

# **Musicians Benevolent Fund**

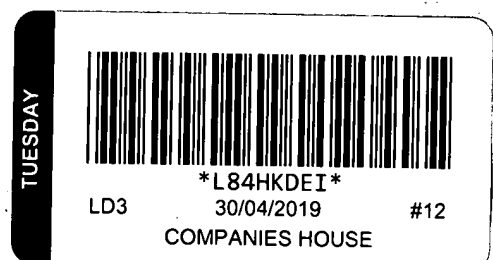
**(Help Musicians UK)**

Chairman: Graham Sheffield CBE

James Ainscough: Chief Executive Officer

## **Annual Report and Financial Statements for the year ended 31 December 2018**

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



## Contents

Chairman's message .....	3
Chief Executive's message .....	4
Trustees' report .....	5
Review of the year .....	10
Profile and Reach.....	14
Fundraising.....	16
Business Approach .....	18
Objects of the charity .....	24
Structure, governance and management of the charity .....	24
Trustee recruitment and training .....	24
Annual General Meeting .....	25
Financial review .....	26
Principal risks and uncertainties .....	29
Participation in fundraising regulation and compliance with codes .....	30
Statement of Trustees' responsibilities .....	31
Thank you.....	34

## Chairman's message

Help Musicians UK, as a leading independent charity, supports and empowers musicians throughout their careers and lives. This is our core purpose, and one to which our loyal staff and trustees are passionately committed and whose dedication has helped the organisation make significant progress during the last year.

Help Musicians continues to embrace innovation, with new programmes launched in 2018 and new research commissioned to explore potential need. We believe that it's vital to consider the musician, artist and human being as one entity, recognising that creativity, business acumen, and looking after your health and welfare are often interdependent. Help Musicians UK is in a unique position to provide this kind of subvention where it's needed most, and our Programme has now been adapted to do just that. Our charitable work offers timely interventions across a wide spectrum of need: from a grant to develop a project or career development opportunity, or financial support to alleviate the struggles of living on a state pension, to help when a crisis happens, getting access to the right skilled professionals, recuperation, and then back into working life. Throughout the lifetime of a musician - from learning the craft, through professional working life and beyond, this new approach, exemplified by new programmes such as the Do it Differently Fund will, we hope offer a lifetime of appropriate support for the sector.

We cannot do this on our own. We both need to and want to work closely and collaboratively with partners across health and social care sectors as well as within the music profession. We will work with partners to help us succeed in achieving our ambition to be truly reflective of the entirety of the UK music sector and will continue to be inventive in how we respond to developments. Working in partnership allows us to add value to what is already there, or to discover gaps in provision that we can fill, rather than duplicate effort.

I am proud to lead this charity as it heads towards its centenary year – with a new Chief Executive in place, we look forward to developing exciting plans to mark that occasion; both celebrating our historic achievements, whilst ensuring that the charity remains at the forefront of support for this sector in years to come.

Graham Sheffield CBE  
Chairman

## Chief Executive's message

For almost 100 years, Help Musicians has been providing help, support and opportunities to empower musicians at all stages of their lives. Having recently joined the organisation, I have been impressed by the breadth of support the charity provides and to see how passionate the entire staff team are about working together to create a world where musicians thrive.

Help Musicians' support is unique; offering an integrated programme of bespoke Health & Welfare support, Creative development and services including the Musicians' Hearing Health Scheme and Music Minds Matter. Working collaboratively with others, we continue to create new partnerships which help increase our reach and deliver a wide range of support to our beneficiaries.

Research is a vital part of our work – ensuring we maintain an evidence-based approach allowing us to design support to meet the greatest needs. In 2018, this strategy led to the development of the Do it Differently fund, designed to help independent, entrepreneurial music creators build their careers by providing grants to fund professional and creative development combined with access to a suite of wellbeing and development services. We also marked the first anniversary of Music Minds Matter, a dedicated service operating 365 days a year providing a listening ear when someone might need it the most.

In 2018, our total Programme of support generated over 14,000 interactions with musicians seeking help and we reached more musicians outside London and from BAME backgrounds than ever before. The growing need for our support stems from a huge increase in demand for our Musicians Hearing Health Scheme and rising Health and Welfare payments. Freelance musicians are particularly vulnerable to the impact of changes in the UK's economic and political climate and the current volatility may create greater challenges in the years to come. With growing need comes a greater financial burden if we are to continue to meet the needs we see. The charity is currently spending more than the income it generates; whilst we can afford this for a little while it is not sustainable in the long-term and so we will need to find new ways to bridge that gap.

Philanthropic support will be a key area of focus for us in 2019 as we connect with our existing donors and share stories more widely on the meaningful difference Help Musicians makes to those we help directly. Those who support Help Musicians can do so with confidence that their donations will be well spent. Our research-based approach ensures our spending is well targeted. And our "100% pledge", whereby we commit to covering all of the charity's overheads with income from our investment portfolio, reassures donors that every penny of their support will go straight to the frontline, truly helping us deliver more impact than ever before.

As we make plans for our centenary in 2021, we build on the success we have seen from the expansion of services and we work to ensure that our future legacy is one which everyone in the UK can be proud of.

James Ainscough  
Chief Executive

## Trustees' report

The Trustees present the Trustees' Report, incorporating the Strategic Report, and the audited financial statements for the year ended 31 December 2018.

Help Musicians UK (HMUK) was established in 1921 and is the country's leading independent music charity, with offices in London, Belfast (HMNI) and Glasgow (HM Scotland).

For nearly 100 years Help Musicians has been providing help, support and opportunities to empower musicians at all stages of their lives, on a growing range of issues, reaching all genres and locations in the UK. Our wide spectrum of work includes; an integrated programme combining Health & Welfare services with Creative development funding, ground breaking research, a mental health helpline for the entire music industry and a hearing health scheme which aims to prevent hearing problems that would otherwise bring musicians' careers to an untimely end. HMUK works together in partnership with the music industry, with a holistic approach to support and develop music careers and promote healthy, sustainable working practices across the sector.

### Mission Statement

We want a world where musicians thrive.

We will support and empower musicians through all stages of their lives.

We are an independent charity with the freedom to think long-term and act responsively.

### Objects of the charity

- To relieve poverty and financial hardship and to advance education among:
  - (1) musicians
  - (2) those persons (not being members of the Association) who work or have worked in professions or occupations closely connected with music and who in the opinion of the Association have rendered valuable service to music
  - (3) the spouses, children and other dependants of those set out in (1) and (2) above
- To advance musical education among musicians and also among members of the public.

### Values

HMUK has a strong values-based culture. Our values are central to how we work and were developed through employee consultation and updated in the latter part of 2018:

#### ***Passionate***

We love music and are personally invested in supporting and empowering musicians through all stages of their lives.

#### ***Impactful***

Our ambition is to use our unique position to make a meaningful difference to the lives of musicians. This drives us forward to ensure our knowledge is deep, our partnerships are strong, and our work is excellent and accessible.

#### ***Collaborative***

We're stronger, more creative, and more impactful within the music industry when we work together, building inclusive teams and partnerships.

#### ***Respectful***

We value our relationships and embrace our diversity. In all circumstances we will build trust by being open, honest, kind, consistent, fair and accountable.

## Strategic priorities and goals: 2018

The charity is currently mid-way through delivering its five-year strategic plan, titled "Agenda 2021". The aim of the plan is to modernise the charity to ensure it provides proactive support for musicians at every stage of their careers/lives, reaching all genres and locations in the UK. This is funded in part by the 'Centenary Fund' – an investment of £5.4m which was received through the sale of property in 2014.

Up until the end of 2018, this strategy focused on six broad priority areas, each of which was supported by two or more specific goals:

Strategic priorities		Supporting goals
Transform	1.	To offer opportunities for musicians to develop their talent, skills and artistic experience throughout their career through a new Creative Programme.
	2.	To provide a transformative Health and Welfare offer that is integrated with external providers and acts as a one-stop shop for musicians needing help.
Reach	3.	HMUK's services will reach musicians working across all musical genres, with no one musical genre dominating investment by 2021.
	4.	Musicians based across the UK will benefit from HMUK's work, without an imbalance towards musicians based in London and the South East by 2021.
	5.	HMUK's work will be accessible to all musicians, the organisation will understand more about the demographic of the musicians it reaches and the demographic will be representative of wider society.
Campaign	6.	HMUK's campaigning activity will raise awareness and influence behaviours and national policies on fundamental issues affecting musicians, including hearing and mental health.
Innovate	7.	HMUK will have created a coalition of likeminded organisations, where collectively innovation is supported and progressive services and opportunities for musicians are delivered.
	8.	HMUK will have a system of data management that complements the work of partners, and underpins its assessment of need, opportunity and innovation.
	9.	All HMUK programmes will be informed by, and tested with, musicians and industry professionals before being launched.
Invest	10.	Between 2016 and 2021 the charity will raise £21 million through fundraising, across multiple platforms to support musicians.
	11.	By April 2017 all staff, trustees and Advisory Board members will be equipped to act as ambassadors for the charity.
Commit	12.	The values of the organisation will be reflected in the way it works internally and externally.
	13.	HMUK beneficiaries will find services timely and easy to access, and the costs of activity, and impact created, will compare favourably when benchmarked with others.
	14.	HMUK's internal processes and systems will be fit for purpose, scalable and effective.
	15.	All staff working at HMUK will be financially literate.
	16.	HMUK will be one of the leading employers in the not-for-profit sector.

This Annual Report assesses progress in 2018 against these six strategic priorities.

## **Strategic priorities and goals: 2019-2021**

From 2019 onwards, the charity has replaced these six strategic priorities with seven newly-written strategic themes. These do not represent a change in the overall aims of the Agenda 2021 plan, but now that we are half way through the 5-year period, it seemed appropriate to take stock and review. We wanted to ensure that the priorities reflect recent developments and the future direction of the charity, and that they are communicated in a manner which is descriptive and purposeful to provide more clarity on the charity's focus. The resulting seven strategic themes are:

### ***Insight-led, Collaborative & Themed Programme***

Programme will be shaped by research (therefore requiring long-term planning) and regular review. Research will be done in partnership with other organisations and the results will be shared publicly. Annual "themes" will provide coherence and focus, both for the planning of research and the resulting communication. Research will inform External Affairs' advocacy and gives opportunity for fundraising.

### ***Holistic & Inclusive Programme***

Holistic Programme (Health & Welfare & Creative combined) acknowledges that musicians' needs are frequently interlinked (e.g. successful and struggling musicians alike struggle with mental health). We want to widen access to the support we offer, in order to reach as many musicians as possible and increase the number of applicants who can receive support.

### ***Thinking Nationally, Acting Locally***

Our strategy for the "Nations & Regions" will enable local Programme and Fundraising to fit seamlessly alongside national strategy and activity. Each territory will be a bespoke microcosm of the national charity.

### ***Building a Nationwide Volunteering Community***

Over time we aim to build and enable a large volunteering community, who both fundraise and significantly increase the reach and local impact of our charitable activity.

### ***Awareness & Influence***

We will develop strategies to increase understanding, raise the profile and enhance the reputation of the charity's work on a national level. We will work in a targeted and collaborative manner to ensure maximum engagement and impact across all audiences, including advocacy to influence and improve working conditions in the music industry.

### ***Sustainable Financial Growth***

The charity is currently spending more than it receives, therefore income growth (both fundraising and commercially-generated) combined with responsible expenditure decision-making is vital if we are to maintain or grow our current charitable activities.

### ***Investing in our staff, systems and processes***

We will ensure a continual focus on staff training, appraisal, engagement & benefits; to ensure a motivated workforce with low turnover. We will continue to invest in our systems and processes, particularly to improve IT resilience, security and functionality.

## Our highlights from 2018

Throughout 2018, we used a matrix of KPIs to measure our progress towards achieving our strategic priorities and goals. This KPI data, collated every quarter with qualitative performance measures, was reviewed through the charity's governance structure.

### Key achievements –

#### Providing more support than ever before

The charity increased its expenditure on Creative, Health & Welfare Programme by 23% to £6.2m in 2018. This led to a record number of payments to support individuals and organisations, rising by 67% to 14,255 interactions in 2018. Within this we:

- Awarded a total of 312 creative grants to individual artists and organisations, totalling £1.3m. This is an increase of 22% on 2017 when we awarded 256 grants totalling £1.2m.
- Made 6,579 health and welfare payments to musicians, totalling £2.2m.
- Supported 5,191 musicians through our Musician's Hearing Health Scheme (at a value of £0.6m), compared to only 1,960 last year.
- Conducted 674 home visits to musicians who needed that level of support, the majority of whom were over 65 years of age.
- Funded 987 musicians' medical assessments and treatments through the British Association for Performing Arts Medicine (BAPAM).
- Received 512 calls from people working in the music industry through our Music Minds Matter helpline in its first full year.

#### Insight-led & collaborative

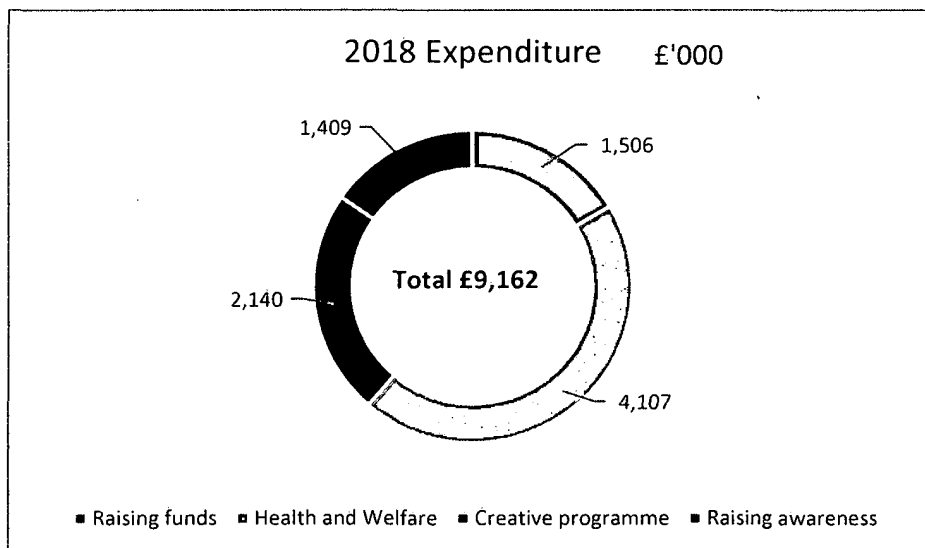
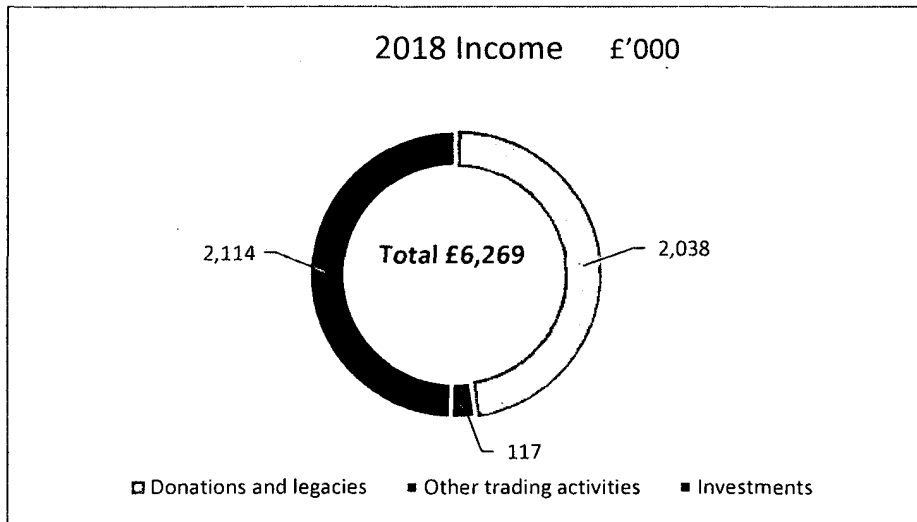
- Researched the needs of older musicians to understand what cannot be met during the home visits. Based on these findings and recommendations, we are launching a themed programme for 2019 – "a lifetime of support" – with a specific focus on career longevity.
- Commissioned BAPAM to offer a 'healthy touring' package of support to musicians funded under our new holistic fund, the Do it Differently Fund.

#### Building support

- Grew our online support by approximately 20% across Facebook and Twitter.
- Held two new cultivation events for supporters of HMUK – a piano recital at Steinway Hall and an opera masterclass at St Giles Cripplegate church.
- Engaged with nearly 1500 supporters and raised over £36k at this year's Festival of St Cecilia service at St Paul's Cathedral.
- Secured 'Investors in People' accreditation in January 2018. We then undertook a series of organisational developments, creating new posts to help meet our strategic priorities.



## Income & Expenditure pie charts



## Review of the year

### Programme

In April, a change was made to the way in which the charity approached its charitable work; merging Health and Welfare and Creative into one holistic Programme to reflect HMUK's view that it is vital to consider the musician and person as a whole. Help Musicians works proactively to identify potential need, using research to inform developments and future programmes to ensure that where possible, support is in place before crisis situations develop. Our support offers timely interventions across a wide spectrum of need: from a grant to develop a project or career opportunity, or financial support to alleviate the struggles of living on a state pension, to when a crisis happens, getting access to the right skilled professionals and recuperating back into working life. Throughout the lifetime of a musician, from learning the craft through professional working life and beyond, our holistic approach, borne out by new programmes such as the Do it Differently Fund, will offer a lifetime of support for the sector.

### Creative Programme

#### Achievements against the 'Transform' and 'Reach' strategic priorities

- 312 grants awarded, totalling £1.3m.
- 20 organisations received the second of three years of funding through the National Grants Programme.
- 2 new funds launched.
- 10% increase in awards to musicians from BAME backgrounds.
- 46 strategic partnerships formed.

We improved our application process, including enabling applicants to upload video content, which, combined with increased awareness, led to HMUK receiving more grant applications than ever before. This has helped us to reach and support more musicians from increasingly diverse backgrounds.

Following a specific intervention, we have increased the number of Postgraduate awardees from BAME backgrounds and are developing the scheme further in 2019.

We launched two new funds, the MOBO Help Musicians Fund and the Do it Differently Fund. These funds take a more holistic approach and have transformed how we develop creativity and think about the life of a music maker. Working with partners including MOBO Trust, ThinkMusic and the British Association for Performing Arts Medicine (BAPAM) and utilising our own research and needs-analysis, these new grant schemes are helping musicians across all genres and all stages of their careers develop their talent, creative output, business acumen and welfare awareness.

Through our new partnership with Urban Development, we are supporting an innovative educational scheme for emerging urban artists and producers. This scheme will help beneficiaries develop their skills outside of formal Higher Education.

### Health and Welfare Programme

#### Achievements against the 'Transform' and 'Reach' strategic priorities

- 38% increase in demand for our support and services.
- 65% increase in demand for our Emerging Musicians and Student Health schemes.
- 11% increase in demand for crisis and continuing care visits to musicians.
- First full year of Music Minds Matter, our free helpline and support service receives 512 calls.
- 116% increase in applications to Musicians' Hearing Health Scheme.

- 28% increase in cost for payments made through our Health and Welfare Programme.

Our services are needed more now than ever before. We are striving to support as many people as possible and the team has consolidated its approach to compliance training, so we are able to give the best possible advice and signposting to beneficiaries, including training on the revised benefits system 'Universal Credit'.

By continuing to focus on early intervention through our free helpline and support service, Music Minds Matter (MMM) and the Musicians' Hearing Health Scheme (MHHS), we have been able to reach more music professionals than ever before, responding to 7,000 applications and over 500 calls to our helpline.

Through our Health and Welfare Programme, we awarded 6,579 payments, totalling £2.2m. This includes providing one-off financial, medical or psychological support to musicians in particular need, to making contributions through our regular payment scheme payment schemes.

We secured support from PRS Benevolent Fund for our Music Minds Matter (MMM) programme and established a joint working group with Music Support and BAPAM to develop a collaborative approach to addressing mental health issues in the music sector.

## **Research**

### **Achievements against the 'Transform' and 'Reach' strategic priorities**

The charity commissioned and collaborated on the following significant pieces of research in 2018 to further its aims:

- Research into the perception of mental health issues amongst our beneficiaries, and their awareness of our MMM service.
- We developed a research partnership with Parents in Performance Arts (PiPA) to explore the support needs of artists who are parents and carers. The recommendations from this research were heard in Parliament.
- Our partnership with the Royal Liverpool Philharmonic Orchestra got underway. With funding from HMUK, a PhD student from the internationally-respected Sports Science department of the Liverpool John Moores University is working with the Royal Liverpool Philharmonic Orchestra to explore the prevention of musculoskeletal injuries incurred by musicians in orchestras.

## **Nations and Regions**

The charity set a clear objective within the 2018 strategy to 'Reach' more beneficiaries than ever before. Within 'Reach' we considered genre, diversity and geography as measures of success in reaching more musicians across the whole of the UK by 2021. The strategy described geographic reach through an investment in regional clusters in Northern Ireland, Scotland, Wales and regions of England.

### **Achievements against the 'Transform' and 'Reach' strategic priorities**

- Opened our new Scotland office.
- Developed 7 partnerships in Northern Ireland and 18 partnerships in Scotland.
- Launched one new fund in Northern Ireland.
- Delivered 14 events in Scotland, providing new opportunities for 78 artists.

In Northern Ireland, our strategic partnerships are supporting a wide range of musical genres including Independent Venue Week promoting jazz and rock, and AVA electronic music festival. We also supported Northern Ireland's largest multi-genre music festival, Stendhal, reaching 378 artists.

In addition to our partnership with Stendhal Festival, we worked with Sound of Belfast and Over the Hill to increase awareness of our work.

We launched a Women in Music pilot fund in Northern Ireland and granted five awards during the year. Through Women in Music we have also established collectives that will promote gender equality and the role of women in music.

The opening of our new office in Scotland and launch of the programme in February was a resounding success and is now transforming our relationship with the nation.

The launch of the Scotland office via the 'Rooted In Scotland' banner saw 14 events involving 57 artists take place across Scotland in partnership with several organisations.

In partnership with Showcase Scotland Expo on their export initiative The Visit, we directly impacted 21 artists, providing opportunities for live export to Scotland-based artists working in the genres of Folk, Traditional, Scots, Gaelic, World and Acoustic music.

## Profile and Reach

### Achievements against the 'Campaign' strategic priority

- Took part in 156 events across England, Scotland and Northern Ireland.
- Participated in 39 events or partnerships to raise awareness of mental health and Music Minds Matter.
- Reached nearly 820,000 people through our #HearforMusicians social media campaign.
- Launched Women in Music's Northern Ireland chapter.
- Gained further national and international exposure for Music Minds Matter.

Music Minds Matter became the most successful HMUK campaign to date with coverage in national and international media including GQ, New York Times, Evening Standard, Noisey, The Independent and Billboard, as well as music industry platforms such as AWAL/Kobalt and Spotify.

We announced partnerships with a range of organisations and events including PRS for Music Members Benevolent Fund, Point Blank Music School, Getahead Festival, International Music Summit and Remedy State in Ibiza and US-based non-profit Give An Hour (US), which included participation in the Global Summit on Mental Health Culture Change in London. These partnerships enable us to reach beneficiaries who we might not normally be able to engage to build awareness of our breadth of support. Also creating relationships with organisations who can work with us to help improve the lives of musicians.

To increase awareness of HMUK and the scope of support we provide, we participated in a multitude of panels in the UK and abroad, including high-profile engagements such as Southbank's Meltdown Festival and the Performers' Alliance APPG mental health event in parliament, moderated by MP Luciana Berger.

As part of activities to mark World Mental Health Day on 10 October, we invited the industry, artists, friends, supporters and social media communities to share the music that 'matters' to them, using the hashtag #MyMusicMindMatters. The charity received the public support from artists and influencers such as Nina Nesbitt, ECKOES, Ben Pearce, Carly Wilford, Emika, Amanda Maxwell (Boiler Room/ shesaid.so) as well as organisations such as the BPI, Music Venue Trust and PRS Benevolent Fund amongst others.

During Tinnitus Awareness Week in February, we relaunched our #HearforMusicians campaign and the Musicians' Hearing Health Scheme with a new website ([hearformusicians.org.uk](https://hearformusicians.org.uk)) and a custom animation. Coverage on social media (Twitter reach 809k+ and 10k+ Facebook) resulted in a significant rise in the number of people applying for the scheme.

Through partnerships with Music Venue Trust and Independent Venue Week, we supported and celebrated grassroots live music venues across the UK, providing help, support and information.

Help Musicians officially launched Women in Music Northern Ireland, a chapter of the global membership organisation, Women in Music. The chapter aims to advance the awareness, equality, diversity, opportunities, and cultural aspects of women in industry through education, networking resources, support, empowerment, and recognition. As part of the launch, we delivered several mixer events, workshops, worked with Women's Work Festival in Belfast as principal partner, and created a local WIM committee.

### **Achievements against the 'Reach' strategic priority**

The 'Rooted In Scotland' campaign and opening of our first office in Glasgow, highlighted our commitment to setting down roots in Scotland. The campaign included bespoke content creation, a satellite micro site and outdoor advertising. The highly successful sold-out launch also garnered nation-wide press attention.

We developed strategic partnerships with 46 diverse organisations to raise awareness of the breadth of our work and enabled the organisation to reach new audiences to deliver wider impact.

We participated in 156 events during the year, the largest being BBC Music Introducing Live. This event drew approximately 15,000 people, 450 of whom attended our presentations, workshops or discussion panels. Other initiatives include The Great Escape, From Me to You (London and Scotland), Sound of Belfast and SAY Awards.

Our digital audiences grew by 20% across our three main platforms (Twitter, Facebook and YouTube). While the total number of unique visits to our main website remained on a par with 2017, engagement with specific pages, such as 'Hear for Musicians' and 'Music Minds Matter' increased dramatically.

## **Fundraising**

### **Achievements against the 'Reach' and 'Invest' strategic priorities**

- Including the Festival of St Cecilia, three fundraising events held, raising £36k.
- £141k donations from individuals, including £18k through the Friends scheme.
- £95k raised by community fundraisers through local initiatives.
- £36k donations from major donors.
- £11k support from corporate partners.
- £92k raised through trusts and foundations.
- £1.5m received through legacy income.
- £55k through trading activities, primarily Christmas card sales

### **Voluntary income from individual givers**

2018 was a challenging year for key areas of our fundraising work with the introduction of new regulations and limited resources. Despite the new data protection regulations, we are delighted to have received £141k from individual donors, including £18k through the Friends scheme. We are hugely grateful for the support of 197 active 'Friends' and received some invaluable feedback from a survey in August. Comprising some of our most loyal supporters, how we engage with Friends will be a major priority as we move into the new year.

### **Fundraising events**

We continued to develop our programme of fundraising events in 2018, introducing two new events to the calendar alongside the charity's flagship event, the Festival of St Cecilia. We were privileged to partner with Steinway & Sons and held a piano recital in September at Steinway Hall with HMUK's newest Ambassador, concert pianist Charles Owen, and two exceptionally talented young pianists who have been supported through the Creative programme. Our Opera Masterclass with internationally acclaimed soprano, Alison Pearce, took place at St Giles Cripplegate in October. In November, nearly 1,500 guests enjoyed the Festival of St Cecilia celebrations once again, with a stunning service at St Paul's Cathedral featuring high profile performers and speakers including Jane Asher and past beneficiary Miloš Karadaglić. 250 guests attended the VIP lunch reception at Apothecaries' Hall. In total, fundraising events brought in over £36k through a combination of ticket sales and donations.

### **High value grants, donations and legacies**

2018 saw a new focus on the opportunity from major donor giving, strengthening internal resource and yielding promising initial results. Strategic emphasis was also placed on exploring partnerships with commercial organisations and developing the pipeline of charitable trusts and foundations with a new appointment to underpin this work. As a result, in 2018 we received £139k in high value donations, spanning corporate fundraising, grants from trusts and foundations and generous gifts from major donors.

We unfortunately saw a decline in our income from legacies, raising £1.5 million through this area during 2018 compared to almost £3 million in 2017. Legacy income can always be variable, but we believe this drop also reflects a more general long-term trend in legacy income across the charity sector, attributable to the continuously ageing population and the challenging economic climate. This trend further reinforces the need to diversify across multiple income streams in order to establish a sustainable funding model and secure the charity's future financial position.

We are grateful to all organisations and individuals who have given significant donations, including Marsh, a global leader in insurance broking and risk management, who generously supported the



Musicians' Hearing Health Scheme for a third year. The Bird Charitable Trust and the Offenheim Charitable Trust also gave major grants in 2019, and the legacy of long-standing supporter Peggy Cooper will impact beneficiaries for decades to come.

### **Community fundraising and volunteering**

Help Musicians UK's nationwide army of community fundraisers and volunteers continued to grow in number and strength, with a new, dedicated community and volunteer function within the fundraising department. During the course of the year there were over 126 community fundraising events and initiatives organised in aid of the charity by a brilliant network of passionate, local fundraisers, including concerts and gigs across a wide range of genres throughout the UK. Of particular note is the Promenaders' Musical Charities, whose ongoing, loyal support and generous contributions will once again have a significant impact on our beneficiaries.

We have also revised our volunteer policy and are better communicating the volunteer roles available. Along with 187 active volunteers, ten colleges have signed up to support HMUK since September and we now have Fundraising and Volunteer Officers in both Scotland and Northern Ireland. Finally, we received £14k in sponsorship from participants in challenge event activities such as the Royal Parks Half Marathon and the Kew 10k run. All fundraisers, runners and volunteers have shown incredible dedication and commitment, and the fundraising team are immensely grateful for all their support over the last 12 months.

## **Business Approach**

### **Our People**

#### **Staff**

We have a wonderful staff team at HMUK who care passionately about what they do and who they are helping. In 2018, the staff count increased by 17%. Our people strategy is aligned to our Investors in People Accreditation and inspires us to build and develop our staff and leadership team, for now and for the future. We will continue to identify opportunities to develop people within the organisation, so that we can make an even greater impact as we approach our centenary and beyond.

#### **Remuneration**

Our approach to remuneration is to pay within the median and upper quartiles of the charity sector. A blend of the right skills, experience, behaviours and qualifications help us to recruit and retain people who can deliver results in a great working environment. Health and Welfare is particularly central to our staff benefits package and the Finance and Audit Committee considers the remuneration and awards proposal annually, making recommendations to the Board of Trustees. Due to its size, Help Musicians is not required to comply with the Gender Pay Gap legislation reporting requirements.

#### **Investors in People (IIP) Survey**

HMUK was awarded IIP Accreditation in 2017 and continues to invest in order to improve its grading within the IIP structure. Advances during the year include a staff Intranet, HR information system, SharePoint team sites and a review and relaunch of all benefits.

#### **Safeguarding**

Our staff come into direct and indirect contact with beneficiaries and others that contact us who may be in vulnerable situations and need our support or guidance. The charity specifically supports adults in the music industry, i.e. individuals over the age of 18. We do not have any roles that fall under a regulated activity that would otherwise require DBS checking services. We *do* have separate 'Safeguarding' policies to support staff making lone beneficiary home visits and internal staff relating to work welfare, each requiring their specific areas of support and consideration. Our 'Safeguarding' and supporting policies are reviewed annually.

#### **Volunteers**

We have a nationwide band of community fundraisers and volunteers that continue to grow in number and enthusiasm. In 2018 we saw an increase of 39% registered volunteers as we continue to build on brand and general awareness through our dedicated community and volunteer function.

We have revised our volunteer policy and procedures to better support the volunteer roles available and those already with us.

#### **Home Visitors**

We have 9 external regional visitors, dedicated and experienced individuals who regularly support beneficiaries, carrying out home visits to those that need our support. They gather information from those they visit, to better understand their needs, so we can advise and provide the necessary help that is much needed.

## **Information Management and Technology**

### **IT Security**

Personal data of people we support, people who give us donations and others we're in contact with is stored by HMUK on servers located in the United Kingdom. Access to personal data is restricted to those members of staff who need to keep in contact with beneficiaries and is controlled through password protection and user security profiles

### **Management**

#### **Organisational Culture**

We value our relationships and embrace our diversity. In all circumstances we will build trust by being open, honest, kind, consistent, fair and accountable. Our 'Safeguarding' and 'Dignity at Work' policies are reviewed regularly, helping to ensure we take the appropriate approach when some may require additional care or support.

The charity took a significant step forward when, in October, we launched our first ever 'Code of Conduct' document, which aims to bind together our mission, values and policies into one holistic bedrock which guides our work and our behaviour. Whether an individual is a member of staff, volunteer, beneficiary or other supporter, our 'Code of Conduct' applies to everyone we come in to contact with.

### **Complaints**

Sometimes things can go wrong, sometimes it can be because of technical disruption and other times it can be down to human error. We treat every complaint raised seriously, ensuring a proper investigation is conducted and the appropriate response is given in a timely manner. We are proud of our continued record of nil complaints in respect to our reporting to the Fundraising Regulator.

### **Fundraising on our behalf**

#### **Fundraising Practice**

Help Musicians takes very seriously the relationships we have with donors and volunteers and none of our activity should compromise their privacy, put anyone under undue pressure or be unreasonably persistent. HMUK's fundraising activity does not include direct mail or street collecting and we do not send out any unsolicited communications. We have not received any complaints about our fundraising activities during the period covered by this report.

We are hugely grateful that many community-based supporters voluntarily raise money in aid of HMUK, and although we provide advice in regard to this activity, we do not directly monitor these activities.

### **Data Protection, GDPR and information governance**

HMUK has made the necessary changes to become fully compliant with the new GDPR regulations, which is the privacy and data protection regulation in the European Union that came in to effect from 25 May 2018. We remain committed to ensuring privacy is protected with strict adherence to all data protection laws.

The personal data that HMUK processes is to:

- Provide information and grants.
- Promote events.

- Send news and updates.
- Recruit volunteers and donors.
- Make fundraising appeals by email, direct mail, telephone and face-to-face meetings
- Employ and train staff and contractors.

The legislation has helped us as an organisation to ensure we provide greater transparency in our communications about how we use data and to enhance controls compliant with new legislation.

We have a newly appointed Senior Database and Data Protection Analyst who works closely with our Data Protection Officer and IT Manager to ensure our systems and the services we provide are compliant. We have taken the opportunity of GDPR to take stock of all the data we hold in the organisation; review, update and in some cases create new policy to improve efficiency and compliance. Our updated Privacy Policy can be found on our website and is updated as required by changes in legislation and policy.

### **Our plans**

For 2019 onwards, the charity has replaced older strategic priorities with newly-written strategic themes. These do not represent a change in the overall aims of the Agenda 2021 plan. But now that we are some way into the 5-year period, it seemed appropriate to take stock and redraft in a manner that was more descriptive and purposeful.

Our strategic themes for 2019 are:

- Insight-led, collaborative and themed programme.
- Holistic and inclusive programme.
- Think nationally, act locally.
- Building a nationwide volunteering community.
- Awareness and influence.
- Sustainable financial growth.
- Invest in our staff, systems and processes.

### **Our Goals for 2019:**

#### **Insight- led, collaborative and themed programme**

Programme will be shaped by research (therefore requiring long-term planning) and regular review. Research will be done in partnership with other organisations and the results will be shared publicly. Annual "themes" will provide coherence and focus, both for the planning of research and the resulting communication. Research will inform External Affairs' advocacy and gives opportunity for fundraising.

- Within the programme of 'A life time of support, when it is needed the most' we launched a specific focus on career longevity
- Undertake an in-house study to investigate the impact of socio-economic factors on the lives of our beneficiaries.
- We will enter into a partnership with British Tinnitus Association to undertake research into the management of tinnitus for professional musicians which will commence at the end of 2019.
- Explore opportunities for collaborating with mental health charities and developing a multi-partner approach to the knowledge hub resource and best practice guides.

Deliver research through the new holistic Programme Department approach with a focus on the future of classical music in the twenty first century, improving access and inclusion across grant giving and a PhD with Liverpool John Moors University and the Royal Liverpool Philharmonic Orchestra into prevention of musculoskeletal injuries in professional musicians, all with a multi-partner approach.

- Redesign the National Grants Programme to encompass the holistic approach, focusing on supporting organisations that promote the 360-degree support of artist and talent development, business, health and welfare of music creators.
- Partner to map the music industry across Northern Ireland in order to design and deliver a needs-based programme of support.
- Use information collected and knowledge about the regional needs of musicians gained during our tour of Scotland to inform the development of the Scottish programme.
- Undertake a programme of research in Wales

### **Holistic and inclusive programme**

Holistic Programme (Health & Welfare & Creative combined) acknowledges that musicians' needs are frequently interlinked (e.g. successful and struggling musicians alike struggle with mental health). We want to widen access to the support we offer, in order to reach as many musicians as possible and increase the number of applicants who can receive support.

- Further define our support to musicians across their lifespan to ensure it is delivering appropriate early interventions, as well as crisis and continuing care for those in need.
- Continue to work with partner organisation Attitude is Everything as they audit the accessibility and inclusivity of our grant-giving to musicians.
- Evaluation of the Do It Differently Fund will contribute to the continual review and development of our grant-making framework. This will enable HMUK to provide a lifetime of support through the Creative and Health & Welfare Programme.
- Develop bespoke responses to the holistic programme in the Nations and Regions with projects such as Sonic Bothy, The Visit and a coaching programme for music entrepreneurs.
- In Northern Ireland, we will continue our partnership with Over the Hill to ensure our presence is ageless and the 'Lifetime of support' vision is embedded in the nation.
- Further develop Women in Music NI and a partnership with Women's Work festival to focus on opportunities for collaboration with like-minded organisations across the nation.

### **Think nationally, acting locally**

Our strategy for the "Nations & Regions" will enable local Programme and Fundraising to fit seamlessly alongside national strategy and activity. Each territory will be a bespoke microcosm of the national charity.

- Deliver a strategy to develop our approach to investing in the nations and regions of the UK, as well as exploring fundraising and volunteering opportunities.
- Undertake the Northern Ireland Mapping project in order to develop more bespoke programmes. Along with the roadshow tour of Scotland, these guides to the local needs across the UK will shape and inform the development of our national programmes..

### **Building a nationwide volunteering community**

Over time, we aim to build and enable a large volunteering community who both fundraise and significantly increase the reach and local impact of our charitable activity.

- Develop an organisation-wide strategy for recruiting and retaining a skilled pool of volunteers to extend our reach and increase our impact.
- Introduce a new stewardship and engagement programme and look at how we can use digital tools to improve communication and interaction with existing and new supporters.

### **Awareness and influence**

We will develop strategies to increase understanding, raise the profile and enhance the reputation of the charity's work on a national level. We will work in a targeted and collaborative manner to ensure maximum engagement and impact across all audiences, including advocacy to influence and improve working conditions in the music industry.

- Roll-out our new communications strategy across all media and launch a new brand which will promote our new holistic, inclusive and themed programme and new nations and regions strategy.
- Appoint a President, Vice-Presidents, ambassadors and advisors in order to grow our influence and reputation.
- Introduce a partnership and influencing strategy. This, along with a new External Affairs strategy, will define our role and purpose in influencing and advocacy work.
- Establish coalitions with like-minded charities and organisations to continue and extend our advocacy around health and wellbeing, hearing health, career longevity, inclusivity, equality and accessibility.

### **Sustainable financial growth**

The charity is currently spending more than it receives, therefore income growth (both fundraising and commercially-generated) combined with responsible expenditure decision-making is vital if we are to maintain or grow our current charitable activities.

- Deliver a Business Development strategy to generate income and increase visibility through commercial initiatives, partnerships, campaigns and unique experiences and events.
- HMUK will be a beneficiary of 'Strange 80s' at its inaugural London show in 2019.

- Establish a programme of fundraising events reflective of our growing and diverse audiences, creating more opportunities to steward existing supporters, cultivate new supporters and generate income.
- Trial an appeal-based fundraising programme, developing our database to ensure that we communicate intelligently and responsibly with our supporters in a way which is relevant to them.
- Significantly increase our focus on stewardship and thanking, with a tailored programme of communication and engagement for our loyal supporter-base.
- Refresh and relaunch the Friends scheme and major donor programme and establish a suite of engagement and sponsorship opportunities for corporate partners.
- Deliver our first proactive legacy campaign and build relationships with potential new legacy prospects and existing supporters who may wish to remember us in their wills.
- Introduce an Ambassador strategy and engagement programme as a cross-organisational initiative in the run up to our centenary year.

## **Invest in our staff, systems and processes**

### Grant Management

HMUK is investing in a new Grant Management System (GMS) that will launch in 2019. The upgraded system will enable the charity to process higher volumes of applications and record data more effectively and efficiently, ensuring quality impact reporting and security compliance is enhanced. We have a dedicated role to support the IT management in the implementation and to ensure we continue the effectiveness, accuracy and efficiency in compliance with GDPR.

### Performance Management

We will be introducing a new performance management process that is a continuation of the transition on to a cloud-based HR information system. The new process will enable a greater interaction between staff and line management, improving quality of development and progress in a more transparent and reflective way.

### Digital Asset Archiving

We will start the next phase of recording our 100-year archives to a new catalogue system in readiness to access more of our rich history for our centenary year.

## **Governance**

Help Musicians UK is a company limited by guarantee (registered company number 00252783) and a charity registered in England and Wales (228089) and regulated by the Charity Commission. It has, within its consolidated results, a Trust registered in Scotland (SC012597). The charity is governed by a Board of Trustees, chaired by Graham Sheffield CBE, under powers defined in the Memorandum and Articles of Association.

### Objects of the charity

- To relieve poverty and financial hardship and to advance education among:
  - (1) musicians.
  - (2) those persons (not being members of the Association) who work or have worked in professions or occupations closely connected with music and who in the opinion of the Association have rendered valuable service to music.
  - (3) the spouses, children and other dependants of those set out in (1) and (2) above.
- To advance musical education among musicians and also among members of the public.

### Structure, governance and management of the charity

The charity is comprised of:

- Members – There are 50 'members' liable for £1 each.
- Board of Trustees – The Board defines the charity's strategic direction and policies. Trustees ensure that the activities of the charity are in accordance with its Memorandum and Articles of Association. They are also aware of the need to be responsive to the changing work trends and circumstances of working musicians.
- Sub-committees – These receive policy recommendations from the Executive Team. They often co-opt specialist advisors who support the charity's work. There are three sub-committees:
  - Finance and Audit Committee – reviews budgeting, financial strategy, financial performance, audit, reporting and risk management.
  - Nominations Committee – recruitments and appoints Trustees and co-opted advisors in collaboration with the Chief Executive. The committee meets as and when necessary.
  - Remuneration Committee – convenes once a year to discuss and decide levels of staff remuneration.
- Advisory boards – Established in 2016, these boards oversee the strategic direction and monitoring of programmes. There are three advisory boards:
  - Creative Advisory Board.
  - Musicians Health Advisory Board.
  - Development Board.

In April 2018, Help Musicians UK appointed its first Secretariat Officer to provide a confidential Executive Secretariat and Administration service, ensuring an excellent charity governance ethos. The Secretariat Officer also provides full secretariat support for the Board, Advisory Boards and related committees, as well as governance support to the set-up and initiation of new outreach regions.

### Trustee recruitment and training

The charity conducted an audit of Trustees' skills in 2017, identifying a need for six new Trustees with specific skills. Following the audit, in 2018, the charity appointed five new Trustees with the skills and experience identified by the audit. The charity anticipates appointing a further two new Trustees in 2019. New Trustees were given a full induction to provide them with the necessary background to enable them to effectively oversee the charity whilst fulfilling their other duties as Trustees and Directors.



### **Annual General Meeting**

The 89th Annual General Meeting will be held on Thursday 25 April 2019, at 7-11 Britannia Street, London WC1X 9JS. In accordance with the Memorandum and Articles of Association, the following members of the Board of Trustees retire by rotation or, being eligible, offer themselves for re-election:

- Sandeep Dwesar
- Kathryn Langridge
- Felicity Osmond
- David Williams

Charisse Beaumont, Jason Carter and Melanie Grundy were co-opted as Trustees on 27 September 2018. Anne Mitchener and Edward Kershaw were co-opted as Trustees on 13 December 2018. All five now offer themselves for election.

### **Members**

Under the rules, members are entitled to vote, attend the Annual General Meeting and elect Trustees.

## Financial review

The UK economic and political environment has been particularly challenging during 2018, as has the fundraising environment, especially the ability to grow voluntary income.

Total income for the year was £4.3million (2017: £5.9million), a 28% decrease on 2017. This was mainly due to a significant reduction in legacy income, which decreased by 49%. Legacies made up 36% of our income for the year (2017: 50%) and continue to be a crucial revenue stream.

Total expenditure, at £9.2m, was 28% higher than the previous year's £7.1 million. We spent £1.5m on activities to raise income (voluntary, investment manager fees), which is an increase of £0.3m from the £1.2m spent in 2017, driven by the expansion of our fundraising team.

Grants awarded in 2018, across both Health & Welfare and Creative Programme, were £1.0m (58%) higher in 2018 than the £3.5m awarded in 2017. The Health & Welfare service increased its investment by £0.8m (41%) compared to £2.1m in 2017 due to the number of musicians requiring the services of the Musicians' Hearing Health Scheme as well as full year costs of the Music Minds Matter support line. The Creative Programme increased the amount awarded to musicians through the introduction of two new funds - the Do it Differently Fund, which is the Charity's first holistic programme linking the Creative and Health and Welfare strands together, and the Music Leaders.

2018 has been the second full year working towards our *Agenda 2021* strategy and has presented many financial and operational changes. The charity has invested in its workforce, strengthening the fundraising team to raise £21 million by our Centenary and expanding across the regions to provide a nationwide service for musicians we support. We have laid strong foundations for a dynamic, innovative charity that responds directly to the needs of musicians and will continue to embed these going forward.

Net expenditure was £4.9m before investment losses (2017: £1.2m). After accounting for investment losses of £6.1m (2017: gains of £5.4m), the net deficit for 2018 was £11.0m (2017: net gain £4.3m). This brought total reserves to £64.9m (2017: £76.1m).

In 2019, the charity will continue to cultivate its various fundraising income streams by bringing to fruition the investment made in fundraising during 2017 and 2018. This will reduce the charity's reliance on legacy and investment income, both of which are unpredictable by nature, whilst stabilising the charity's income base.

## Designated funds – Agenda 2021

In 2017, Trustees agreed to ringfence a total of £6.7m unrestricted funds towards achieving the goals of *Agenda 2021* to build capacity and raise £21m of income by 2021. The Charity has continued to allocate a proportion of its increased spend each year and during 2018 a further £2.6m was utilised from the fund. In addition to this, the Charity has drawn down a further £2.2m from our General Fund to cover the remaining shortfall in the year due to the legacy shortfall as well as the growing demand for our Health & Welfare services.

To date, the charity has spent £4.3 million of this fund progressing towards *Agenda 2021*, leaving a balance of £2.4m at the end of the year.

Of the £2.6m spent in 2018, £882k (35%) was used to support Musicians through increased Health & Welfare grants, £119k (5%) was used to expand the Creative Programme and launch the new funding programmes referred to earlier in this report (2017: £605k – 53%), £721k (28%) supplemented restricted funding to introduce Music Minds Matter and re-launch Musicians' Hearing Health Scheme as shown in note 11 (2017: £325k – 28%), £176k (7%) kickstarted our presence in Scotland (2017: £34k), £201k (8%), continued investment in Northern Ireland (2017: £98k – 9%), and the remaining £460k (18%) were the full year effects of the recruitment in 2017 and additional headcount during 2018 necessary to fulfil our strategic aims (2017: £117k - 10%).

## **Key management personnel remuneration**

The Trustees consider the key management personnel of the charity to be the Board of Trustees, the Chief Executive and the Executive Team. The remuneration of the Chief Executive and the Executive Team is reviewed annually and set in accordance with average earnings to reflect any adjustment to the cost of living. The Remuneration Committee benchmarks against salary ranges in other charities using the midpoint of the salary offered for similar roles in similar charities. Trustees give their time freely. Details of Trustee expenses and related party transactions are disclosed in notes 6 and 14 to the accounts.

## **Social investment policy**

We recognise that occasionally it is in the interest of individual musicians that we support, to arrange concessionary loans for a major piece of work. These are secured on either their property or other tangible fixed assets such as land.

Loans are repayable either when the property is sold or when the individual dies and it is repaid from the estate. The loans were made on the premise that the charity would not intend to achieve a financial return and are made wholly to advance our charitable purposes for the benefit of the musicians we support.

## **Investment policy and performance**

Brewin Dolphin and Rathbones remain the charity's two investment managers. Both managers follow a similar remit and are measured against benchmarks and income targets with 50% of our investable money allocated to each.

In 2018, the investment portfolio yielded £2.1m and exceeded the required income target of £2m in the budget; representing an average income yield of 3.4% (2017: 3.3%). The overall performance of the portfolio in terms of total return was comparable to the benchmark; the total annual charge (TAC) for the portfolio averaged from both investment managers was 0.43% in 2018 (2017: 0.81%). Capital losses on the portfolio this year was £6.1m (compared to £5.5m gains in the previous year) although these will have recovered somewhat after year-end in line with the market. The performance of the investment portfolio is scrutinised by the Finance and Audit Committee.

During 2019, the Charity will undertake a review of its Investment Strategy and arrange the investment portfolio into two more distinct funds – a 'core fund' which will protect our long term cashflow requirements and a 'non-core' fund which will meet the short and medium term cashflow requirements of the charity.

## **Reserves**

Since inception, nearly 100 years ago, the charity has built up a financial cushion to support our commitments to the musicians we help. Our obligations to musicians in need and their dependents cannot be switched on or off depending on changes to the financial climate and may expand even in a volatile economy. The charity must maintain sufficient resources for all financial weather. It would be deeply damaging to the fulfilment of our charitable objects and strategy if we stopped helping musicians because markets have turned against us or we are faced with unexpected shortfalls.

Welcome as they are, we cannot prudently rely upon legacy income because annual gifts fluctuate and cannot be predicted accurately. Whilst the investment portfolio at £60 million of unrestricted funds may be considered significant, with low yields on investments at present a large fund remains necessary in order to provide the charity with the reliable income stream it needs to rely on in order to retain the long-term stability of its charitable work. We will continue to target a net income of £2 million in 2019 and hope to achieve this from a core fund of £40 million. The remainder of the charity's funds are committed, over the medium term, to seed-funding a permanent expansion in the charity's activity levels. The Trustees keep the charity's Reserves under regular review and are of the opinion that the

core fund requirement for 2019 and beyond appropriately reflects the amount required to be confident of a secure long-term future helping musicians.

The charity plans to award grants of more than £4 million per annum by 2021. Investment income alone is therefore insufficient to meet the ongoing needs of our beneficiaries. As part of our current strategy, we hope to generate additional fundraised income to supplement our current income streams which cannot be relied upon with any degree of certainty to fund our level of anticipated activity.

Total group reserves as at 31 December 2018 were £64.9m. This figure comprises:

- £50.3m of general reserves
- £2.5m of designated funds (made up of net book value of fixed assets)
- £2.4m of designated funds for Agenda 2021 (see above)
- £9.7m of restricted funds that are held for specific purposes

Details of restricted funds are in note 11 to the accounts. Of the reserves available for use by Help Musicians UK, £53m are tied up in investments.

## Principal risks and uncertainties

Management of the Strategic Risk Register is the responsibility of the Chief Executive and the Executive Team. The oversight of risk management lies with the Finance & Audit Committee which reports to the Board of Trustees. The Strategic Risk Register was last reviewed by the Finance & Audit Committee in November 2018, during which three broad categories of strategic risk were identified:

1. Fundraising risk – a shortfall in funds raised
2. Reputational risk – failure to make a positive impact on beneficiaries and negative external relationships or internal issues
3. Failure to meet all relevant regulatory requirements

As per the Statement of Recommended Practice (SORP) all risks are analysed, and mitigation strategies are developed. The table below shows a high-level summary of how this process was used, for the charity's top three risks.

Category of risk	Mitigation strategy	Effects of mitigation
Shortfall in available finance due to fundraising challenges	Quarterly monitoring, reporting and forecasting.  Regular review of the external environment, beneficiary needs and potential donors.	Early identification of financial risks, enabling corrective strategies.  Early identification of strategic relationships for the donor pipeline.
Reputational risk by failing to make a positive impact on beneficiaries	Continuous monitoring and reporting on impact.  Proactive research, evaluation and impact analysis to continuously identify and address unmet need.	Early identification of performance issues, enabling early corrective strategies.  Continuous development of the charity's knowledge base on the needs of people working in the UK music industry, and evidence that the charity is meeting those needs.
Reputational risk from negative external relationships (e.g. key partnerships) or internal issues (e.g. low staff morale arising from an unnecessarily hasty pace of change)	Continuous monitoring and reporting on impact.  Regular staff surveys and staff training.  Launch of a Staff Code of Conduct alongside a new staff communications plan.	Strong external relationships, enabling the charity to achieve its objectives, with small issues dealt with quickly before they become problematic.  High staff morale and low staff turnover, leading to a productive and focused workforce.
Failure to comply with regulatory requirements	Highly proactive approach to identifying all regulatory requirements, undertaking gap analyses and implementing the necessary changes.	Clear insight into levels of compliance levels. Improvement plans developed as early as possible. Organisation-wide awareness and involvement.

#### Participation in fundraising regulation and compliance with codes

We aim to be transparent in everything we do, and throughout the year, the charity reviewed its fundraising practices to ensure they are in line with best practice whilst complying with the Information Commissioner's Office Direct Marketing guidelines. We are registered with the Fundraising Regulator and are actively working towards full compliance with the General Data Protection Regulations (GDPR) which will involve a proactive audit of all donors to gain consent for the charity to retain their contact details on its database where legitimate interest is not applicable.

HMUK expects all third parties that it works with to meet the same high standards as its own staff. As such, we embedded a more stringent approach to our contractual agreements, one that clearly outlines our expectations about ethical behaviour and compliance with the requirements of the GDPR.

## **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. This includes the strategic report and 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, giving a true and fair view of the state of affairs of the charitable company and group. These statements also identify incoming resources and the application of these 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 apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgments and accounting 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 group will continue in operation.

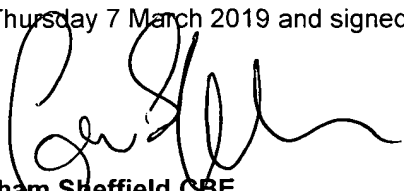
The Trustees are responsible for keeping adequate accounting records that disclose, with reasonable accuracy at any time, the financial position of the charitable company and ensures that the financial statements comply with the Companies Act 2006. Trustees are also responsible for safeguarding the assets of the charitable company and group, taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware –

- The charitable company's auditor is aware of all relevant audit information.
- The Trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to ensure that the auditors are aware of that information.

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.

The Trustees' annual report, which includes the strategic report, has been approved by the Trustees on Thursday 7 March 2019 and signed on their behalf by



**Graham Sheffield CBE**  
Chairman

## **Independent auditor's report to the members of Musicians Benevolent Fund**

### **Opinion**

We have audited the financial statements of Musicians Benevolent Fund for the year ended 31 December 2018 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2018 and of the group's net movement in funds, including the income and expenditure, 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 31, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or



- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

#### **Use of our report**

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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Anna Bennett (Senior Statutory Auditor)  
For and on behalf of haysmacintyre, Statutory Auditors

28 March 2019

10 Queen Street Place  
London  
EC4R 1AG

## **Thank you**

We are very grateful to the hundreds of dedicated volunteers and organisations who are working with us helping to support and transform the lives of musicians across the UK. Thank you also to the many hundreds of donations given by individuals and companies. This makes our work possible.

We are grateful for donations and legacies whatever the size. Every penny truly counts. And our supporters can now rely on our "100% pledge", whereby we commit to covering all of the charity's overheads with income from our investment portfolio. This should reassure donors that every penny of their support goes straight to the frontline.

**Patron**

HM The Queen

**Trustees**

Graham Sheffield CBE	Chairman and Chairman of the Remuneration Committee
Alex Spofforth	Vice Chairman
Sandeep Dwesar	Honorary Treasurer and Chairman of the Finance & Audit Committee
John Axon	
Charisse Beaumont	Co-opted
Jason Carter	Co-opted
Stephen Daltrey	
Melanie Grundy	Co-opted
Baroness Judith Jolly	Until 26 April 2018
Kathryn Langridge	
Felicity Osmond	
Richard Wigley	
David Williams	
Suzi Williams	Until 27 September 2018

**Sub-committees of the Board of Trustees***Finance & Audit Committee*

Sandeep Dwesar (Chairman), John Axon, Kathryn Langridge, Alex Spofforth, Graham Sheffield CBE  
Co-opted advisor: Stephen Swift

*Nominations Committee*

John Axon (Chairman), Felicity Osmond, Graham Sheffield CBE

*Remunerations Committee*

Graham Sheffield CBE (Chairman), John Axon, Sandeep Dwesar, Kathryn Langridge, Alex Spofforth, David Williams

**Executive Team** (as at the date the accounts were signed)

James Ainscough	Chief Executive Officer
Sarah Woods	Interim Director of External Affairs
Belinda Dee	Director of Fundraising
Claire Gevaux	Director of Programme
Simon Harrison	Director of Business Services
Lesley Page	Director of Finance

**Investment Managers**

Rathbone Brothers plc	8 Finsbury Circus, London EC2M 7AZ
Brewin Dolphin Ltd	12 Smithfield Street, London EC1A 9BD

**Auditors**

haysmacintyre, Chartered Accountants 10 Queen Street Place, London EC4R 1AG

**Solicitors**

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

**Bankers**

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

**Musicians Benevolent Fund**  
**Consolidated Statement of Financial Activities (incorporating income & expenditure account)**  
**Year ended 31 December 2018**

		Unrestricted	Restricted	2018 Total	2017 Total
	Note	£'000	£'000	£'000	£'000
<b>Income from:</b>					
Donations and legacies		1,928	110	2,038	3,445
Charitable activities		-	-	-	1
Other trading activities		117	-	117	127
Investments		1,795	319	2,114	2,340
<b>Total income</b>	<b>2</b>	<b>3,840</b>	<b>429</b>	<b>4,269</b>	<b>5,923</b>
<b>Expenditure on:</b>					
Raising funds		1,309	197	1,506	1,231
Charitable activities					
Health and Welfare		3,286	821	4,107	3,249
Creative programme		1,871	269	2,140	1,831
Raising awareness		1,345	64	1,409	837
<b>Total expenditure</b>	<b>3</b>	<b>7,811</b>	<b>1,351</b>	<b>9,162</b>	<b>7,148</b>
<b>Net expenditure and net movement in funds before transfers and (losses)/gains on investments</b>	<b>5</b>	<b>(3,971)</b>	<b>(922)</b>	<b>(4,893)</b>	<b>(1,225)</b>
Transfers between funds		(721)	721	-	-
Net losses on investments		(5,203)	(883)	(6,086)	5,546
<b>Net movement in funds</b>		<b>(9,895)</b>	<b>(1,084)</b>	<b>(10,979)</b>	<b>4,321</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		65,132	10,760	75,892	71,571
<b>Total funds carried forward</b>	<b>12</b>	<b>55,237</b>	<b>9,676</b>	<b>64,913</b>	<b>75,892</b>

All transactions are derived from continuing activities. There were no other recognised gains or losses. Movements in funds are disclosed in note 11 and comparative figures are shown in notes 17-19.

**Musicians Benevolent Fund**  
**Balance sheets**  
**As at 31 December 2018**

**Company number: 00252783**

	Note	Group 2018 £'000	2017 £'000	Charity 2018 £'000	2017 £'000
<b>Fixed assets</b>					
Tangible assets	7	2,522	2,631	2,522	2,631
Investments	8a	61,157	71,413	56,239	65,584
Social investments	8b	65	64	65	64
		<b>63,744</b>	<b>74,108</b>	<b>58,826</b>	<b>68,279</b>
<b>Current assets</b>					
Stock		7	6	-	-
Debtors: due within one year	9	1,232	1,921	1,230	2,036
Cash at bank and in hand		1,041	571	995	414
		<b>2,280</b>	<b>2,498</b>	<b>2,225</b>	<b>2,450</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	10	(1,097)	(686)	(2,024)	(1,224)
		<b>1,183</b>	<b>1,812</b>	<b>201</b>	<b>1,226</b>
<b>Net current assets</b>					
<b>Total assets less current liabilities</b>		<b>64,927</b>	<b>75,920</b>	<b>59,027</b>	<b>69,505</b>
Creditors: amounts falling due after more than one year	10	(14)	(28)	(14)	(28)
<b>Total net assets</b>		<b>64,913</b>	<b>75,892</b>	<b>59,013</b>	<b>69,477</b>
<b>Funds</b>					
Restricted funds	11	9,676	10,760	3,776	4,345
Unrestricted funds:	11				
Designated funds		4,968	7,641	4,968	7,641
General funds		50,269	57,491	50,269	57,491
		<b>55,237</b>	<b>65,132</b>	<b>55,237</b>	<b>65,132</b>
<b>Total unrestricted funds</b>		<b>55,237</b>	<b>65,132</b>	<b>55,237</b>	<b>65,132</b>
<b>Total charity funds</b>	12	<b>64,913</b>	<b>75,892</b>	<b>59,013</b>	<b>69,477</b>

The charity's own Statement of Financial Activities has not been presented, as permitted by section 408 of the Companies Act 2006. The charity's net movement in funds for the year as an individual entity was £10.5 million (2017: £3.8 million).

The notes on pages 39 - 59 form part of these financial statements. The financial statements were approved and authorised for issue by the Board of Trustees on 7 March 2019 and were signed below on its behalf by:

  
**Graham Sheffield CBE**  
Chairman

  
**Sandeep Dwesar**  
Honorary Treasurer

**Musicians Benevolent Fund**  
**Consolidated statement of cash flows**  
**Year ended 31 December 2018**

	<b>2018</b>	2017
	<b>£'000</b>	£'000
<b>Net cash used in operating activities</b>	<b>(5,858)</b>	(3,499)
<b>Cash flows from investing activities</b>		
Interest and dividends	2,216	2,340
Purchase of equipment	(57)	(122)
Proceeds from sale of investments	14,796	11,646
Purchases of investments	(10,626)	(10,770)
Movements on social investments	(1)	62
<b>Net cash provided by investing activities</b>	<b>6,328</b>	3,156
Change in cash and cash equivalents in the year	470	(343)
Cash and cash equivalents brought forward	571	914
<b>Cash and cash equivalents at the end of the year</b>	<b>1,041</b>	571

	<b>2018</b>	2017
	<b>£'000</b>	£'000
<b>Reconciliation of net income to net cash flow from operating activities</b>		
Net movement in funds	(10,979)	4,321
Depreciation	166	167
Interest and dividends	(2,216)	(2,340)
Movement on investments	6,086	(5,546)
Decrease in debtors	689	63
Increase/(decrease) in creditors	397	(161)
Increase in stock	(1)	(3)
<b>Net cash used in operating activities</b>	<b>(5,858)</b>	(3,499)

	<b>2018</b>	2017
	<b>£'000</b>	£'000
<b>Cash at bank</b>	<b>1,041</b>	571

1 Accounting policies

a) Statutory information

Musicians Benevolent Fund (operating as Help Musicians UK) is a charitable company limited by guarantee registered at 7 -11 Britannia Street, London, WC1X 9JS.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Group financial statements have been prepared in respect of Help Musicians UK and its wholly owned trading subsidiary, MBF Trading Limited.

c) Public benefit entity

Help Musicians UK meets the definition of a public benefit entity under FRS 102.

d) Going concern and key judgements

The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern.

The most significant areas of judgement that affect the charity's accounts are investment performance and accrued legacy income.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities as the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

e) Income

Income is recognised once the charity has entitlement to the funds, it is probable that income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Income from other trading activities is recognised as the related goods are provided.

Investment income is recognised when receivable and the amounts can be measured reliably. Dividends are recognised once the dividend has been declared and notification has been received the dividends are due.

f) Donations of gifts, services and facilities

Donated professional services are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of the economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated professional services are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in the expenditure in the period of receipt.

g) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Raising funds includes direct fundraising costs and their associated support costs.

Charitable activities comprise grants given to individuals and organisations undertaken to further the purposes of the charity and their associated support costs.

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

h) Redundancy and termination payments

Redundancy and termination payments are accounted for when the termination has been communicated to the employee. The total amount for the reporting period and the nature of the payment are disclosed in the staff costs note.

i) Grants payable

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, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

j) Allocation of support costs

Support costs have been allocated between governance costs and other support costs. Governance activities comprise organisational administration and compliance with constitutional and statutory requirements.

Governance and support costs have been apportioned between all activities based on staff head count.

k) Fund accounting

Restricted funds (note 11) are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for its general purposes. They include funds designated by the trustees for particular purposes where their use remains at the discretion of trustees.



l) Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses. 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.

Land is not depreciated. Depreciation on other assets is calculated on a straight-line basis to allocate the charge to their residual values over the estimated useful lives as follows:

Freehold property	over 50 years following acquisition
Other building	this is a functional asset with a beneficiary as a life tenant and is therefore not depreciated
Fixtures and fittings	4 years for the full year from when asset is brought into use
Computer equipment	4 years for the full year from when asset is brought into use

m) Investments

Investments are a form of basic financial instruments and are initially 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.

Movements in the market values are shown as realised and unrealised investment gains and losses combined in the Statement of Financial Activities.

n) Social investments

These are concessionary loans made to beneficiaries secured on their property or other assets. Loans are repayable on the sale of the specified asset. The loans are recognised at the amount paid with the carrying amount adjusted in subsequent years to reflect repayments and accrued interest. The loans were made on the premise that we would not be aiming to achieve a financial return and were made wholly to advance our charitable purposes.

o) Stocks

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

p) VAT

The charity is not registered for VAT and irrecoverable VAT is included in expenditure. The charity's subsidiary, MBF Trading Limited is VAT registered.

q) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

r) Cash at hand and in bank

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

s) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the

amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

t) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

u) 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.

## 2 Analysis of group income

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
<b>Donations and legacies</b>			
Legacies	1,423	102	1,525
Donations	505	8	513
Donations of professional services	-	-	-
<b>Charitable activities</b>			
Fees	-	-	-
<b>Other trading activities</b>			
Trading income	56	-	56
Rental income	61	-	61
<b>Investment income</b>			
Dividends	1,794	319	2,113
Bank interest	1	-	1
<b>Total income</b>	<b>3,840</b>	<b>429</b>	<b>4,269</b>

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000
<b>Donations and legacies</b>			
Legacies	2,873	107	2,980
Donations	426	46	472
Donations of professional services	-	3	3
<b>Charitable activities</b>			
Fees	1	-	1
<b>Other trading activities</b>			
Trading income	69	-	69
Rental income	58	-	58
<b>Investment income</b>			
Dividends	1,947	392	2,339
Bank interest	1	-	1
<b>Total income</b>	<b>5,375</b>	<b>548</b>	<b>5,923</b>

<b>3a Grants payable to organisations</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
British Association of Performing Arts Medicine (BAPAM)	200	180
National Opera Studio	40	40
Scottish Music Information Centre Limited	40	40
Serious Events Limited	40	40
Young Classical Artists Trust	40	40
Sound City (Liverpool) Limited	40	40
Aldeburgh Music (Snape Maltings)	40	40
Punch Records	38	39
Oh Yeah Music Centre	37	37
Spitalfields Festival Limited	37	33
Manchester Jazz Festival	35	18
Considered Thinking	33	-
Higher Rhythm Ltd	30	30
Urban Development	30	-
Philharmonia Limited	30	20
Brighter Sound	29	29
Drake Music	25	25
Bristol Music Trust	19	19
English Folk Dance and Song Society	16	10
National Youth Jazz Orchestra	15	15
Sound Festival	13	13
	11	13
Gloucestershire Music Makers (The Music Works)	8	10
Lancaster Jazz Festival	8	-
Showcase Scotland	8	-
Northern Ireland internship programme (grants under £10k)	18	25
Born to be Wilde, Scotland	-	13
London Sinfonietta	-	9
London Philharmonic Orchestra	-	8
South Bank Sinfonietta	-	7
The Hub Arts Club	-	6
<b>Total</b>	<b>872</b>	<b>799</b>

### 3(b) Analysis of expenditure

		Charitable activities					2018 Total £'000	
		Raising funds	Health and Welfare	Creative programme	Raising awareness	Support costs		Governance costs
		£'000	£'000	£'000	£'000	£'000		£'000
Individuals	Staff costs	505	397	255	344	852	205	2,558
	Training and recruitment	2	1	1	4	93	28	129
	Events	79	-	26	182	59	10	356
	Publicity and advertising	14	-	-	132	18	-	164
	Operations	11	3	1	21	255	1	292
	Travel and subsistence	14	76	34	12	27	20	183
	Legal and professional fees	288	13	26	269	145	61	802
	Depreciation	-	-	-	-	166	-	166
	Other costs	42	-	3	-	(4)	-	41
	Crisis / continuing care	-	2,205	-	-	-	-	2,205
Organisations	Wellbeing services	-	726	-	-	-	-	726
	Future professionals	-	-	668	-	-	-	668
	Partnerships	-	200	-	-	-	-	200
	Creative grant programme	-	-	672	-	-	-	672
	Associated trusts	-	-	-	-	-	-	-
	Support and governance costs	955	3,621	1,686	964	1,611	325	9,162
	Total	551	486	454	445	(1,611)	(325)	-
Total		1,506	4,107	2,140	1,409	-	-	9,162

The charity has given £3.6m in grants to 7,443 individuals in 2018 (2017: £2.6m to 3,206) and £872k in grants to 28 organisations (2017: £800k to 33).

### 3(b) Analysis of expenditure

		Charitable activities					2017 Total £'000	
		Raising funds	Health and Welfare	Creative programme	Raising awareness	Support costs		Governance costs
		£'000	£'000	£'000	£'000	£'000		£'000
	Staff costs	368	440	214	261	567	100	1,950
	Training and recruitment	30	18	2	2	58	3	113
	Events	18	-	6	107	67	-	198
	Publicity and advertising	15	-	-	200	31	2	248
	Operations	1	3	2	19	277	20	322
	Travel and subsistence	10	76	13	5	32	-	136
	Legal and professional fees	297	-	-	25	89	17	428
	Depreciation	-	-	-	-	167	-	167
	Other costs	68	2	14	-	28	-	112
								1,725
Individuals	Crisis / continuing care	-	1,725	-	-	-	-	348
	Wellbeing services	-	348	-	-	-	-	602
				602				602
Organisations	Future professionals	-	-	-	-	-	-	180
	Partnerships	-	180	-	-	-	-	619
	Creative grant programme	-	-	619	-	-	-	619
								-
	Associated trusts	-	-	-	-	-	-	-
		807	2,792	1,472	619	1,316	142	7,148
Support and governance costs		424	457	359	218	(1,316)	(142)	-
Total		1,231	3,249	1,831	837	-	-	7,148

#### 4 Staff costs

	2018	2017
	£'000	£'000
Salaries and wages	1,844	1,422
Social security costs	186	139
Employer's contribution to defined contribution pension scheme	178	143
	<b>2,208</b>	<b>1,704</b>
Other employee benefits	40	21
Related expenses	-	6
Agency staff	225	126
Self-employed fees	85	93
	<b>2,558</b>	<b>1,950</b>

In addition, redundancy costs are analysed in the table below:

	2018	2017
	£'000	£'000
Redundancy payments	66	18
Pension costs	-	-
	<b>66</b>	<b>18</b>

The charity paid a total of £65,975 (2017: £17,500) in ex gratia termination payments to a number of individuals as compensation for loss of employment. There were no related pension payments. The number of employees whose emoluments (including salary and ex gratia payments and excluding payments made to contractors) for the year fell within the following bands were:

	2018	2017
	No.	No.
£60,001 - £70,000	1	2
£80,001 - £90,000	1	1
	1	-
£90,001 - £100,000		
£120,000 - £130,000	1	-

Four employees earning more than £60,000 (2017: three) participated in the defined contribution pension scheme. Contributions of £28,000 were made during the year for these employees (2017: £22,000).

The key management personnel of the charity are the Chief Executive and the Executive team; aggregate remuneration and benefits for the key management personnel is £688,670 (2017: £413,584).

The average number of employees (head count based on number of staff employed) was:

	2018	2017
	No.	No.
Raising funds (fundraising)	10	7
Health & Welfare	9	8
Creative Programme	7	7
Raising awareness (communications)	9	8
Support (finance and operations)	9	9
Governance (secretariat)	4	2
<b>Total</b>	<b>48</b>	<b>41</b>

**5 Net expenditure for the year**

	2018	2017
	£'000	£'000
This is stated after charging:		
Auditor's remuneration (excluding VAT):		
Audit	18	17
Other services	1	1
Depreciation	166	167

**6 Trustees' remuneration and expenses**

None of the Trustees received remuneration during the year (2017: none).

Expenses totalling £2,676 (2017: £657) were reimbursed to five members of the Board of Trustees (2017: three). These payments relate mainly to travel costs. £472 was paid directly to third parties (2017: £20).



**7 Tangible fixed assets - group and charity**

	Freehold property £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
<b>Cost</b>				
At the start of the year	2,380	828	265	3,473
Additions	-	48	9	57
Disposals	-	8	5	13
<b>At the end of the year</b>	<b>2,380</b>	<b>868</b>	<b>269</b>	<b>3,517</b>
<b>Accumulated depreciation</b>				
At the start of the year	144	478	220	842
Charge for year	45	101	20	166
Depreciation on disposals	-	8	5	13
<b>At the end of the year</b>	<b>189</b>	<b>571</b>	<b>235</b>	<b>995</b>
<b>Net book value</b>				
<b>At the end of the year</b>	<b>2,191</b>	<b>297</b>	<b>34</b>	<b>2,522</b>
At the start of the year	2,236	350	45	2,631

**8a Investments**

	<b>Group</b>		<b>Charity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fair value at the start of the year	70,764	65,088	64,989	59,782
Additions at cost	10,626	10,770	9,709	9,895
Disposal proceeds	(14,352)	(10,640)	(13,105)	(9,774)
Unrealised losses	(5,334)	5,765	(4,862)	5,281
Realised losses	(752)	(219)	(685)	(195)
	<b>60,952</b>	<b>70,764</b>	<b>56,046</b>	<b>64,989</b>
Cash held by investment managers	205	649	193	595
<b>Fair value at the end of the year</b>	<b>61,157</b>	<b>71,413</b>	<b>56,239</b>	<b>65,584</b>
Historical cost at the end of the year	53,269	53,369	49,792	50,091

**Investments comprise:**

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
UK investment funds	59,180	68,851	54,249	63,501
UK investment in trading subsidiaries	-	-	25	25
UK listed shares	1,767	1,908	1,767	1,908
UK unlisted shares	5	5	5	5
Cash	205	649	193	595
	<b>61,157</b>	<b>71,413</b>	<b>56,239</b>	<b>65,584</b>

**8b Social investments**

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Concessionary loans	65	64	65	64

**Investments in trading subsidiaries**

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

9	Debtors due within one year	Group		Charity			
		2018	2017	2018	2017		
		£'000	£'000	£'000	£'000		
	Accrued legacy income	1,123	1,810	1,123	1,810		
	Prepayments	34	29	34	29		
	Current accounts with trading subsidiaries	-	-	6	121		
	Other debtors	75	82	67	76		
		1,232	1,921	1,230	2,036		
10	Creditors falling due within one year	Group		Charity			
		2018	2017	2018	2017		
		£'000	£'000	£'000	£'000		
	Trade creditors	80	36	72	22		
	Accruals	235	213	235	209		
	Other taxes & social security	95	79	95	75		
	Current accounts with associated trusts	-	-	1,023	612		
	Grants payable	666	353	585	306		
	Other creditors	7	5	-	-		
		14	-	14	-		
	Deferred Income	1,097	686	2,024	1,224		
	Creditors: amounts falling due in more than one year						
	Rent deposit	14	28	14	28		
		1,111	714	2,038	1,252		
Analysis of grants payable		Grants to individuals		Grants to organisations			
		Crisis / continuing care	Creative	Creative	BAPAM	Associated Trusts	Group total
		£'000	£'000	£'000	£'000	£'000	£'000
	Commitments as at 1 January 2018	-	182	151	-	20	353
	Grants awarded in year	2,205	686	672	200	-	3,763
	Grants written back in the year	-	(18)	-	-	-	(18)
	Payments made in year	(2,205)	(542)	(465)	(200)	(20)	(3,432)
	Commitments as at 31 December 2018	-	308	358	-	-	666

(a) The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(b) Financial assets held at fair value include assets held as investments.

(c) Financial liabilities measured at amortised cost include: trade creditors, other creditors, accruals and grants payable and amounts due to group undertakings.

**11 Movement in funds**

	At 1 Jan 2018	Income	Expenditure	Losses	Transfers	At 31 Dec 2018
	£'000	£'000	£'000		£'000	£'000
<b>Restricted funds</b>						
Alan Fluck Memorial Fund	367	10	(5)	(30)	-	342
Jacqueline du Pré Special Fund	1,877	62	(5)	(189)	-	1,745
Ian Fleming Music Awards Fund	2,022	67	(78)	(126)	-	1,885
Gwyneth Harrison Gift	45	-	(5)	-	-	40
Scotland	34	106	(176)	-	-	(36)
	-	1	(201)	-	-	(200)
Northern Ireland Musicians' Hearing Health Scheme	-	-	(607)	-	607	-
Music Minds Matter	-	4	(119)	-	115	-
<b>Charity restricted funds</b>	<b>4,345</b>	<b>250</b>	<b>(1,196)</b>	<b>(345)</b>	<b>722</b>	<b>3,776</b>
<b>Associated trusts</b>						
Miriam Licette Scholarship Fund	359	10	(2)	(30)	-	337
	1,657	45	(62)	(137)	-	1,503
Willis Grace Grant Trust	4,385	124	(70)	(373)	-	4,066
Sybil Tutton Charitable Trust	14	-	(20)	-	-	(6)
Marie Louise von Motesiczky Trust						
<b>Group restricted funds</b>	<b>10,760</b>	<b>429</b>	<b>(1,350)</b>	<b>(885)</b>	<b>722</b>	<b>9,676</b>
<b>Unrestricted funds</b>						
Designated (fixed assets)	2,631	57	(166)	-	-	2,522
	5,010	-	(1,842)	-	(722)	2,446
Designated (Agenda 2021)	57,491	3,783	(5,804)	(5,201)	-	50,269
General funds	65,132	3,840	(7,812)	(5,201)	(722)	55,237
<b>Unrestricted funds</b>						
<b>Group total funds</b>	<b>75,892</b>	<b>4,269</b>	<b>(9,162)</b>	<b>(6,086)</b>	<b>-</b>	<b>64,913</b>

### **Notes to restricted funds**

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 Pre Fund was established to enable MBF to care for musicians suffering from degenerative diseases by providing special facilities in their homes or helping with the costs of nursing care, accommodation or other needs.

Ian Fleming Music Awards Fund is a grant from the Ian Fleming Charitable Trust. Income from the fund is for the advancement of musical education among young musicians with a view to developing their talent and increasing their knowledge and expertise.

The Gwyneth Harrison legacy is set aside to provide the accompanist's prize of the Kathleen Ferrier Award annually for 20 years.

The Scotland fund is to be used for the benefit of Scottish musicians and to support the music industry and its needs in Scotland. This will involve the provision of a bespoke programme of support, advice and campaigns including health and welfare and career support grants.

The Northern Ireland fund is to be used for the benefit of Northern Irish musicians and to support the music industry and its needs in Northern Ireland. This will involve the provision of a bespoke programme of support, advice and campaigns including health and welfare and career support grants.

The Musicians' Hearing Health Scheme and Music Minds Matter funds are used towards both schemes:

Music Minds Matter offers a dedicated helpline for mental health support and a wider general front-line health & welfare service.

The Musicians' Hearing Health Scheme is a scheme to give all musicians affordable access to specialist hearing assessments and bespoke hearing protection.

Income from the Miriam Licette Scholarship Fund is used to provide grants for female singers to further their study of, particularly, French repertoire.

The Willis & Grace Grant Trust was established to make grants and provide educational facilities for students aged 30 years and over.

The Sybil Tutton Charitable Trust provides financial assistance for young opera singers principally through awards.

The Marie Louise von Motesiczky Charitable Trust funds the Karl Motesiczky scholarships which will be offered to exceptionally talented postgraduate student cellists.

### **Notes to designated funds**

Fixed assets - This relates to the net book value of the office building.

Agenda 2021 - In 2017, a total of £6.7m was designated to Agenda 2021 (current strategy) to fund a revised fundraising strategy and modernise the charity in order to generate £21 million of voluntary income and place the charity on a sustainable path.

## 12 Analysis of group net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Eliminate inter-fund £'000	Total funds £'000
<b>Fund balances at 31 December 2018 are represented by:</b>				
Tangible fixed assets	2,522	-	-	2,522
Investments	52,447	8,710	-	61,157
Social investments	65	-	-	65
Current assets	2,323	1,187	(1,230)	2,280
Current liabilities	(2,106)	(221)	1,230	(1,097)
	<b>55,251</b>	<b>9,676</b>	<b>-</b>	<b>64,927</b>
Creditors due after one year	(14)	-	-	(14)
<b>Total net assets</b>	<b>55,237</b>	<b>9,676</b>	<b>-</b>	<b>64,913</b>

Analysis by fund	Tangible fixed assets £'000	Investments £'000	Social investments £'000	Current assets £'000	Total liabilities £'000	Net assets £'000
<b>Unrestricted funds</b>						
Help Musicians UK	-	50,001	65	2,241	(2,076)	50,231
MBF Trading	-	-	-	60	(22)	38
<b>Designated funds</b>						
Fixed asset fund	2,522	-	-	-	-	2,522
Agenda 2021	-	2,446	-	-	-	2,446
	<b>2,522</b>	<b>52,447</b>	<b>65</b>	<b>2,301</b>	<b>(2,098)</b>	<b>55,237</b>
<b>Restricted funds</b>						
Alan Fluck Memorial Fund	-	275	-	67	-	342
Jacqueline Du Pré Special Fund	-	1,725	-	20	-	1,745
Gwyneth Harrison Gift	-	-	-	40	-	40
Ian Fleming Music Awards Fund	-	1,766	-	119	-	1,885
Miriam Licette Scholarship Fund	-	273	-	63	-	336
Willis & Grace Grant Trust	-	1,252	-	252	-	1,504
Sybil Tutton Charitable Trust	-	3,419	-	648	-	4,067
Marie-Louise von Motesiczky	-	-	-	-	(6)	(6)
Scotland	-	-	-	-	(36)	(36)
Northern Ireland	-	-	-	-	(201)	(201)
	<b>-</b>	<b>8,710</b>	<b>-</b>	<b>1,209</b>	<b>(243)</b>	<b>9,676</b>
Inter-fund accounts	-	-	-	(1,230)	1,230	-
<b>Total</b>	<b>2,522</b>	<b>61,157</b>	<b>65</b>	<b>2,280</b>	<b>(1,111)</b>	<b>64,913</b>

### 13 Results of trading subsidiary

The charity owns 100% of the share capital amounting to 25,000 of ordinary shares of £1 each. MBF Trading Limited (company registered no: 3053538) is located at 7 -11 Britannia Street, London, WC1X 9JS and 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:

	2018	2017
	£'000	£'000
Turnover	55	69
Operating costs	(41)	(52)
Gift Aid donation	-	16
	<u>14</u>	<u>-</u>

The assets and liabilities of the subsidiary were:

	2018	2017
	£'000	£'000
Current assets	60	168
Current liabilities	(22)	(143)
Share capital	<u>38</u>	<u>25</u>

### 14 Related party transactions

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 provided office accommodation and services at the charity's head office to these two musical charities until 2016. Help Musicians UK gave them a grant for the 2016 2017 and 2018 to help offset their accommodation costs. There is no further amount payable (2017: £20,000 shown in short term creditors).

In addition, Help Musicians UK is the sole Trustee of the following charities which make awards of various kinds and are managed by the charity's own committees:

- Miriam Licette Scholarship Fund (228089-14)
- Willis & Grace Grant Trust (228089-15)
- Sybil Tutton Charitable Trust (228089-16)
- Scottish Musicians Benevolent Fund (SCO12597)

Aggregate donations received from Trustees during the year were £914 (2017: £320).

Reimbursements and emoluments are disclosed in note 6.

## 15 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 £177,528 (2017: £142,913). Included in other creditors is £0 (2017: £29,142) in respect of the pension scheme.

## 16 Operating lease commitments - group and charity

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Equipment	
	2018	2017
	£'000	£'000
Less than one year	4	4
One to five years	4	7
	<u>8</u>	<u>11</u>

The charity will receive £61,000 rent in the next year (2017: £60,000) and £74,000 in one to five years (2017: £132,000).



**17 Consolidated Statement of Financial Activities (prior year)**

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
<b>Income from:</b>			
Donations and legacies	3,298	157	3,455
Charitable activities	1	-	1
Other trading activities	127	-	127
Investments	1,948	392	2,340
<b>Total income</b>	<b>5,374</b>	<b>549</b>	<b>5,923</b>
<b>Expenditure on:</b>			
Raising funds	1,157	74	1,231
Charitable activities	5,019	898	5,917
<b>Total expenditure</b>	<b>6,176</b>	<b>972</b>	<b>7,148</b>
<b>Net movement in funds before gains on investments</b>	<b>(802)</b>	<b>(423)</b>	<b>(1,225)</b>
Transfers between funds	(325)	325	-
Net gains on investments	4,652	894	5,546
<b>Net movement in funds</b>	<b>3,850</b>	<b>471</b>	<b>4,321</b>
<b>Reconciliation of funds</b>			
Total funds brought forward	61,607	9,964	71,571
<b>Total funds carried forward</b>	<b>65,132</b>	<b>10,760</b>	<b>75,892</b>

18 Movement in funds (prior year)

	At 1 Jan 2017	Income	Expenditure	Gains	Transfers	At 31 Dec 2017
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Restricted funds</b>						
Ivor Newton Bequest	-	55	(183)	128	-	-
Alan Fluck Memorial Fund	332	11	(1)	25	-	367
Jacqueline du Pré Special Fund	1,770	69	(123)	161	-	1,877
Ian Fleming Music Awards Fund	1,917	61	(76)	120	-	2,022
		3	(3)			
Lord and Lady Lurgan						
Gwyneth Harrison Gift	48	-	(3)	-	-	45
Scotland	-	97	(63)	-	-	34
Musicians' Hearing Health Scheme	-	10	(301)	-	291	-
Music Minds Matter	-	16	(50)	-	34	-
<b>Charity restricted funds</b>	<b>4,067</b>	<b>322</b>	<b>(803)</b>	<b>434</b>	<b>325</b>	<b>4,345</b>
<b>Associated trusts</b>						
Miriam Licette Scholarship Fund	324	11	(1)	25	-	359
	1,546	50	(56)	117	-	1,657
Willis Grace Grant Trust						
	4,008	136	(77)	318	-	4,385
Sybil Tutton Charitable Trust						
Marie Louise von Motesiczky Trust	19	30	(35)	-	-	14
<b>Group restricted funds</b>	<b>9,964</b>	<b>549</b>	<b>(972)</b>	<b>894</b>	<b>325</b>	<b>10,760</b>
<b>Unrestricted funds</b>						
Designated (fixed assets)	2,676	122	(167)	-	-	2,631
	4,655	-	(820)	-	1,175	5,010
Designated (Agenda 2021)						
	54,276	5,252	(5,189)	4,652	(1,500)	57,491
General funds						
<b>Unrestricted funds</b>	<b>61,607</b>	<b>5,374</b>	<b>(6,176)</b>	<b>4,652</b>	<b>(325)</b>	<b>65,132</b>
<b>Group total funds</b>	<b>71,571</b>	<b>5,923</b>	<b>(7,148)</b>	<b>5,546</b>	<b>-</b>	<b>75,892</b>

19 Analysis of group net assets between funds (prior year)

	Unrestricted funds £'000	Restricted funds £'000	Eliminate inter-fund £'000	Total funds £'000		
Funds at 31 December 2017 were represented by:						
Tangible fixed assets	2,631	-	-	2,631		
Investments	59,646	11,767	-	71,413		
Social investments	64	-	-	64		
Current assets	2,894	795	(1,191)	2,498		
Current liabilities	(75)	(1,802)	1,191	(686)		
	65,160	10,760	-	75,920		
Creditors due after one year	(28)	-	-	(28)		
Total net assets	65,132	10,760	-	75,892		
Analysis by fund						
	Tangible fixed assets £'000	Investments £'000	Social investments £'000	Current assets £'000	Total liabilities £'000	Net assets £'000
Unrestricted funds						
Help Musicians UK	-	54,636	64	2,726	40	57,466
MBF Trading	-	-	-	168	(143)	25
Designated funds						
Fixed Asset Fund	2,631	-	-	-	-	2,631
Agenda 2021	-	5,010	-	-	-	5,010
	2,631	59,646	64	2,894	(103)	65,132
Restricted funds						
Ivor Newton Bequest	-	1,636	-	-	(1,636)	-
Alan Fluck Memorial Fund	-	326	-	41	-	367
Jacqueline Du Pré Special Fund	-	2,043	-	-	(166)	1,877
Gwyneth Harrison Gift	-	-	-	45	-	45
Ian Fleming Music Awards Fund	-	1,908	-	114	-	2,022
Marie-Louise von Motesiczky	-	-	-	14	-	14
Miriam Licette Scholarship Fund	-	323	-	36	-	359
Willis & Grace Grant Trust	-	1,483	-	174	-	1,657
Sybil Tutton Charitable Trust	-	4,048	-	337	-	4,385
Scotland				34		34
	-	11,767	-	795	(1,802)	10,760
Inter-fund accounts	-	-	-	(1,191)	1,191	-
Totals	2,631	71,413	64	2,498	(714)	75,892