

Musicians Benevolent Fund

(Help Musicians UK)

Chairman: The Hon Richard Lyttelton
Executive Director: David Sulkin OBE

Annual Report and Financial Statements for the year ended 31 December 2013

Help Musicians UK is the working name of
the Musicians Benevolent Fund, a registered charity [228089],
a registered company [England 00252783] limited by guarantee
and a Trust Corporation.
The registered office is at 7 – 11 Britannia Street London WC1X 9JS
helpmusicians.org.uk

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COMPANIES HOUSE

Musicians Benevolent Fund
Year ended 31 December 2013

Content

| | |
|--|-------|
| Chairman's message | 1 |
| Objects of the charity | 2 |
| Structure, governance and management | 2 |
| Public benefit | 2-3 |
| Achievements during 2013 | 3-6 |
| Annual accounts - financial review | 6-8 |
| Statement of trustees' responsibilities | 8-9 |
| Report of the independent auditors | 10-11 |
| Consolidated statement of financial activities | 12-13 |
| Consolidated balance sheet | 14 |
| Consolidated cash flow statement | 15 |
| Notes to the financial statements | 16-29 |
| Officers of the charity | 30 |

Chairman's message

In March 2013, after careful consideration and much work by our senior management team, trustees approved a new strategic plan up to the end of 2017. *Time to evolve* uses research undertaken in 2012 to frame and shape the future of our charity. In *Time to evolve* one of our two key goals is to be known to all 70,000 professional musicians in the UK. Not all musicians will need our help, but like the AA and RAC, we are here for musicians if and when they need us. The big difference is that, unlike the roadside recovery agencies, musicians don't need to subscribe to benefit from our services. All that is required is a long-term commitment to a wonderful, yet demanding profession. The second of our goals is to refine our services so that we provide the most appropriate help where and when it is most needed.

One of the primary findings of the 2012 research was that the words 'benevolent' and 'fund' have come to have slightly negative connotations. As language evolves, the former appears to have become a little patronising and the latter is a passive word which contradicts the active and vital support we aspire to provide. Our research told us that many musicians believe that benevolence applies only to infirm and elderly people. One well-known singer told us '*I think that you are one of the profession's best kept secrets*' while a cellist said '*I know your name, but not what you do*'. Another musician said '*Fund sounds like a building society*'.

A consultation group was set up comprising trustees, staff and outside advisors. Everyone wanted a name that represented a sea-change, enabling us to reach musicians working in all genres of music and that helped us appear open and accessible. We quickly decided that 'help' should feature in the new name since that is at the core of what we do.

In creating Help Musicians UK we believe that we will more easily achieve our ambitions as an up-to-date, pro-active, outward-facing, fundraising charity making the case for people whose artistry and vocation quite often overrides choices concerning more practical life planning. We have not abandoned our core principles or indeed our old name. Whilst Help Musicians UK is our new working name our charity number and old name are maintained to link us with the kind of help that we provided musicians in the past. Providing friendship and comradeship continue to be vital elements of what we do, as well as offering help at times of crisis and financial support when it is urgently needed. We are also developing new services in the areas of health and well-being. In this context I am especially pleased that we are taking part in an extensive, four-year Arts and Humanities Research Council funded programme being led by Conservatoires UK which is called *Musical Impact*. This will help us as we plan new services.

Sadly, this is my last report. After six years as chairman of the Musicians Benevolent Fund, I am handing over the reins of Help Musicians UK in April 2014 to Graham Sheffield CBE, Director of Arts at the British Council. I am thrilled that Graham has agreed to lead Help Musicians UK and I am sure that he will make an outstanding contribution to the work of the charity.

For me it has been a rare privilege to be able to serve musicians who add so much to our cultural life and who often don't get the recognition they deserve. In this I would like recognise the efforts of David Sulkin and our talented and hard-working staff; a more professional, sensitive and committed group of people would be hard to find. I would like also to thank my colleagues on the board, whose help, advice, support and indeed friendship has made my tenure here so enjoyable and rewarding.

In 1921 the original trustees had ambitions far beyond that of a conventional benevolent fund and now, after nearly 100 years, I feel that those ambitions are closer to being realised and will continue to be so under the guidance of Graham and with the commitment of our many friends and supporters.



The Hon Richard Lyttelton
Chairman

Report of the Board of Trustees

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 Association¹ 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 Help Musicians UK effectively. Structure, governance and management of the charity.

Help Musicians UK comprises:

- **Members.** There are 86 'shareholders' liable for £1.00
- **Board of Trustees.** Trustees are elected from the membership. The board defines the charity's strategic direction and policies. Trustees ensure that the activities of the charity are in accordance with its Articles and Memorandum of Association². They are also aware of the need to be responsive to changing work trends and circumstances of working musicians
- **Sub-committees.** There are two sub-committees:
 - Giving
 - Finance & Audit

The Committees receive and debate policy recommendations from the senior management team. Both committees include co-opted members who advise on and support their work. There is also a trustees' nominations group which monitors and plans trustee succession supported by the senior management team. In 2014 the Nominations Group will become a full sub-committee

- **Advisory Council.** The council is chaired by the President of Help Musicians UK, Sir Peter Maxwell Davies CH CBE and comprises distinguished members of the music profession who are asked to advise and comment on broad policy issues

Help Musicians UK is led by Executive Director, David Sulkin OBE, supported by Susan Dolton, Director of Giving and Martin Ensom, Director of Resources & Finance.

Public benefit

Trustees have given due regard to the provisions of section 17 of the Charities Act 2011. 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 on musicians. While the creative satisfaction of being a musician or working in the music profession can be rewarding, this potent mix of vocational commitment and, often, low pay and rewards, coupled with vulnerability when things go wrong, is the reason Help Musicians UK exists.

The charity supports musicians with a mix of advice, guidance and financial support. We are committed to the health and well-being of musicians and support performers from all backgrounds and genres. In line with our charitable objects and the intentions of those who created the charity in 1921, we support musicians of all ages throughout their careers. This support falls into three categories:

1. Musicians at the point of entering the profession
2. Musicians in their working lives who hit a serious crisis, illness or accident
3. Musicians in retirement and in later life

¹ The 'Association' is Help Musicians UK

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. For example, sound-engineers and music librarians. As well as our programmes of help for musicians, we also work with and invest in partner organisations related to the well-being and professional development of musicians.

Time to evolve. 2013 – 2017. Two goals six objectives

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| Goal 1. Broaden our ability to support musicians through increased visibility of Help Musicians UK |
| Three headline objectives |
| 1. We'll tell as many of the 70,000 UK musicians as possible about why the charity exists and how we help |
| 2. Build and sustain relationships with organisations and individuals who are significant players in the UK music industry |
| 3. Reach out to the millions of music consumers who value music with the aim of developing awareness of musicians and their working lives to attract more donations and gifts in wills |

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|--|
| Goal 2. Provide relevant, high quality, interventions to support musicians throughout their careers |
| Three headline objectives |
| 1. Underpin and expand our existing services |
| 2. Further develop a programme of health and well-being in partnership with others |
| 3. Further develop a programme of advice and guidance in partnership with others |

Copies of *Time to evolve* are available by writing to resources@helpmusicians.org.uk

Achievements during 2013

Help & Advice

In 2013 we continued to experience increased demand for help from musicians. We had 229 new applications from musicians needing our help for the first time, a 20% increase on 2012 and a 36% increase on 2011. 78% of these were of working age (under 65) and 48% were under 50.

Overwhelmingly, applications came from musicians suffering illness or injury affecting their ability to perform and earn, with muscular skeletal problems being the single biggest medical problem. We continue to see a diversification in the genres of musicians we help. Classical musicians remain the biggest group (37%) with pop, jazz and folk being the next biggest.

Most of these new applications were from musicians facing a short term crisis and most of them were able to get back to work with only 10% requiring long-term support.

In addition to these new cases we continued to provide ongoing support, including visits and/or financial help to 670 older musicians, those living with disability or serious long-term illness.

During the year we gave financial help to 908 musicians in total. Overall financial support to musicians through our grant programme in 2013 totalled £1.4 million.

During the year we fully implemented our new Help & Advice policy summarised in the 2012 report, which has enabled us to increase the consistency and transparency of our grant-giving activity. The policy was put into effect for new cases with effect from 1 January 2013. For 350 of those receiving regular financial assistance, nearly all older and retired musicians, we undertook case reviews which involved visiting everyone, assessing their needs and ensuring that the switch to the new arrangements did not disadvantage anyone. All 350 musicians have now moved to the new system, meaning that, instead of a range of different grants for specific purposes, many of which involved sending bills or receipts for us to process, they will receive a simple quarterly payment which they may use to best suit their needs.

Visiting musicians has been a priority throughout the year. 482 musicians who received financial help from us were visited by professional visitors, nearly double the number visited in 2012. Many musicians who receive visits comment that it is one of the most important and reassuring elements of the services we provide.

We have continued to develop our volunteer visiting programme for older musicians who do not receive regular financial help. Thanks to recruitment during the year, 72 people have been matched with a volunteer Musicians Supporter and 87 visits took place in 2013. A further 35 older people, who do not currently have a volunteer living near them, have received a telephone call to check on their situation and their overall well-being.

We have continued to develop our advice services so that we can provide more comprehensive help both to those we help financially and to musicians who do not need financial support but need other types of help. We have trained staff to develop their expertise in a range of areas and prepared advice and information for our web-pages. The two most significant areas in which musicians sought our advice were welfare benefits and debt.

We continue to develop partnerships with organisations such as Age UK and the Debt Advice Network so that we can direct musicians towards specialist or alternative kinds of help. In 2013 we clarified and developed our relationship with the British Association of Performing Arts Medicine [BAPAM] which has given us a platform on which to build our work to promote the health and well-being of musicians in the coming year.

Talent Programme

Every year, we give grants, provide opportunities and offer advice and endorsement to outstandingly talented musicians in the final stages of training and the first few years of working professionally who, because of a lack of financial resources, need a helping hand.

We have a long track-record of identifying and nurturing exceptional talent, made possible by the many eminent musicians and experienced experts who help us select those with the greatest potential. A review of how we have helped shows the commitment of the musicians we support to pursuing a professional career – 96% of our 2012-13 postgraduate cohort either entered the profession or were continuing with their studies. It also highlights the vast financial implications of that commitment, with a rising number (42% in 2013 against 37% in 2012) saying that they couldn't have completed their training without our help.

In 2013:

- We helped 106 instrumentalists and singers at the UK's major conservatoires and performing colleges with the steeply rising costs of postgraduate study and advanced training. Grants ranged from £1,000 to £5,000.
- We built on the success of our new funding scheme for emerging professional musicians, the Emerging Excellence Awards [launched in 2012], receiving 221 applications from a diverse range of young artists.
- In total 56 awards were offered to musicians and groups in the early stages of their professional careers through Emerging Excellence and other opportunities such as the Peter Whittingham Jazz Award. Including band and ensemble members, this funding supported the professional development of 117 musicians.
- We hosted a networking session and showcase at Proud Galleries in Camden featuring Emerging Excellence artists.
- We enabled more than 300 musicians to receive professional development and performance opportunities by funding 19 partnership projects with leading artistic organisations across the UK.
- More than 60 eminent musicians and music industry experts were involved in identifying the best young talent through audition and selection panels, collectively giving around 400 hours of their time.
- 117 music students with performance-related health problems received a free health assessment through our partnership with BAPAM and financial assistance of up to £500 towards treatment costs and rehabilitation.

2013 was a year of continued research and strategy development, looking ahead to rebranding as Help Musicians UK in January 2014. The charity's new look, coupled with an ambitious strategic plan, presents big opportunities for the work we do with young artists. From 2014, the Help Musicians UK Talent Programme will aim to position this work as contemporary and vibrant, with a focus on reaching out across the genres through partnership building and networks. Our projects will be informed by detailed ongoing research, evaluation, and consultation with musicians. The programme will have one driving aim: to identify the UK's most talented emerging musicians in financial need and improve their

chances of achieving successful, sustainable professional careers by providing timely investment and support.

The Talent Programme team made awards of £520,000 in 2013, reaching at least 523 emerging musicians.

In addition, 117 students were offered grants through the Music Student Health Scheme, with total expenditure on treatment of £34,810 during the year.

Together, Help & Advice and the Talent Programme teams offered grants totaling £2.13 million in 2013 (£1.85 million in 2012), which supported 2,101 musicians (2,083 in 2012).

Communications and Fundraising

In 2013, the Communications and Fundraising Team was split into two teams with the appointment of a Communications Manager in April and a Fundraising Manager in July. Both managers and teams continue to work closely together.

The main focus of the teams' work during the year was the project to rebrand which will help us reach more musicians and those who are passionate about music across the UK. A key element of the rebrand was the development of a new website and the creation of a photo and video library. These projects will enable us to communicate what we do more clearly and persuasively.

The website continued to be the main means of communication throughout 2013 and during the year we had 86,208 visitors to the site. Twitter and Facebook went from strength to strength with 1,459 Facebook fans and 7,975 Twitter followers by the end of the year. Following the launch of the new brand, visits to the new website and interaction on social media channels will be monitored and evaluated with a significant increase in activity expected.

In 2013 a number of events were held, some organised by us and others by our supporters. These help to fundraise, develop our relationships with donors and to increase awareness of our role.

- The Countess of Lichfield generously hosted an event at her home for members of the Love Music:Help Musicians circle and valued supporters. Together we celebrated the first year of the scheme. Music was provided by members of British Youth Opera who had previously received awards from Help Musicians UK. This intimate event was a successful way of engaging and thanking our special friends.
- In July we hosted an event at The Swiss Church in Covent Garden, London for donors and friends. Writer and broadcaster, Edward Seckerson interviewed soprano, Susan Bullock about her life and career. Susan also sang some of her favourite arias and songs accompanied by Christopher Glynn. Around 60 guests attended.
- In October we hosted a further event at The Swiss Church featuring an interview with the artist Jackie Morris who designs our exclusive and popular Christmas cards. Around 60 people attended the talk which also featured music from award winning folk musician, Maz O'Connor. Jackie Morris generously donated prints of her work which were auctioned at the event. Jackie's illustrated books were also on sale with a proportion of the income given to our work.
- We organised and held our annual Festival of Saint Cecilia on 20 November with more than 1,600 people attending the service at Westminster Abbey. The theme of the Festival was the celebration of the centenary of Benjamin Britten. The newly commissioned anthem *On a Drop of Dew*, supported by the RVW Trust and the Britten Pears Foundation was composed by Robin Holloway and performed by the combined choirs of St Paul's Cathedral, Westminster Abbey and Westminster Cathedral. Lessons and poetry in the Cathedral were read by Ian Bostridge, Dame Janet Baker and James Bowman. A wreath was laid by Dame Janet on the Britten memorial stone. She was assisted by four students from RCM, RAM, GSMD and Trinity-Laban. The address was given by Revd Lucy Winkett. 380 attended the Festival lunch at Banqueting House. Nicholas Hytner was the guest speaker at the lunch and saxophone quartet Syzygy performed. In all just over £9,000 was donated at the service.

Every year Help Musicians UK is the principal beneficiary of the bucket collections at the BBC Promenade Concerts at the Royal Albert Hall. Volunteers man the doors as the audiences leave all the main concerts of the season. In 2013 The Promenaders' Musical Charities donated £35,270 for

our work with young musicians, which is approximately 40% of the total collection. We value the outstanding generosity of the Promenaders very much.

The Communications strategy is focused on reaching out to musicians of all ages and genres through measurable promotional activity. The strategy is also focussed on those who are passionate about music and who are or may become our supporters. Building relationships with key partners in the music industry to help us to achieve our aims is also an important part of the strategy.

The Fundraising strategy focuses on maximising income from existing donors and potential donors while, at the same time, developing a new audience through the rebrand. Particular emphasis has been given to re-establishing a programme to encourage people to consider leaving us a legacy.

Strategy, budgets and projections were approved by the board in December 2013.

In 2013, donations totalled £592,000 [2012, £426,000]. In 2013, the charity benefited from 65 notifications of Gifts in Wills coming to £1.8 million [69 notifications of Gifts in Wills totaling £2.3 million in 2012].

Resources & Finance, IT and Governance

The Resources & Finance unit supports all Help Musicians UK's activities, helping the Giving Unit to meet its objectives. Significant additional activity in 2013 included:

- Implementation of Key Performance Indicators [KPIs]. 2013 was the first full year of using KPIs to track our outputs
- The complex sale of 8 St Georges Terrace, London NW1. A house left to Help Musicians UK in the 1990s which became available for disposal in 2013
- A regular review of administrative expenditure to ensure cost-effectiveness and appropriate economy in all transactions and contracts

Partnerships, collaborations and relationships

Partnerships are a vital way for Help Musicians UK to act as a collaborator and supporter of initiatives. In 2013 and beyond we aim to extend our partnerships and provide an even more rounded service to professional musicians. We are pleased to continue working with the PRS for Music Members' Benevolent Fund, the Royal Society of Musicians, Musicians' Union, Making Music, the Incorporated Society of Musicians and the benevolent funds of the UK orchestras and opera companies. In individual cases we often work closely with relevant local statutory and voluntary services, for example health and social care, Citizens Advice Bureaux and Age UK.

British Association of Performing Arts Medicine [BAPAM] – bapam.org.uk

Our most significant partnership is with BAPAM. We have supported BAPAM since the early 1990s. In 2013, our grant was £180,000. This was 61% of BAPAM's total income. BAPAM also receives financial help from the Musicians' Union.

BAPAM's mission is to achieve nationwide occupational health provision for performing artists. While it provides a service for musicians and singers who together comprise 80% of its clientele, it also looks after actors and dancers and to this end is additionally supported by Equity.

BAPAM runs free, confidential health-assessment clinics for full-time and part-time professional and student performing artists and makes referrals to the most appropriate medical, surgical and other therapeutic help available, mostly within the NHS. BAPAM maintains a directory of clinical specialists and practitioners in many branches of health care who have an interest in treating performing artists. It also offers training and development for healthcare practitioners.

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 charity, including all its restricted and endowed funds as well as the separate

trusts for which the charity is sole trustee and the subsidiary trading company, MBF Trading. 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 Help Musicians UK's own rules.

Review of the year

Total income for the year was £4.1 million [£4.3 million in 2012], of which £1.8 million [£2.3 million in 2012] was derived from Gifts in Wills. Investment income of £1.5 million is an increase on the previous year [£1.4 million]. Donations to the charity in the year of £592,000 are significantly more than that for 2012 [£426,000] while trading income, principally Christmas cards, also increased to £72,000 [£69,000 in 2012].

In 2013, we continued to undertake a programme that increased services and funding to the musicians we support. This resulted in charitable expenditure of £3.2 million [£2.9 million in 2012]. We monitor the changing needs of the music community and have noticed a continued increase in crisis applications in 2013 from working musicians. For many years we have had a significant dependency on Gifts in Wills which is an unpredictable income source. As noted above, we have already begun to strengthen our fundraising capacity to enable us to diversify our income streams.

Total expenditure incurred in 2013 totalled £4 million [£3.7 million in 2012] giving a surplus of £45,000 [£655,000 in 2012] before transfers and investment gains.

Investment assets, mainly marketable securities held in the Common Investment Fund (CIF), recorded a gain in 2013 of £10 million, compared to a gain the previous year of £2.2 million. Included in the capital gains is the unrealised gain of £3.4 million on the investment property³ that was sold in the first quarter of 2014. The return on investment increased by £100,000, and the CIF increased in capital value. The total resources of the group increased to £62.4 million [£52.3 million in 2012]. Details of the specific designated, restricted and endowed funds are contained in the notes to the accounts.

Investment policy and performance

A review of Help Musicians UK's Investment Policy, investment activity and our investment managers took place in 2013. Brewin Dolphin was appointed as one of our investment houses for the Common Investment Fund (CIF) with effect from 1 October 2013 to replace UBS while we retained the services of Rathbones. Both managers follow a similar remit with regard to the CIF and are measured against benchmarks and income targets for the year with 50% being allocated to each. There was a modest investment in the CIF with the addition of £725,000 in 2013, which includes £125,000 received from the sale of a flat at Ringsloe Court, Birchington-on-Sea that formed part of the Ivor Newton Bequest. The income from the sale of this property was reinvested in the Bequest.

In 2013, CIF achieved the required income target of £1.4 million with an average income yield of 2.9% for the combined investment portfolio and the overall performance of the portfolio in terms of total return was comparable to the benchmark. The performance of the investment portfolio is scrutinised by the Finance & Audit committee.

Reserves

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

As we approach our 100th year, trustees view reserves as a vital basis to support current and future commitments to existing musicians that we help, to cushion us from the effects of unpredictable Gifts in Wills income and to maintain the charity in a volatile external economic climate. They therefore aim to retain sufficient capital [in the form of long term investments, fixed assets and bank deposits] to ensure that our work can continue to meet the needs of both current and future musicians that we help.

³ 8 St. George's Terrace, London NW1 mentioned on page 6

Trustees acknowledge that, to meet the long term needs of our older musicians, the charity 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 also 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 £4 million at the end of 2013. 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 charity's reserves policy each year.

This strategy is maintained and regularly reviewed in the context of no government or other contracts that produce earned income.

Risk management

The preparation and management of the risk register is the responsibility of the Executive Director and his team. The responsibility for oversight of risk management lies with the Finance and Audit Committee.

The risk register uses a traffic light system of red, yellow and green risks. Red risks are reviewed in detail by the committee at each of its four annual meetings. The yellow and green risks are reviewed in detail at the July meeting. The register is split into a matrix for financial, operational and regulatory risks as well as risks to the reputation of Help Musicians UK. The Board of Trustees reviews the register in detail once a year.

Statement of trustees' responsibilities

Trustees, who are also directors of the Musicians Benevolent Fund [the legal name of Help Musicians UK] 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 ensuring that proper accounting records are kept and that they 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.

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 reasonable 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 84th Annual General Meeting, since incorporation in 1930, will be held on Tuesday 15 April 2014 at the Swiss Church, 79 Endell Street, London WC2H 9DY.

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

- Kathryn Langridge
- Revd Ronald Corp OBE

Graham Sheffield was appointed trustee in September 2013 and offers himself for election in accordance with the Articles of Association.

After six years' service our chairman, Richard Lyttelton is retiring at the AGM and after 25 years Jane Manning OBE is also retiring in accordance with the criteria set out in the Memorandum and Articles. David Lester retired in August 2013.

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

This report was approved by the Board of Trustees on 13 March 2014 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'R Lyttelton', written in a cursive style.

The Hon Richard Lyttelton
Chairman

**Musicians Benevolent Fund
Year Ended 31 December 2013**

Independent auditor's report to the members of the Fund

We have audited the financial statements of Help Musicians UK, the working name of the Musicians Benevolent Fund for the year ended 31 December 2013 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 2013 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.

Musicians Benevolent Fund
Year Ended 31 December 2013

Independent auditor's report to the members of the Fund (continued)

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
13 March 2014

26 Red Lion Square
London
WC1R 4AG

Musicians Benevolent Fund
Consolidated statement of financial activities

Year ended 31 December 2013

| | | Unrestricted Funds £'000 | Note 12 Restricted Funds £'000 | Note 11 Endowment Funds £'000 | Total 2013 £'000 | Total 2012 £'000 |
|---|-------------|--------------------------------|---|--|------------------------|------------------------|
| Incoming resources | Note | | | | | |
| Incoming resources from generating funds: | | | | | | |
| Voluntary income: | | | | | | |
| Gifts in wills | | 1,838 | - | - | 1,838 | 2,307 |
| Donations | | 550 | 42 | - | 592 | 426 |
| Activities for generating funds: | | | | | | |
| Trading income | | 72 | - | - | 72 | 69 |
| Events | | 30 | - | - | 30 | 25 |
| Lettings | | 44 | - | - | 44 | 44 |
| Investment income | | 1,221 | 292 | 27 | 1,540 | 1,440 |
| Incoming resources from charitable activities: | | | | | | |
| Fees, subscriptions and other sales | | 1 | - | - | 1 | 6 |
| Total incoming resources | | <u>3,756</u> | <u>334</u> | <u>27</u> | <u>4,117</u> | <u>4,317</u> |
| Resources expended | | | | | | |
| Cost of generating funds: | | | | | | |
| Trading expenses | | 51 | - | - | 51 | 52 |
| Fundraising and publicity | | 391 | - | - | 391 | 313 |
| Investment/property management costs | | 97 | - | - | 97 | 86 |
| Investment management fees | | 160 | 46 | 3 | 209 | 193 |
| | | <u>699</u> | <u>46</u> | <u>3</u> | <u>748</u> | <u>644</u> |
| Charitable activities | | 3,009 | 221 | 5 | 3,235 | 2,932 |
| Governance costs | | 89 | - | - | 89 | 86 |
| Total resources expended | 2 | <u>3,797</u> | <u>267</u> | <u>8</u> | <u>4,072</u> | <u>3,662</u> |
| Net incoming/(outgoing) resources before transfers | | (41) | 67 | 19 | 45 | 655 |
| Transfer from Ian Fleming Charitable Trust* | | - | - | - | - | 1,488 |
| Transfer between funds | | 20 | - | (20) | - | - |
| Net incoming/(outgoing) resources before other recognised gains and losses | | <u>(21)</u> | <u>67</u> | <u>(1)</u> | <u>45</u> | <u>2,143</u> |

*A transfer of investment assets, valued at £1,487,635 on 22 November 2012, was made from the Ian Fleming Charitable Trust for the sole purpose of generating income to be applied towards the advancement of musical education among young musicians.

Musicians Benevolent Fund
Consolidated statement of financial activities [continued]

Year ended 31 December 2013

| | Note | Unrestricted Funds £'000 | Note 12 Restricted Funds £'000 | Note 11 Endowment Funds £'000 | Total 2013 £'000 | Total 2012 £'000 |
|---|-------------|---|---|--|---------------------------------|---------------------------------|
| Net incoming/(outgoing) resources before other recognised gains and losses (brought forward) | | (21) | 67 | (1) | 45 | 2,143 |
| Other recognised gains and losses | | | | | | |
| Gains on investment assets | | 8,816 | 1,118 | 122 | 10,056 | 2,213 |
| Net movement in funds | | 8,795 | 1,185 | 121 | 10,101 | 4,356 |
| Fund balance brought forward at 1 Jan 2013 | | 42,974 | 8,494 | 830 | 52,298 | 47,942 |
| Total funds carried forward at 31 December 2013 | | <u>51,769</u> | <u>9,679</u> | <u>951</u> | <u>62,399</u> | <u>52,298</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 16-29 form part of these financial statements.

Musicians Benevolent Fund
Balance sheet

Company number: 00252783

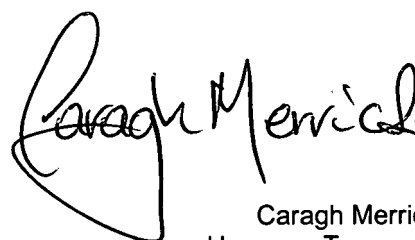
As at 31 December 2013

| | | Group | | Charity | |
|--|-------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Note | 2013 £'000 | 2012 £'000 | 2013 £'000 | 2012 £'000 |
| Fixed assets | | | | | |
| Tangible assets | 6 | 2,604 | 2,717 | 2,604 | 2,717 |
| Investments | 7 | 57,911 | 47,291 | 52,568 | 42,626 |
| | | <u>60,515</u> | <u>50,008</u> | <u>55,172</u> | <u>45,343</u> |
| Current assets | | | | | |
| Stocks | | - | 5 | - | - |
| Debtors: due within one year | 8 | 1,483 | 1,520 | 1,497 | 1,559 |
| Debtors: due after one year | 8 | 343 | 338 | 343 | 338 |
| Cash at bank and in hand | | 402 | 671 | 357 | 592 |
| | | <u>2,228</u> | <u>2,534</u> | <u>2,197</u> | <u>2,489</u> |
| Creditors: amounts falling due within one year | 10 | (322) | (222) | (489) | (294) |
| Net current assets | | <u>1,906</u> | <u>2,312</u> | <u>1,708</u> | <u>2,195</u> |
| Total assets less current liabilities | | <u>62,421</u> | <u>52,320</u> | <u>56,880</u> | <u>47,538</u> |
| Creditors: amounts falling due after more than one year | 10 | (22) | (22) | (22) | (22) |
| Net assets | | <u>62,399</u> | <u>52,298</u> | <u>56,858</u> | <u>47,516</u> |
| Capital funds | | | | | |
| Endowments | 11 | 951 | 830 | 142 | 124 |
| Income funds | | | | | |
| Restricted funds | 12 | 9,679 | 8,494 | 4,947 | 4,418 |
| Unrestricted funds: | | | | | |
| Designated funds | 13 | 2,604 | 2,717 | 2,604 | 2,717 |
| Other charitable funds | | 49,165 | 40,257 | 49,165 | 40,257 |
| | | <u>51,769</u> | <u>42,974</u> | <u>51,769</u> | <u>42,974</u> |
| Total unrestricted funds | | <u>51,769</u> | <u>42,974</u> | <u>51,769</u> | <u>42,974</u> |
| | | <u>62,399</u> | <u>52,298</u> | <u>56,858</u> | <u>47,516</u> |

The notes on pages 16-29 form part of these financial statements. The financial statements were approved and authorised for issue by the Board of Trustees on 13 March 2014 and were signed below on its behalf by:



The Hon Richard Lyttelton
Chairman



Caragh Merrick
Honorary Treasurer

Musicians Benevolent Fund
Consolidated cash flow statement

Year ended 31 December 2013

| | Note | 2013 £'000 | 2012 £'000 |
|--|------|---------------|---------------|
| Net cash inflow/(outflow) from operating activities | (i) | 293 | 3,181 |
| Capital expenditure | | | |
| Purchase of tangible fixed assets | | (11) | (64) |
| Purchase of investments | | (1,213) | (4,572) |
| Proceeds from investments | | 649 | 440 |
| Movement on loans | | 13 | 138 |
| Net cash outflow from capital expenditure | | (562) | (4,058) |
| (Decrease)/Increase in cash | (ii) | (269) | (877) |

| | | | |
|-----|--|-----------------------|-----------------------|
| (i) | Reconciliation of changes in resources to net cash inflow/(outflow) from operating activities | 2013 £'000 | 2012 £'000 |
| | Net incoming resources | 45 | 2,143 |
| | Depreciation | 124 | 206 |
| | Increase/(decrease) in creditors | 100 | 23 |
| | Decrease/(increase) in debtors | 19 | 807 |
| | Decrease/(increase) in stocks | 5 | 2 |
| | Net cash | 293 | 3,181 |

| | | | | |
|------|---|--|----------------------------|--|
| (ii) | Analysis of changes in net funds | At 1 January 2013 £'000 | Cashflows £'000 | At 31 December 2013 £'000 |
| | Short term deposits | 669 | (267) | 402 |
| | Cash at bank and in hand | 2 | (2) | 0 |
| | | 671 | (269) | 402 |

The notes on pages 16-29 form part of these financial statements

Musicians Benevolent Fund
Notes to the consolidated accounts

Year ended 31 December 2013

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 Help Musicians UK (working name of the Musicians Benevolent Fund) and its wholly owned trading subsidiary, MBF Trading Limited, together with trusts where the charity 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 Help Musicians UK.

Charity status

The charity is a company limited by guarantee. The members of the company include the trustees named on page 30. 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, amounts which in their judgement, can help to mitigate the short term effects of income volatility; provide for long term commitments to the musicians we help; and retain as long term investment funds to generate sufficient income to meet current and future operational activities of the charity. Further information is available in the reserves section of the trustees' report on pages 7-8.

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].

Musicians Benevolent Fund
Notes to the consolidated accounts (continued)

Year ended 31 December 2013

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 mugs and charity Christmas cards. Fundraising and publicity costs include a portion of advertising, direct costs of legacy administration and 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 Help & Advice team and the Talent Programme team relating to grant giving and other direct services to musicians. 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 |
| 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 re-valued 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 organisation'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.

Stocks

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

Musicians Benevolent Fund
Notes to the consolidated accounts (continued)

Year ended 31 December 2013

1. Accounting policies [continued]

Pension scheme

Help Musicians UK contributes to a group personal pension scheme, the assets of which are administered by Aviva. 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, Help Musicians UK 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 | 2013 Total £'000 | 2012 Total £'000 |
|---------------------------------|---|---|------------------------------------|------------------------------------|---------------------------------|---------------------------------|
| Cost of generating funds | | | | | | |
| Trading expenses | - | 51 | - | - | 51 | 52 |
| Fundraising and publicity | 115 | 185 | - | 91 | 391 | 313 |
| Investment/property cost | - | 48 | - | 49 | 97 | 86 |
| Investment management | - | 209 | - | - | 209 | 193 |
| | <u>115</u> | <u>493</u> | <u>-</u> | <u>140</u> | <u>748</u> | <u>644</u> |
| Charitable activities | | | | | | |
| Grants to individuals: | | | | | | |
| – Crisis/continuing care | 224 | 45 | 1,432 | 447 | 2,148 | 1,956 |
| – Future professionals | 82 | 25 | 346 | 173 | 626 | 528 |
| Grants to organisations: | | | | | | |
| – Other partnerships | 27 | 5 | 174 | 58 | 264 | 246 |
| – BAPAM | - | - | 180 | - | 180 | 180 |
| – Associated trusts | - | - | - | 17 | 17 | 22 |
| | <u>333</u> | <u>75</u> | <u>2,132</u> | <u>695</u> | <u>3,235</u> | <u>2,932</u> |
| Governance costs | - | 23 | - | 66 | 89 | 86 |
| | <u>448</u> | <u>591</u> | <u>2,132</u> | <u>901</u> | <u>4,072</u> | <u>3,662</u> |

Included within Support costs are staff cost of £464,774 (2012: £436,014).

Musicians Benevolent Fund
Notes to the consolidated accounts (continued)

Year ended 31 December 2013

| 2(a). Analysis of group total resources expended [continued] | £ |
|---|----------------|
| Grants to partners were: | |
| Aldeburgh Music | 13,400 |
| British Association of Performing Arts Medicine [BAPAM] | 180,000 |
| British Youth Opera | 10,000 |
| Chamber Studio | 5,000 |
| Clonter Opera | 5,000 |
| English Folk Dance and Song Society | 5,500 |
| Halle Orchestra | 20,000 |
| Live Music Now | 25,000 |
| London Philharmonic Orchestra | 7,500 |
| London Sinfonietta | 8,500 |
| London Symphony Orchestra | 20,000 |
| Manchester Midday Concerts Society | 5,000 |
| National Children's Orchestras of Great Britain | 300 |
| National Opera Studio | 10,000 |
| National Youth Orchestra of Great Britain | 2,100 |
| National Youth Wind Orchestra | 720 |
| Park Lane Group | 5,000 |
| Serious | 10,000 |
| Southbank Sinfonia | 7,000 |
| St Magnus Festival | 3,000 |
| West Cork Chamber Music Festival | 3,000 |
| Young Classical Artists Trust | 8,000 |
| Total | 354,020 |

| 2(b). Analysis of group support costs | Management Costs £'000 | Finance £'000 | Resources/ Publicity £'000 | Premises/ Admin £'000 | 2013 Total £'000 | 2012 Total £'000 |
|--|---------------------------------------|--------------------------|---|--------------------------------------|---------------------------------|---------------------------------|
| Cost of generating funds | | | | | | |
| Fundraising and publicity | 20 | 32 | 19 | 20 | 91 | 104 |
| Investment/property cost | 4 | 27 | 18 | - | 49 | 45 |
| | <u>24</u> | <u>59</u> | <u>37</u> | <u>20</u> | <u>140</u> | <u>149</u> |
| Charitable activities | | | | | | |
| Grants to individuals: | | | | | | |
| Crisis/continuing care | 36 | 77 | 219 | 115 | 447 | 425 |
| Future professionals | 13 | 29 | 84 | 47 | 173 | 167 |
| Grants to organisations: | | | | | | |
| Partnerships | 4 | 10 | 28 | 16 | 58 | 55 |
| Associated trusts | - | 1 | 4 | 12 | 17 | 22 |
| | <u>53</u> | <u>117</u> | <u>335</u> | <u>190</u> | <u>695</u> | <u>669</u> |
| Governance costs | 12 | 24 | 27 | 3 | 66 | 67 |
| | <u>89</u> | <u>200</u> | <u>399</u> | <u>213</u> | <u>901</u> | <u>885</u> |

Musicians Benevolent Fund
Notes to the Consolidated Accounts (continued)

Year Ended 31 December 2013

3. Staff Costs

| | Group & Charity | |
|---------------------------|----------------------------|--------------|
| | 2013 | 2012 |
| | £'000 | £'000 |
| Salaries & wages | 699 | 687 |
| National Insurance | 74 | 74 |
| Pension scheme | 82 | 78 |
| Private medical insurance | 2 | 2 |
| Related expenses | 22 | 14 |
| Agency staff | 28 | 7 |
| Self-employed fees | 6 | 5 |
| | <u>913</u> | <u>867</u> |

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

| | 2013 | 2012 |
|-------------------|---------------|---------------|
| | Number | Number |
| £70,001 - £80,000 | <u>1</u> | <u>1</u> |

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

Contributions of £10,551 [2012: £9,980] were made during the year for this employee by the charity.

The average number of equivalent full time employees analysed by function was:

| | Number | Number |
|------------------------------|---------------|---------------|
| Help & Advice | 6 | 6 |
| Talent Programme | 3 | 3 |
| Communications & Fundraising | 6 | 5 |
| Secretariat & Resources | 3 | 3 |
| Finance | 4 | 4 |
| Total | <u>22</u> | <u>21</u> |

4. Net incoming resources for the year after charging:

| | 2013 | 2012 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Auditors' remuneration – audit (charity only) | 16 | 16 |
| - other funds | 1 | 3 |
| Depreciation – own assets | 124 | 206 |
| Pension costs | 82 | 78 |
| | <u></u> | <u></u> |

Musicians Benevolent Fund
Notes to the consolidated accounts (continued)

Year ended 31 December 2013

5. Board of Trustees' emoluments & reimbursed expenses

None of the members of the Board of Trustees received remuneration during the year [2012: £Nil].

During 2013 expenses totalling £1,124 [2012: £666] were reimbursed to three members of the Board of Trustees [2012: two]. These payments relate mainly to travel costs.

| 6. Tangible fixed assets (Group & Charity) | Freehold Land & Buildings £'000 | Fixtures & Fittings £'000 | Computer Equipment £'000 | 2013 Total £'000 | 2012 Total £'000 |
|---|--|--|---|---------------------------------|---------------------------------|
| Group Cost | | | | | |
| Balance at 31 December 2012 | 2,425 | 605 | 339 | 3,369 | 3,336 |
| Additions | - | 3 | 8 | 11 | 64 |
| Refund/Disposals | - | - | - | - | (31) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Balance at 31 December 2013 | 2,425 | 608 | 347 | 3,380 | 3,369 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Accumulated depreciation | | | | | |
| Balance at 31 December 2012 | 48 | 340 | 264 | 652 | 477 |
| Charge for year | 49 | 44 | 31 | 124 | 206 |
| Disposals | - | - | - | - | (31) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Balance at 31 December 2013 | 97 | 384 | 295 | 776 | 652 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Net Book Value | | | | | |
| Carried forward at 31 December | 2,328 | 224 | 52 | 2,604 | 2,717 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Brought forward at 1 January | 2,377 | 265 | 75 | 2,717 | 2,859 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

Musicians Benevolent Fund
Notes to the consolidated accounts (continued)

Year ended 31 December 2013

| 7. Fixed asset investments | Group | | Charity | |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2013 £'000 | 2012 £'000 | 2013 £'000 | 2012 £'000 |
| Market value at 1 January | 47,291 | 40,946 | 42,626 | 36,062 |
| Proceeds on disposals | (649) | (440) | (654) | (247) |
| Acquisitions at cost/transfers | 1,213 | 4,572 | 1,213 | 5,036 |
| Net gains on revaluation | 10,056 | 2,213 | 9,383 | 1,775 |
| Market Value at 31 December | 57,911 | 47,291 | 52,568 | 42,626 |
| Historical cost as at 31 December | 33,949 | 33,200 | 29,824 | 29,075 |

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

| | Group | | Charity | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2013 £'000 | 2012 £'000 | 2013 £'000 | 2012 £'000 |
| UK investment properties | 5,539 | 2,100 | 5,539 | 2,100 |
| UK Common Investment Fund | 50,771 | 43,683 | 45,403 | 38,993 |
| UK investments in trading subsidiaries | - | - | 25 | 25 |
| Other UK listed investments | 1,596 | 1,503 | 1,596 | 1,503 |
| UK unlisted investments | 5 | 5 | 5 | 5 |
| | 57,911 | 47,291 | 52,568 | 42,626 |
| Income arising from the above categories: | | | | |
| UK investment properties | 5 | 13 | 5 | 13 |
| UK Common Investment Fund | 1,470 | 1,422 | 1,313 | 1,246 |
| Other UK listed investments | 65 | 5 | 65 | 5 |
| UK unlisted investments | - | - | - | - |
| | 1,540 | 1,440 | 1,383 | 1,264 |

The investment properties were revalued in December 2011, one by Cluttons and the other by Knight Freeman Chartered Surveyors on the basis of a full vacant possession in accordance with the RICS guidelines as these properties were occupied by protected life tenants. One of the properties remained at the same value of £100,000 while the St George's Terrace property increased in value to £2 million. However, the St George's Terrace property has been included in the accounts this year at the current sale price which is in excess of £5 million, less the costs associated with the sale (see note 18).

Individual investment held at 31 December 2013 which is over 5% of the portfolio by value is:

Ishares S&P 500 SHS (GBP) - market value £3,315,348.

Musicians Benevolent Fund
Notes to the consolidated accounts (continued)

Year ended 31 December 2013

7. Fixed asset investments (continued)

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 | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2013 £'000 | 2012 £'000 | 2013 £'000 | 2012 £'000 |
| Balances due within one year : | | | | |
| Loans (Note 9) | 9 | 27 | 9 | 27 |
| Prepayments | 18 | 25 | 18 | 25 |
| Current accounts with trading subsidiaries | - | - | 22 | 49 |
| Other debtors | 31 | 34 | 23 | 24 |
| Accrued legacies | 1,425 | 1,434 | 1,425 | 1,434 |
| | <u>1,483</u> | <u>1,520</u> | <u>1,497</u> | <u>1,559</u> |
| Balances due in more than one year : | | | | |
| Loans (Note 9) | 343 | 338 | 343 | 338 |
| | <u>1,826</u> | <u>1,858</u> | <u>1,840</u> | <u>1,897</u> |

9. Loans

| | Group & Charity | |
|-----------------------------------|----------------------------|-----------------------|
| | 2013 £'000 | 2012 £'000 |
| <i>To people we support:</i> | | |
| Secured loans | 343 | 338 |
| Loan Fund for Musical Instruments | - | 17 |
| <i>To staff:</i> | | |
| Unsecured season ticket loans | 9 | 10 |
| | <u>352</u> | <u>365</u> |

Outstanding secured loans to musicians we help 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 charity 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.

Musicians Benevolent Fund
Notes to the consolidated accounts (continued)

Year ended 31 December 2013

| 10. Creditors : amounts falling due within one year | Group | | Charity | |
|---|---------------|---------------|---------------|---------------|
| | 2013 £'000 | 2012 £'000 | 2013 £'000 | 2012 £'000 |
| Trade creditors | 16 | 20 | 16 | 20 |
| Accruals and deferred income | 107 | 53 | 102 | 53 |
| PAYE & National Insurance | 25 | 24 | 25 | 24 |
| Current accounts with associated trusts | - | - | 194 | 110 |
| Grants payable, within one year | 148 | 92 | 133 | 75 |
| Other creditors | 26 | 33 | 19 | 12 |
| | <u>322</u> | <u>222</u> | <u>489</u> | <u>294</u> |
| Balances due in more than one year: | | | | |
| Rent deposit | 22 | 22 | 22 | 22 |
| | <u>344</u> | <u>244</u> | <u>511</u> | <u>316</u> |

Analysis of Grants Payable:

| | Grants to individuals | | Grants to organisations | | Group Total £'000 |
|---------------------------------------|--------------------------------|-----------------|-------------------------|----------------|-------------------------|
| | Crisis & Care Work £'000 | Awards £'000 | Awards £'000 | BAPAM £'000 | |
| Commitments as at 1 January 2013 | - | 92 | - | - | 92 |
| Plus: Grants awarded in the year | 1,432 | 346 | 174 | 180 | 2,132 |
| Less: Payments made in the year | <u>(1,432)</u> | <u>(292)</u> | <u>(172)</u> | <u>(180)</u> | <u>(2,076)</u> |
| Commitments as at 31 December 2013 | <u>-</u> | <u>146</u> | <u>2</u> | <u>-</u> | <u>148</u> |

Grant Commitments:

| | |
|---|------------|
| Amounts falling due within one year | 148 |
| Amounts falling due in more than one year | - |
| | <u>148</u> |

Musicians Benevolent Fund
Notes to the consolidated accounts (continued)

Year ended 31 December 2013

| 11. Endowments | Balance 31 December 2012 £'000 | Incoming Resources £'000 | Expenditure & Transfers £'000 | Gains/ (Losses) £'000 | Balance 31 December 2013 £'000 |
|---|---|---|--|--------------------------------------|---|
| Permanent endowments | | | | | |
| Percy Haywood Fund | 80 | 3 | (3) | 11 | 91 |
| St Cecilia's Holiday Fund | 44 | 1 | (1) | 7 | 51 |
| Charity totals | 124 | 4 | (4) | 18 | 142 |
| British Musicians Sick & Pension Charity | 206 | 7 | (8) | 30 | 235 |
| Stanley Rogers Will Trust | 203 | 7 | (8) | 30 | 232 |
| The Courtauld Trust for the Advancement of Music | 57 | 2 | (2) | 9 | 66 |
| Miriam Licette Scholarship Fund | 240 | 7 | (6) | 35 | 276 |
| Group totals | 830 | 27 | (28) | 122 | 951 |

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

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 charity "shall apply the clear income (of the fund) ... in providing holidays for those persons who are qualified as beneficiaries of Help Musicians UK."

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

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 charity.

Income from the Courtauld Trust for the Advancement of Music is used to support the Talent Programme work with our partners.

The Miriam Licette Scholarship Fund was re-classified as a permanent endowment fund following legal advice. The income of the scholarship is used to provide grants to female singers to further their study of, particularly, French repertoire.

Musicians Benevolent Fund
Notes to the consolidated accounts (continued)

Year ended 31 December 2013

| 12. Restricted funds | Balance 31 Dec 2012 £'000 | Income & New Funds £'000 | Expenditure & Transfers £'000 | Gains/ (Losses) £'000 | Balance 31 Dec 2013 £'000 |
|--|--|---|--|--------------------------------------|--|
| Ivor Newton Bequest | 1,183 | 37 | (30) | 167 | 1,357 |
| Alan Fluck Memorial Fund | 229 | 8 | - | 33 | 270 |
| Jacqueline du Pré Special Fund | 1,440 | 57 | (80) | 219 | 1,636 |
| Ian Fleming Music Awards Fund | 1,506 | 83 | (70) | 108 | 1,627 |
| Gwyneth Harrison Gift | 60 | - | (3) | - | 57 |
| Lord & Lady Lurgan Trust | - | 2 | (2) | - | - |
| Garfield Weston Foundation | - | 10 | (10) | - | - |
| Angus Allnatt Charitable Foundation | - | 1 | (1) | - | - |
| Fidelio Charitable Trust | - | 3 | (3) | - | - |
| Charity totals | 4,418 | 201 | (199) | 527 | 4,947 |
| Willis & Grace Grant Trust | 1,100 | 36 | (13) | 158 | 1,281 |
| Sybil Tutton Charitable Trust | 2,976 | 97 | (55) | 433 | 3,451 |
| Group totals | 8,494 | 334 | (267) | 1,118 | 9,679 |

The income from Ivor Newton Bequest investments is used to fund our partnership with Live Music Now. In 2012, the Ivor Newton Will Trust investments and the Ringsloe Court property were received into this fund after the sole beneficiary of the will trust passed away.

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.

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 musicians suffering from degenerative diseases.

Ian Fleming Music Awards Fund was created in 2012 as a result of a deed of grant made with the Ian Fleming Charitable Trust. Income from the fund is to be applied towards the advancement of musical education among young musicians with a view to developing their talent and increasing their knowledge and expertise.

The gift in will received by Help Musicians UK in 2012 from the estate of Gwyneth Harrison required that £60,000 be set aside to provide the accompanist's prize of the Kathleen Ferrier Award over the next 20 years starting from 2013.

During 2013 the following four restricted gifts totalling £15,500 were received:

The Lord & Lady Lurgan Trust - £2,000 to help early career professional musicians
The Garfield Weston Foundation - £10,000 to help musicians with high level needs
Angus Allnatt Charitable Foundation - £1,000 to help musicians in advanced training
Fidelio Charitable Trust - £2,500 towards our work with musicians in advanced training

Musicians Benevolent Fund
Notes to the consolidated accounts (continued)

Year ended 31 December 2013

12. Restricted funds [continued]

The Willis & Grace Grant Trust was established to support professional musicians over the age of 30.

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

13. Designated funds

| | Balance 31 December 2012 £'000 | Income & new designations £'000 | Expenditure & Transfers £'000 | Gains/ (Losses) £'000 | Balance 31 December 2013 £'000 |
|------------------|---|--|-------------------------------------|-----------------------------|---|
| Fixed Asset Fund | 2,717 | 11 | (124) | - | 2,604 |
| | <u>2,717</u> | <u>11</u> | <u>(124)</u> | <u>-</u> | <u>2,604</u> |

The Fixed Asset Fund represents the net book value of the charity's assets at 31 December 2013.

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 2013 are represented by : | | | | | |
| Tangible fixed assets | 2,604 | - | - | - | 2,604 |
| Investments | 47,498 | 9,471 | 942 | - | 57,911 |
| Current assets | 1,963 | 306 | 9 | (50) | 2,228 |
| Current liabilities | (274) | (98) | - | 50 | (322) |
| | <u>51,791</u> | <u>9,679</u> | <u>951</u> | <u>-</u> | <u>62,421</u> |
| Creditors due after one year | (22) | - | - | - | (22) |
| Total net assets | <u>51,769</u> | <u>9,679</u> | <u>951</u> | <u>-</u> | <u>62,399</u> |

Musicians Benevolent Fund
Notes to the consolidated accounts (continued)

Year ended 31 December 2013

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 |
|---|--|------------------------------|-------------------------------------|--|---------------------------------|
| Unrestricted funds | | | | | |
| Help Musicians UK | - | 47,498 | 1,932 | (290) | 49,140 |
| MBF Trading | - | - | 31 | (6) | 25 |
| Designated funds | | | | | |
| Fixed Asset Fund | 2,604 | - | - | - | 2,604 |
| | <u>2,604</u> | <u>47,498</u> | <u>1,963</u> | <u>(296)</u> | <u>51,769</u> |
| Restricted funds | | | | | |
| Ivor Newton Bequest | - | 1,351 | 7 | (1) | 1,357 |
| Alan Fluck Memorial Fund | - | 270 | 1 | (1) | 270 |
| Jacqueline Du Pré Special Fund | - | 1,687 | - | (51) | 1,636 |
| Gwyneth Harrison Gift | - | - | 57 | - | 57 |
| Ian Fleming Music Awards Fund | - | 1,595 | 57 | (25) | 1,627 |
| Willis & Grace Grant Trust | - | 1,225 | 58 | (2) | 1,281 |
| Sybil Tutton Charitable Trust | - | 3,343 | 126 | (18) | 3,451 |
| | <u>-</u> | <u>9,471</u> | <u>306</u> | <u>(98)</u> | <u>9,679</u> |
| Endowment funds | | | | | |
| Percy Hayward Fund | - | 91 | - | - | 91 |
| St. Cecilia's Holiday Fund | - | 51 | - | - | 51 |
| British Musicians Sick & Pension Charity | - | 235 | - | - | 235 |
| Stanley Rogers Will Trust | - | 232 | - | - | 232 |
| The Courtauld Trust for the Advancement of Music | - | 66 | - | - | 66 |
| The Miriam Licette Scholarship Fund | - | 267 | 9 | - | 276 |
| | <u>-</u> | <u>942</u> | <u>9</u> | <u>-</u> | <u>951</u> |
| Inter-fund accounts | - | - | (50) | 50 | - |
| Totals | <u>2,604</u> | <u>57,911</u> | <u>2,228</u> | <u>(344)</u> | <u>62,399</u> |

Musicians Benevolent Fund
Notes to the consolidated accounts (continued)

Year ended 31 December 2013

15. Net income from trading activities of the subsidiary

Help Musicians UK 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:

| | 2013 £'000 | 2012 £'000 |
|---------------------|---------------|---------------|
| Turnover | 71,510 | 68,799 |
| Operating costs | (50,676) | (51,916) |
| Interest receivable | - | 9 |
| Gift aid donation | (20,834) | (16,892) |
| | <u>-</u> | <u>-</u> |

16. Related parties

The charity is a trustee, with others, of two charities having independent advisory committees:

- The Delius Trust, registered charity 207324. Chairman, David Lloyd-Jones
- RVW Trust, registered charity 1066977. Chairman, Hugh Cobbe

Help Musicians UK provides office accommodation and services, at the charity's headquarters to these two musical charities. The value of these benefits to the two charities is £16,758.

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

- The Courtauld Trust for the Advancement of Music [207604]
- Miriam Licette Scholarship Fund [1050949]
- Willis & Grace Grant Trust [1081258]
- Sybil Tutton Charitable Trust [298774]
- Scottish Musicians Benevolent Fund [SCO12597]

The British Musicians Sick & 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 charity.

17. Pension scheme

Help Musicians UK 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 charity was £81,736 (2012: £78,341). Included in other creditors is £15,369 (2012: £10,264) in respect of the pension scheme.

18. Post Balance Sheet Event

The St George's Terrace property was sold for £5.4 million in February 2014 (see note 7). The funds generated will be used for charitable purposes.

Musicians Benevolent Fund
Year Ended 31 December 2013

Patron HM The Queen
President Sir Peter Maxwell Davies CH CBE

Council

The Council comprises 18 members.

Members

There are currently 86 Members of the charity. Under the rules, they are entitled to vote, attend the AGM, elect trustees, etc. The membership consists of trustees and supporters who have been drawn predominantly from the world of music.

The following persons served as trustees during 2013

The Hon Richard Lyttelton Chairman
Rev Ronald Corp OBE Chairman of Giving Committee and Deputy Chairman
Caragh Merrick Honorary Treasurer and Chairman of Finance & Audit Committee
John Axon
Adrian Bradbury [from 17/04/13]
Martin Campbell-White
Kathryn Langridge
David Lester [until 12/08/13]
Dr Jane Manning OBE
Martin Neary LVO
Felicity Osmond
Thomas Sharpe QC
Graham Sheffield CBE [from 12/09/13]

Sub-committees of the Board of Trustees at 31.12.2013

Finance and Audit Committee

Caragh Merrick [Chairman], John Axon, Rev Ronald Corp OBE, Thomas Sharpe QC, Kathryn Langridge {from 25/07/13} David Lester {until 12/08/13} [Trustee members], David Chenery [Co-opted member]

Giving Committee

Rev Ronald Corp OBE [Chairman], Adrian Bradbury {from 12/08/13}, David Lester {until 12/08/13} [Trustee members], Alistair Beattie, David Juritz, Simon Lepper, Lucy Parham, Frank Renton, Katie Rowan [Co-opted members]

Senior Management Team

David Sulkin OBE Executive Director
Susan Dolton Director of Giving
Martin Ensom Director of Resources & Finance and Company Secretary

Professional advisors

Investment Managers

UBS AG, 1 Curzon Street, London W1J 5UB [until 30/09/13]
Rathbone Brothers Plc, 159 New Bond Street, London W15 2UD
Brewin Dolphin Ltd, 12 Smithfield Street, London, EC1A 9BD

Auditors

haysmacintyre, Chartered Accountants, 26 Red Lion Square, London WC1R 4AG

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