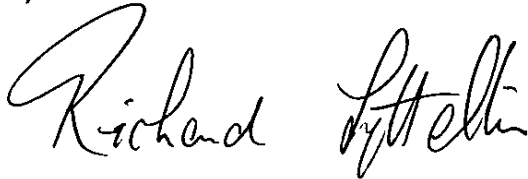
The 82nd Annual General Meeting - since incorporation in 1930 - will be held on Wednesday 16 May 2012 at the Swiss Church, 79 Endell Street, London WC2H 9DY.

In accordance with the Articles and Memorandum of Association, the following members of the Executive Committee retire by rotation and, being eligible, offer themselves for re-election

- John Axon
- Martin Campbell-White

Finally, Messrs haysmacintyre offer themselves for re-election as auditors to the Fund in accordance with section 485 of the Companies Act 2006

This report was approved by the Executive Committee on 29 March 2012 and signed on its behalf by

A handwritten signature in black ink, reading "Richard Lyttelton". The signature is written in a cursive, flowing style.

**The Hon. Richard Lyttelton**  
**Chairman**

**Musicians Benevolent Fund**  
**Year Ended 31 December 2011**

**Independent auditor's report to the members of the Fund**

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We have audited the financial statements of the Musicians Benevolent Fund for the year ended 31 December 2011 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards [United Kingdom Generally Accepted Accounting Practice].

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**Respective responsibilities of trustees and auditor**

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

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

In our opinion the financial statements

- Give a true and fair view of the state of affairs of the charitable company and the group as at 31 December 2011 and of the incoming resources and application of resources, including the income and expenditure, of the group for the year then ended,
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

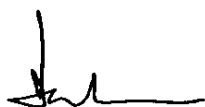
### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **Matters on which we are required to report by exception**

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

- Adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- The financial statements are not in agreement with the accounting records and returns, or
- Certain disclosures of trustees' remuneration specified by law are not made, or
- We have not received all the information and explanations we require for our audit



Bernie Watson (Senior Statutory Auditor)  
for and on behalf of haysmacintyre, Statutory Auditor  
29 March 2012

Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY



**Musicians Benevolent Fund**  
**Consolidated statement of financial activities**

**Year Ended 31 December 2011**

		Unrestricted Funds £'000	Note 12 Restricted Funds £'000	Note 11 Endowment Funds £'000	Total 2011 £'000	Total 2010 £'000
Incoming resources	Note					
<b>Incoming resources from generating funds:</b>						
Voluntary income						
Gifts in Wills		3,344	25	-	3,369	2,265
Donations		470	-	-	470	471
Activities for generating funds						
Trading income		77	-	-	77	80
Events		34	-	-	34	35
Lettings		31	-	-	31	-
Investment income		970	210	25	1,205	1,076
<b>Incoming resources from charitable activities:</b>						
Fees, subscriptions and other sales		6	-	-	6	7
<b>Other incoming resources:</b>						
Net gain on disposal of fixed assets		8	-	-	8	136
Other income		90	-	-	90	-
<b>Total incoming resources</b>		<b>5,030</b>	<b>235</b>	<b>25</b>	<b>5,290</b>	<b>4,070</b>
<b>Resources expended</b>						
<b>Cost of generating funds:</b>						
Trading expenses		52	-	-	52	50
Fundraising and publicity		334	-	-	334	465
Investment property management		59	-	-	59	124
		445	-	-	445	639
<b>Charitable activities</b>		<b>2,507</b>	<b>148</b>	<b>5</b>	<b>2,660</b>	<b>3,156</b>
<b>Governance costs</b>		<b>105</b>	<b>-</b>	<b>-</b>	<b>105</b>	<b>114</b>
<b>Total resources expended</b>	<b>2</b>	<b>3,057</b>	<b>148</b>	<b>5</b>	<b>3,210</b>	<b>3,909</b>

**Musicians Benevolent Fund**  
**Consolidated statement of financial activities [continued]**

**Year ended 31 December 2011**

	<b>Note</b>	<b>Unrestricted Funds £'000</b>	<b>Note 12 Restricted Funds £'000</b>	<b>Note 11 Endowment Funds £'000</b>	<b>Total 2011 £'000</b>	<b>Total 2010 £'000</b>
<b>Net incoming/(outgoing) resources before transfers</b>		1,973	87	20	2,080	161
Transfers between funds		(853)	871	(18)	-	-
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net incoming/(outgoing) resources before other recognised gains and losses</b>		1,120	958	2	2,080	161
<b>Other recognised gains and losses</b>						
(Loss)/gain on investment assets		(2,054)	(582)	(63)	(2,699)	3,627
(Loss)/gain on tangible fixed assets		(659)	-	-	(659)	-
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net movement in funds</b>		(1,593)	376	(61)	(1,278)	3,788
<b>Fund balance brought forward at 1 Jan 2011</b>		41,853	6,517	850	49,220	45,432
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total funds carried forward at 31 December 2011</b>		<u>40,260</u>	<u>6,893</u>	<u>789</u>	<u>47,942</u>	<u>49,220</u>

All transactions are derived from continuing activities  
All recognised gains and losses are included in the Statement of Financial Activities.

The notes on pages 21-35 form part of these financial statements


**Musicians Benevolent Fund**  
**Balance sheet**

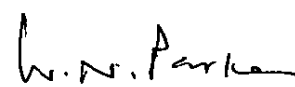
**Company number 252783**

**As at 31 December 2011**

		<b>Group</b>		<b>Charity</b>	
	<b>Note</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Fixed assets</b>					
Tangible assets	6	2,859	3,746	2,859	3,746
Investments	7	40,946	41,765	36,062	35,673
		<u>43,805</u>	<u>45,511</u>	<u>38,921</u>	<u>39,419</u>
<b>Current assets</b>					
Stocks		7	7	-	-
Debtors due within one year	8	2,343	1,571	2,394	1,630
Debtors due after one year	8	460	487	460	487
Short term deposits		1,546	1,877	1,464	1,785
Cash at bank and in hand		2	280	2	30
		<u>4,358</u>	<u>4,222</u>	<u>4,320</u>	<u>3,932</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(221)</u>	<u>(475)</u>	<u>(417)</u>	<u>(436)</u>
<b>Net current assets</b>		<u>4,137</u>	<u>3,747</u>	<u>3,903</u>	<u>3,496</u>
<b>Total assets less current liabilities</b>		<u>47,942</u>	<u>49,258</u>	<u>42,824</u>	<u>42,915</u>
<b>Creditors: amounts falling due after more than one year</b>	10	<u>-</u>	<u>(38)</u>	<u>-</u>	<u>(38)</u>
<b>Net assets</b>		<u>47,942</u>	<u>49,220</u>	<u>42,824</u>	<u>42,877</u>
<b>Capital funds</b>					
Endowments	11	789	850	118	128
<b>Income funds</b>					
Restricted funds	12	6,893	6,517	2,446	896
Unrestricted funds					
Designated funds	13	2,859	6,816	2,859	6,816
Other charitable funds		37,401	35,037	37,401	35,037
		<u>40,260</u>	<u>41,853</u>	<u>40,260</u>	<u>41,853</u>
<b>Total unrestricted funds</b>		<u>40,260</u>	<u>41,853</u>	<u>40,260</u>	<u>41,853</u>
		<u>47,942</u>	<u>49,220</u>	<u>42,824</u>	<u>42,877</u>

The notes on pages 21-35 form part of these financial statements. The financial statements were approved and authorised for issue by the Executive Committee on 29 March 2012 and were signed below on its behalf by

  
The Hon Richard Lyttelton  
Chairman

  
William Parker  
Honorary Treasurer

**Musicians Benevolent Fund**  
**Consolidated cash flow statement**

**Year ended 31 December 2011**

	Note	2011		2010	
		£'000	£'000	£'000	£'000
<b>Net cash inflow/(outflow) from operating activities</b>	(i)		1,214		(110)
<b>Capital expenditure</b>					
Purchase of tangible fixed assets		(25)		(52)	
Proceeds from sale of tangible fixed assets		8		-	
Refund on cost of fixed assets		30		116	
Purchase of investments		(1,945)		(3,265)	
Proceeds from investments		65		3,439	
Movement on loans		44		(26)	
<b>Net cash outflow from capital expenditure</b>			(1,823)		212
<b>(Decrease)/Increase in cash</b>	(ii)		(609)		102

<b>(i) Reconciliation of changes in resources to net cash inflow/(outflow) from operating activities</b>	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Net incoming resources	2,080	161
Depreciation	223	229
Gain on disposal of tangible fixed assets	(8)	-
(Decrease)/Increase in creditors	(292)	(235)
(Increase)/Decrease in debtors	(789)	(263)
(Increase)/Decrease in stocks	-	(2)
<b>Net cash</b>	<b>1,214</b>	<b>(110)</b>

<b>(ii) Analysis of changes in net funds</b>	<b>At 1</b>		<b>At 31</b>
	<b>January</b>	<b>Cashflows</b>	<b>December</b>
	<b>2011</b>		<b>2011</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Short term deposits	1,877	(331)	1,546
Cash at bank and in hand	280	(278)	2
	<b>2,157</b>	<b>(609)</b>	<b>1,548</b>

The notes on pages 21-35 form part of these financial statements

**Year ended 31 December 2011**

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**1. Accounting policies**

**Basis of accounting**

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain fixed assets with the exception of fixed asset investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" [SORP 2005], revised 2008, applicable accounting standards and the Companies Act 2006.

**Group financial statements**

Group financial statements have been prepared in respect of the 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 the Companies Act 2006 and paragraph 397 of SORP 2005, revised 2008, no separate Statement of Financial Activities is presented for the Musicians Benevolent Fund.

**Charity status**

The charity is a company limited by guarantee. The members of the company include the Trustees named on page 36. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

**Fund accounting**

The different funds are defined as follows:

Endowment funds [Note 11] are those funds where a donor specifies only income arising from a donation can be used and the income may also be restricted towards a particular purpose.

Restricted funds [Note 12] are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.

Unrestricted funds are those funds available to the charity for its general purposes. They include funds designated [Note 13] by the trustees for particular purposes where their use remains at the discretion of the trustees. It is the policy of the trustees to retain in unrestricted funds an amount which, in their judgement, is sufficient to mitigate the short term effects of income volatility due to uncertainty in financial markets and the effects of economic downturn.

**Incoming resources**

Voluntary income includes donations and Gifts in Wills 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].

## **1. Accounting policies [continued]**

### **Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred, inclusive of VAT, which cannot be recovered

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 Musicians Benevolent Fund 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 activities comprise mainly of grants given to individuals and organisations. Activities directly undertaken represent the costs of the Care and Welfare team and the Awards and Partnerships team relating to grant giving and other direct services to our beneficiaries. 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 other professional advice including legal fees relating to certain smaller trusts, as well as an allocation of related support costs.

### **Tangible fixed assets and depreciation**

Fixed assets are stated at cost or donated valuation. Assets costing more than £1,500 are capitalised. Depreciation is calculated to write off the costs of the fixed asset by equal instalments as follows, all straight line.

Freehold property	over 50 years following acquisition
Motor vehicles	over 4 years from month brought into use
Fixtures and fittings	over 4 – 10 years from the month brought into use
Computer equipment	over 4 years from month brought into use

Property assets are revalued every 5 years with an interim review in the third year, in accordance with FRS 15.

### **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 is held in the Fund's Common Investment Fund. Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities.

## 1. Accounting policies [continued]

### Stocks

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

### Pension scheme

The Fund contributes to a group personal pension scheme, the assets of which are administered by Aegon Scottish Equitable. It is a defined contribution scheme. All contributed costs are accounted for on the basis of charging the cost of providing pensions over the period when the Charity benefits from the employees' services. The charity has no further liability under the scheme.

### VAT

In common with many other charities, the Musicians Benevolent Fund [charity] is not registered for VAT and the charity's expenses are inflated by some VAT, which cannot be recovered. The charity's subsidiary MBF Trading is registered for VAT.

## 2(a). Analysis of group total resources expended

	Direct Staff Costs £'000	Direct Other Costs £'000	Grant Funding £'000	Support Costs £'000	2011 Total £'000	2010 Total £'000
<b>Cost of generating funds</b>						
Trading expenses	-	52	-	-	52	50
Fundraising and publicity	100	119	-	115	334	465
Investment/property Management	-	5	-	54	59	124
	<u>100</u>	<u>176</u>	<u>-</u>	<u>169</u>	<u>445</u>	<u>639</u>
<b>Charitable activities</b>						
Grants to individuals:						
– Care and Welfare	215	33	1,062	461	1,771	1,877
– Awards	87	27	171	183	468	784
Grants to organisations:						
– Awards	29	4	112	59	204	271
– Medical care	-	-	188	-	188	208
– Associated Trusts	-	-	-	29	29	16
	<u>331</u>	<u>64</u>	<u>1,533</u>	<u>732</u>	<u>2,660</u>	<u>3,156</u>
<b>Governance costs</b>	-	24	-	81	105	114
	<u>431</u>	<u>264</u>	<u>1,533</u>	<u>982</u>	<u>3,210</u>	<u>3,909</u>

Included within Support cost is the total staff cost of £456,283 (2010: £645,342)

**2(a). Analysis of group total resources expended [continued]**

**Grants awarded to organisations were:**

	£
Association of British Orchestras	3,000
Awards for Young Musicians	10,000
British Association of Performing Arts Medicine	188,547
Benslow Music Trust	7,000
Clonter Opera	5,000
Halle Orchestra	22,000
London Philharmonic Orchestra	6,500
London Symphony Orchestra	12,000
Manchester Midday Concerts Society	5,000
National Opera Studio	10,000
National Youth Brass Band of Great Britain	210
National Youth Orchestra of Great Britain	11,780
National Youth Wind Orchestra	720
Park Lane Group	10,000
Serious	5,000
Southbank Sinfonia	7,000
Welsh National Opera	10,000
West Cork Chamber Music Festival	3,000
Young Classical Artists Trust	7,000
Prior Year Write Back	(23,580)
<b>Total</b>	<b>300,177</b>

**2(b). Analysis of group support costs**

	Management costs £'000	Finance £'000	Resources/ Publicity £'000	Premises/ Admin £'000	2011 Total £'000	2010 Total £'000
<b>Cost of generating funds</b>						
Trading expenses	-	-	-	-	-	9
Fundraising and publicity	14	43	9	49	115	296
Investment/property management	30	24	-	-	54	111
	<u>44</u>	<u>67</u>	<u>9</u>	<u>49</u>	<u>169</u>	<u>416</u>
<b>Charitable activities</b>						
Grants to individuals						
Care and Welfare	39	85	176	161	461	381
Awards	17	33	9	124	183	284
Grants to organisations						
Awards	4	11	3	41	59	94
Medical care	-	-	-	-	-	-
Associated trusts	-	7	5	17	29	16
	<u>60</u>	<u>136</u>	<u>193</u>	<u>343</u>	<u>732</u>	<u>775</u>
<b>Governance costs</b>	12	28	37	4	81	85
	<u>116</u>	<u>231</u>	<u>239</u>	<u>396</u>	<u>982</u>	<u>1,276</u>



**3. Staff costs**

	<b>Group &amp; Charity 2011 £'000</b>	<b>Group &amp; Charity 2010 £'000</b>
Salaries and wages	700	940
National Insurance	78	110
Pension scheme	67	153
Private Medical Insurance	3	11
Related expenses	20	17
Agency staff	19	32
Self-employed fees	-	20
	<u>887</u>	<u>1,283</u>

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

	<b>2011 Number</b>	<b>2010 Number</b>
£70,001 - £80,000	<u>1</u>	<u>1</u>

The employee earning more than £70,000 participated in the defined contribution pension scheme

Contribution of £7,426 [2010: £12,257] was made during the year for the employee by the Fund

The average number of full time employees analysed by function was

	<b>Number</b>	<b>Number</b>
Care and Welfare	6	12
Awards and Partnerships	3	4
Communications and Fundraising	5	4
Secretariat and Resources	3	5
Finance	4	5
	<u>21</u>	<u>30</u>
<b>Total</b>	<u>21</u>	<u>30</u>

**4. Net incoming resources for the year after charging:**

	<b>2011 £'000</b>	<b>2010 £'000</b>
Auditors' remuneration – Audit (Main Fund only)	17	17
- Other Funds	5	6
Depreciation – own assets	223	229
Pension costs	<u>67</u>	<u>153</u>

## 5. Executive committee's emoluments and reimbursed expenses

None of the members of the Executive Committee received remuneration during the year [2010 £Nil]

During 2011 expenses totalling £183 [2010 £314] were reimbursed to one member of the Executive Committee [2010 two].

<b>6. Tangible fixed assets (Group and Charity)</b>	<b>Freehold Land and Buildings £'000</b>	<b>Fixtures &amp; Fittings £'000</b>	<b>Computer Equipment £'000</b>	<b>Motor Vehicles £'000</b>	<b>Total £'000</b>
<b>Group Cost</b>					
Balance at 31 December 2010	3,316	581	305	62	4,264
Additions		22	3	-	25
Refund <sup>1</sup> /Disposals	(30)	-	-	(62)	(92)
Revaluation	(861)	-	-	-	(861)
Balance at 31 December 2011	2,425	603	308	-	3,336
<b>Accumulated depreciation</b>					
Balance at 31 December 2010	137	167	152	62	518
Charge for year	65	86	72	-	223
Disposals	-	-	-	(62)	(62)
Depreciation eliminated on revaluation	(202)	-	-	-	(202)
Balance at 31 December 2011	-	253	224	-	477
<b>Net Book Value</b>					
At 31 December 2011	2,425	350	84	-	2,859
At 31 December 2010	3,179	414	153	-	3,746

<sup>1)</sup> During the year £29,644 was refunded relating to VAT on the purchase of Britannia Street in 2008 [2010 115,630] The remaining company cars were sold in the year resulting in a net gain of £7,888

Freehold land and building that represents the Fund's offices was revalued as at 31 December 2011 by Cuttens Chartered Surveyors, on an existing use basis in accordance with the guidelines issued by the Royal Institute of Chartered Surveyors [RICS] The historic cost of this asset at the beginning of the year was £3.3 million and the net book value after depreciation was £3.2 million

## 7. Fixed asset investments

	Group		Charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Market value at 1 January	41,765	38,312	35,673	31,999
Proceeds on disposals	(65)	(3,439)	-	(3,200)
Acquisitions at cost/transfers	1,945	3,265	2,656	3,920
Net (losses)/gains on revaluation	(2,699)	3,627	(2,267)	2,954
<b>Market Value at 31 December</b>	<b>40,946</b>	<b>41,765</b>	<b>36,062</b>	<b>35,673</b>
Historical cost as at 31 December	28,747	27,680	24,364	23,130

The market value represents fixed asset investments of the following categories :

	Group		Charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
UK investment properties	2,100	1,800	2,100	1,800
UK Common Investment Fund	38,841	36,962	33,932	33,843
UK investments in trading subsidiaries	-	-	25	25
Other UK listed investments	-	2,998	-	-
UK unlisted investments	5	5	5	5
	<b>40,946</b>	<b>41,765</b>	<b>36,062</b>	<b>35,673</b>
<b>Income arising from the above categories:</b>				
UK investment properties	38	12	38	12
UK Common Investment Fund	1,148	999	1,041	886
Other UK listed investments	43	57	-	-
UK unlisted investments	-	1	-	1
	<b>1,229</b>	<b>1,069</b>	<b>1,079</b>	<b>899</b>

The investment properties were revalued, one by Cluttons and the other two by Knight Freeman Chartered Surveyors on the basis of a full vacant possession in accordance with the RICS guidelines as these properties are currently occupied by protected life tenants. One of the properties remained at the same value of £100,000 while the other increased in value by £300,000 to £2 million. The third property is currently excluded from the Fund's accounts as it is part of the Ivor Newton Will Trust, which is a separate entity.

### Investments in trading subsidiaries

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

Income from the trading subsidiary is received by way of Gift Aid. Please refer to note 15 below for further details.

8. Debtors	Group		Charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
<b>Balances due within one year :</b>				
Loans (Note 9)	43	60	43	60
Prepayments	23	68	23	68
Current accounts with associated trusts	-	-	-	5
Current accounts with trading subsidiaries	-	-	60	73
Other debtors	150	145	141	126
Accrued legacies	2,127	1,298	2,127	1,298
	<u>2,343</u>	<u>1,571</u>	<u>2,394</u>	<u>1,630</u>
<b>Balances due in more than one year :</b>				
Loans (Note 9)	460	487	460	487
	<u>2,803</u>	<u>2,058</u>	<u>2,854</u>	<u>2,117</u>

9. Loans	Group & Charity	
	2011 £'000	2010 £'000
To beneficiaries		
Secured loans	460	487
Loan Fund for Musical Instruments	35	52
To staff		
Unsecured season ticket loans	8	8
	<u>503</u>	<u>547</u>

Outstanding secured loans to beneficiaries that were given prior to 2006 have either been lent at a fixed preferential rate of 5% pa or interest free dependent upon the individual circumstances. More recently, the Fund adopted a policy on new secured loans of charging variable rates, linked to the Bank of England Base Rate, with the provision to waive all or part of the interest charge depending on individual circumstances.

10. Creditors : amounts falling due within one year	Group		Charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Trade creditors	-	42	-	41
Accruals and deferred income	47	52	47	41
PAYE and National Insurance	25	33	25	33
Current accounts with associated trusts	-	-	227	-
Grants payable, within one year	95	254	78	233
Other creditors	54	94	40	88
	<u>221</u>	<u>475</u>	<u>417</u>	<u>436</u>
<b>Balances due in more than one year:</b>				
Grants payable	-	38	-	38
	<u>221</u>	<u>513</u>	<u>417</u>	<u>474</u>

**Analysis of Grants Payable:**

	Grants to individuals		Grants to organisations		Group Total £'000
	Benevolent Work £'000	Awards £'000	Awards £'000	Medical £'000	
Commitments as at 1 January 2011	-	110	182	-	292
Plus Grants awarded in the year	1,062	171	112	188	1,533
Less Payments made in the year	<u>(1,062)</u>	<u>(235)</u>	<u>(245)</u>	<u>(188)</u>	<u>(1,730)</u>
Commitments as at 31 December 2011	<u>-</u>	<u>46</u>	<u>49</u>	<u>-</u>	<u>95</u>

**Grant Commitments:**

Amounts falling due within one year	95
Amounts falling due in more than one year	-
	<u>95</u>

<b>11. Endowments</b>	<b>Balance 31 December 2010 £'000</b>	<b>Incoming Resources £'000</b>	<b>Expenditure &amp; Transfers £'000</b>	<b>Gains/ (Losses) £'000</b>	<b>Balance 31 December 2011 £'000</b>
<b>Permanent endowments</b>					
Percy Haywood Fund	82	3	(3)	(6)	76
St Cecilia's Holiday Fund	46	1	(1)	(4)	42
<b>Charity totals</b>	<b>128</b>	<b>4</b>	<b>(4)</b>	<b>(10)</b>	<b>118</b>
British Musicians Sick & Pension Charity	212	6	(6)	(16)	196
Stanley Rogers Will Trust	209	6	(6)	(16)	193
The Courtauld Trust for the Advancement of Music	58	2	(2)	(4)	54
Miriam Licette Scholarship Fund	243	7	(5)	(17)	228
<b>Group totals</b>	<b>850</b>	<b>25</b>	<b>(23)</b>	<b>(63)</b>	<b>789</b>

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 13 July 1992 whereby the Fund "shall apply the clear income (of the fund) in providing holidays for those persons who are qualified as beneficiaries of the Musicians Benevolent Fund "

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

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

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 this fund is used to support the Awards and Partnerships work of the 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 Scholarship is used to provide grants to female singers to further their study of, particularly, French repertoire

## 12. Restricted funds

	Balance 31 Dec 2010 £'000	Income & New Funds £'000	Expenditure & Transfers £'000	Gains/ (Losses) £'000	Balance 31 Dec 2011 £'000
Ivor Newton Bequest	896	28	-	(71)	853
Alan Fluck Memorial Fund	-	7	221	(18)	210
Jacqueline du Pré Special Fund	-	45	1,452	(114)	1,383
<b>Charity totals</b>	<b>896</b>	<b>80</b>	<b>1,673</b>	<b>(203)</b>	<b>2,446</b>
Music Trades Charitable Fund	55	2	(60)	3	-
Myra Hess Trust	533	15	(510)	(38)	-
Geoffrey Shaw Memorial Fund	174	5	-	(12)	167
Sir Henry Richardson Award	298	8	(286)	(20)	-
Henry and Lily Davis Fund	503	15	-	(37)	481
Willis and Grace Grant Trust	1,075	30	(15)	(74)	1,016
Sybil Tutton Charitable Trust	2,977	55	(48)	(201)	2,783
Manoug Parikian Award	6	25	(31)	-	-
<b>Group totals</b>	<b>6,517</b>	<b>235</b>	<b>723</b>	<b>(582)</b>	<b>6,893</b>

The income from Ivor Newton Bequest investments is used to fund the Ivor Newton concert series. A 3-year grant commitment was awarded in 2010 to cover expenditure until 2012.

The Alan Fluck Memorial Fund is used towards the costs of the creation of new musical works for young people to perform or listen to. We have been advised that this Fund should be categorised as restricted, hence the transfer from designated funds.

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. We have been advised that this Fund should be categorised as restricted, hence the transfer from designated funds.

The capital and income of the Music Trades Charitable Fund were used to make grants to the remaining beneficiaries of MTBS. To reduce administrative burden, the Trustees have taken the decision to spend down this Fund.

The object of the Myra Hess Trust 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 pianists at the beginning of their professional careers for fees and maintenance at music colleges. To reduce administrative burden, the Trustees have taken the decision to spend down this Fund.

The objects of the Geoffrey Shaw Memorial Fund 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.'

## 12. Restricted Funds [continued]

The Sir Henry Richardson Award was established to fund the further training of accompanists and répétiteurs. To reduce administrative burden, the Trustees have taken the decision to spend down this Fund

The Henry and Lily Davis Fund was established with broad music educational objects. Current policy is to fund advanced training for young opera singers on the brink of the profession.

The Willis and Grace Grant Trust was established to support professional musicians over the age of 30. Current policy is to award Professional Development grants to individuals.

The Sybil Tutton Charitable Trust provides financial assistance for young opera singers principally through awards. The Musicians Benevolent Fund became the sole trustee in May 2009.

The Manoug Parikian Award was established to make an annual award in his memory for a violinist. To reduce administrative burden, the Trustees have taken the decision to spend down this Fund.

## 13. 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. Following a review of the Musicians Benevolent Fund's management of a number of smaller trusts and funds, trustees have decided to un-designate some of these funds so they can be used as part of the general fund to deliver services that meet the needs of beneficiaries and to reduce unnecessary administrative burden.

	Balance 31 December 2010 £'000	Income and new designations £'000	Expenditure & Transfers £'000	Gains/ (Losses) £'000	Balance 31 December 2011 £'000
Fixed Asset Fund	3,746	25	(51)	(861)	2,859
Emily English Memorial Fund	665	20	(635)	(50)	-
Anthony Bernard Fund	455	13	(434)	(34)	-
R E Maidment	195	6	(185)	(16)	-
Alan Fluck Memorial Fund	228	-	(228)	-	-
Jacqueline du Pré Special Fund	1,527	-	(1,527)	-	-
	<u>6,816</u>	<u>64</u>	<u>(3,060)</u>	<u>(961)</u>	<u>2,859</u>

The Fixed Asset Fund represents the net book value of the charity's assets at 31 December 2011.



### 13. Designated funds [continued]

The Emily English Memorial Fund was established under a bequest and is used in part to make an annual scholarship to a promising young violinist. A decision has been taken by Trustees to un-designate this fund.

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. A decision has been taken by Trustees to un-designate this fund.

The R E 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 annual awards to exceptional students of singing. A decision has been taken by Trustees to un-designate this fund.

The Alan Fluck Memorial Fund is used towards the costs of the creation of new musical works for young people to perform or listen to. We have been advised that this Fund should be categorised as restricted, hence the transfer from designated funds.

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. We have been advised that this Fund should be categorised as restricted, hence the transfer from designated funds.

### 14. 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 31 December 2011 are represented by :					
Tangible fixed assets	2,859	-	-	-	2,859
Investments	33,412	6,758	776	-	40,946
Current assets	4,162	195	13	(12)	4,358
Current liabilities	(173)	(60)	-	12	(221)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	40,260	6,893	789	-	47,942
Creditors due after one year	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

#### 14. Analysis of group net assets between funds (continued)

Analysis by fund	Tangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Total Liabilities £'000	Net Assets £'000
<b>Unrestricted funds</b>					
Musicians Benevolent Fund	-	33,412	4,125	(161)	37,376
MBF Trading	-	-	37	(12)	25
<b>Designated funds</b>					
Fixed Asset Fund	2,859	-	-	-	2,859
	<u>2,859</u>	<u>33,412</u>	<u>4,162</u>	<u>(173)</u>	<u>40,260</u>
<b>Restricted funds</b>					
Ivor Newton Bequest	-	879	-	(26)	853
Alan Fluck Memorial Fund	-	224	-	(14)	210
Jacqueline Du Pré Special Fund	-	1,403	-	(20)	1,383
Geoffrey Shaw Memorial Fund	-	145	22	-	167
Henry & Lily Davis Fund	-	450	31	-	481
Willis and Grace Grant Trust	-	915	101	-	1,016
Sybil Tutton Charitable Trust	-	2,742	41	-	2,783
	<u>-</u>	<u>6,758</u>	<u>195</u>	<u>(60)</u>	<u>6,893</u>
<b>Endowment funds</b>					
Percy Hayward Fund	-	76	-	-	76
St Cecilia's Holiday Fund	-	42	-	-	42
British Musicians Sick and Pension Charity	-	196	-	-	196
Stanley Rogers Will Trust	-	193	-	-	193
The Courtauld Trust for the Advancement of Music	-	54	1	-	55
The Miriam Licette Scholarship Fund	-	215	12	-	227
	<u>-</u>	<u>776</u>	<u>13</u>	<u>-</u>	<u>789</u>
Inter-fund accounts	-	-	(12)	12	-
<b>Totals</b>	<u>2,859</u>	<u>40,946</u>	<u>4,358</u>	<u>(221)</u>	<u>47,942</u>

## 15. Net income from trading activities of the subsidiary

The Musicians Benevolent Fund owns 100% of the share capital amounting to 25,000 of ordinary shares of £1 each MBF Trading Limited (company registered no 3053538) is engaged in activities to support the charity The subsidiary donates its taxable profits to the charity each year and its trading results for the year as extracted from its audited financial statements are summarised below

	2011 £'000	2010 £'000
Turnover	76,818	79,810
Operating costs	(52,356)	(49,287)
Interest receivable	9	22
Gift aid donation	(24,471)	(30,545)
	<u>          </u>	<u>          </u>
	-	-
	<u>          </u>	<u>          </u>

## 16. Related parties

The Fund 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, Hugh Cobbe

The Fund provides office accommodation and services, at the Fund's headquarters to these two musical charities Additionally accommodation was provided for the Loan Fund for Musical Instruments until June 2011 The value of these benefits to all three charities is £29,188

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

- The Courtauld Trust for the Advancement of Music [207604]
- Henry & Lily Davis Fund [228089/0005]
- Myra Hess Trust [248778]
- Miriam Licette Scholarship Fund [1050949]
- Manoug Parikian Award [228089/0004]
- Sir Henry Richardson Award [1037471]
- Geoffrey Shaw Memorial Fund [228089/0002]
- Music Trades Charitable Fund [1088850]
- Willis and Grace Grant Trust [1081258]
- Scottish Musicians Benevolent Fund [SCO12597]
- Sybil Tutton Charitable Trust [298774]

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 Fund

## 17. Pension scheme

The Musicians Benevolent Fund operates a defined contribution scheme for all qualifying employees The assets of the funds are held separate in funds administered by independent pension providers. The total cost of pensions incurred by the Fund was £67k (2010: £153k) Included in other creditors is £16.4k (2010: £12.6k) in respect of the pension scheme

**Musicians Benevolent Fund**  
**Year Ended 31 December 2011**

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**Patron** HM The Queen  
**President** Sir Peter Maxwell Davies CBE

**Council**

The Council meets annually and there are currently 22 members. Membership in an honorary capacity is awarded to senior advisers and supporters.

**Members**

There are currently 91 Members of the Charity. Under the rules they are entitled to vote, attend the AGM, elect Trustees, etc. The membership consists of current and previous Council members, trustees, committee members and supporters who have given the Charity exceptional service, drawn predominantly from the world of music.

**The following persons served as trustees during 2011**

The Hon. Richard Lyttelton	Chairman
William Parker	Honorary Treasurer and Chairman of Finance Committee
John Axon	
Martin Campbell-White	
Rev. Ronald Corp OBE	Chairman of Giving Committee
Audrey Hills	Deputy Chairman of Giving Committee
Caragh Merrick	Chairman of Audit Committee
Kathryn Langridge	
David Lester	
Dr Jane Manning OBE	
Martin Neary LVO	
Thomas Sharpe QC	

**Sub-committees of the Board of Trustees at 31.12.2011**

**Finance**

William Parker [Chairman], John Axon, Rev. Ronald Corp OBE, Audrey Hills, Thomas Sharpe QC, Caragh Merrick [Trustee members]

**Audit Committee**

Caragh Merrick [Chairman], David Lester, William Parker [Trustee members]

David Chenery [Co-opted member]

**Giving Committee**

Rev. Ronald Corp OBE [Chairman], Audrey Hills [Deputy Chairman], David Lester [Trustee member]

Alistair Beattie, Adrian Bradbury, Jonathan Ouvry, David Juritz, Simon Lepper, Lucy Parham, Frank Renton [Co-opted members]

**Senior Management Team**

David Sulkin	Chief Executive and Secretary to the Fund
Susan Dolton	Director of Giving
Martin Ensom	Director of Operations and Company Secretary

**Professional advisors**

**Investment Managers**

Barclays Wealth, 1 Churchill Place, London E14 5HP [until 30 09 11]

UBS AG, 1 Curzon Street, London W1J 5UB

Rathbone Brothers Plc, 159 New Bond Street, London W15 2UD

**Auditors**

Haysmacintyre Chartered Accountants, Fairfax House, 15 Fulwood Place, London WC1V 6AY

**Solicitors**

IBB Solicitors, Capital Court, 30 Windsor Street, Uxbridge UB8 1AB

**Bankers**

HSBC Bank plc, 117 Great Portland Street, London W1W 6QJ

**Hon. Medical Advisor** Dr T G Hudson MB BCH