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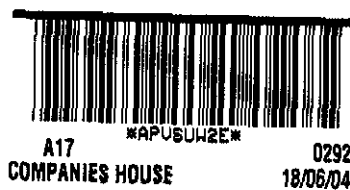
MUSICIANS BENEVOLENT FUND

Chairman: Mr Christopher Yates

REPORT OF THE EXECUTIVE COMMITTEE

AND ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2003



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

MUSICIANS BENEVOLENT FUND

YEAR ENDED 31ST DECEMBER 2003

PATRON

Her Majesty The Queen

ADVISORY COUNCIL

Chairman

Sir David Willcocks CBE MC

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

Dame Cleo Laine DBE
Lady Lewis
Mr John Lill OBE
Sir Charles Mackerras CBE
Mr Malcolm McIver OBE
Sir Neville Marriner CBE
Dr John Rutter
Mr Patric Standford
Mr Martin Williams FSA

EXECUTIVE COMMITTEE

Chairman

Mr Christopher Yates

Deputy Chairman

Mr William Parker

Honorary Treasurer

Mr Andrew Murdoch

The Revd Ronald Corp
Mrs Audrey Hills
Mr David Lester
Dr Jane Manning OBE
Dr Martin Neary LVO
Mr Thomas Sharpe QC
Mr Christopher Sinclair-Stevenson
Mr Ian Smith
Mr Ian Stoutzker OBE

SECRETARY

Ms Helen Faulkner

MUSICIANS BENEVOLENT FUND

YEAR ENDED 31ST DECEMBER 2003

LEGAL & ADMINISTRATIVE DETAILS

ESTABLISHMENT

Head Office

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

Caroline Elias, Beryl Godier, Joanna Herman-Oakley,
Abdul Hye, Rebecca Loomes, Phoebe Madden,
Rosalind Newis, Della Owen, Jane Pryce, Jane Radford, John Riggs,
Olwen Stocker, Jennifer Tibbles, Zerrin Ulutash,
Janet Weston, Rosalind Williams, Naomi Yhap

Visitors

Eileen Bowler, Anne Fitzhenry,
Tony Gibbins, Barbara Heywood,
Michal Taylor

Ivor Newton House

Sandra Pancham
Linda Standen

MEDICAL ADVISORS

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

INVESTMENT ADVISORS

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

AUDITORS

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

BANKERS

HSBC Bank plc
117 Great Portland Street
London W1W 6QJ

SOLICITORS

IBB Solicitors
Lovell House
271 High Street
Uxbridge
UB8 1LQ

MUSICIANS BENEVOLENT FUND

YEAR ENDED 31ST DECEMBER 2003

SUB-COMMITTEES WHICH HAVE MET DURING THE YEAR

Finance

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

Casework

Mrs Audrey Hills (Chairman), Mr Alistair Beattie,
Mr Patrick Benner, Dr James Bowman, Mrs Katherine Cobbe,
Dr Ursula Jones, Lady Lewis

Education

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

Festival Service Advisory Committee

Mr Martin Baker, The Revd William Booth, The Revd Chris Chivers,
The Revd Ronald Corp, Mr James O'Donnell, Mr John Scott

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

MUSICIANS BENEVOLENT FUND

YEAR ENDED 31ST DECEMBER 2003

CHAIRMAN'S MESSAGE

A year of consolidation is perhaps the best way of describing the activities of the MBF in the past year. Following a period which saw the expansion of our charitable objectives and our educational work, and the absorption of the Scottish MBF, we have concentrated on some essential administrative changes. We are now beginning the important work of reviewing our priorities and policies for the future.

An update to our information systems has enabled us to improve our supporter database and new software - and the arrival of our new Chief Accountant, Marnie Woodward, has enabled us to streamline our financial management.

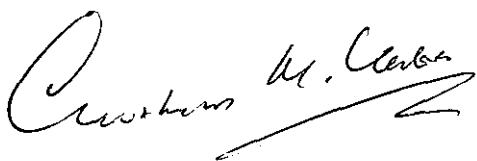
Legacy income, as predicted in last year's report was lower than our recent averages - but healthy enough for comfort - and, with a slowly improving stock market performance, has provided a sound platform for our needs.

The vital work of the Casework Department is central to the MBF's mission but is, of necessity, highly confidential. The MBF continues to work in collaboration with other important musical charities to support individuals and organisations. Ivor Newton House sustains its high levels of care and comfort for the residents. Numbers may fluctuate but the high standards remain constant.

In the Education Department the presentation of the first MBF Masterclass at the Royal Scottish Academy of Music & Drama was a highly rewarding experience - and once again we owe a huge debt of gratitude to Ian Fleming for his support of this and many other initiatives.

Public awareness of the MBF's work is essential to our well-being. Our website has been improved and updated, the 'Funding Wizard' is on-line and widely used and *Scherzo* has been transformed into *the key*: all this has helped to sharpen our public image. The annual St Cecilia celebrations enjoyed considerable support. A moving service at St Pauls was followed by an excellent lunch at the Guildhall with the Rt Hon Chris Smith MP speaking elegantly, before dashing off to respond to a three-line whip at the Commons. The Royal Concert reached an appreciative audience well beyond the Barbican through our continuing collaboration with the BBC.

In conclusion, I would like to give heartfelt thanks to all our supporters and friends, and to the many members of the music profession who give so much support to our work. We depend heavily on the advice and expertise given so willingly by our Trustees and Committee Members and they deserve special thanks. However, we could do nothing without the committed work of the staff of the MBF at Ogle Street, Ivor Newton House and throughout the country. Once again I give a huge 'thank you' for all their valuable work on behalf of the Fund.



CHRISTOPHER YATES
Chairman of the Executive Committee

MUSICIANS BENEVOLENT FUND

REPORT OF THE EXECUTIVE COMMITTEE

YEAR ENDED 31ST DECEMBER 2003

The Executive Committee (the managing trustees) of the Musicians Benevolent Fund present their 74th Annual Report (since incorporation) together with the Accounts of the Fund for the year ended 31st December 2003.

ORGANISATION

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

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

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

Membership of the Council has been strengthened by the addition of Mr John Dankworth CBE, Dame Cleo Laine and Dr John Rutter to its ranks.

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

AIMS & POLICY

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

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

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

FINANCE

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

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

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

Total incoming resources for the year were £3,756,500 (£5,872,500 in 2002, which included £740,000 from the Scottish Musicians Benevolent Fund) of which legacy receipts were £1,864,000 (£3,361,600 in 2002). The apparent drop in legacies is due largely to a detailed assessment of accrued legacy notifications which has resulted in some previously notified figures being written back because it was concluded that the initial notifications had been over-optimistic. Charitable expenditure was £3,534,800 (£3,945,900 in 2002). Grants to organisations appear in the accounts to have fallen. This is because a number of three-year funding agreements have been accounted for in full in either 2001 or 2002, but the actual payment of these grants has partly fallen into 2003. Also during 2003, a number of funding agreements were transferred from restricted funds to the main MBF fund.

MUSICIANS BENEVOLENT FUND

REPORT OF THE EXECUTIVE COMMITTEE (continued)

YEAR ENDED 31ST DECEMBER 2003

RESERVES

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

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

COMMON INVESTMENT FUND (MBF-CIF)

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

CASEWORK

8,248 grants were made to beneficiaries (8,238 grants in 2002). Grants ranged from small single payments to assist with short-term needs to large grants, and in some cases loans, for a wide variety of purposes. Some larger loans are made on a secured basis. At the end of 2003 there were 1,401 case files open (1,404 in 2002) and an additional 8 beneficiaries of the Music Trades Charitable Fund which is separately administered.

An essential part of the service provided by the MBF is the visits made to beneficiaries by professional staff. Most beneficiaries with on-going or new needs receive one visit a year and those who are older or who have more complex needs receive extra visits. In 2003 914 visits were made (937 in 2002).

During the year a property was purchased for a disabled beneficiary who could not be appropriately housed either by a local authority or by the private rental sector. The MBF retains ownership of the property and a fair rent is paid to the MBF via Housing Benefit. The purchase cost of the property (£96,750) is not included as an item in direct charitable expenditure because the property itself is now an asset of the MBF.

IVOR NEWTON HOUSE

Occupancy levels have continued to be good although by the end of the year the number of permanent residents had fallen to 12 following a number of deaths or moves into nursing care. The signs are that this level is now increasing and the empty rooms have been consistently taken up by visitors for short stays and convalescence. The MBF also supports residents in other care and nursing homes. At the end of the year a total of 65 people were being helped in this way.

EDUCATION

In 2003 211 individuals and 39 organisations received grants for educational purposes (220 and 31 in 2002). Grants to individuals amounted to £267,675. All organisations receiving grants are listed below. Additionally, £67,500 was awarded to 23 individuals from the Sybil Tutton and Ian Fleming Trusts which are administered under contract by the MBF.

The first MBF Masterclass was held. This was a musical theatre masterclass led by Rosemary Ashe and held at the Royal Scottish Academy of Music and Drama. Also in Scotland, a repetiteur fellowship run jointly by RSAMD and Scottish Opera was established. Other new initiatives included increased or new funding for national youth music making organisations and for ensembles.

MUSICIANS BENEVOLENT FUND

REPORT OF THE EXECUTIVE COMMITTEE (continued)

YEAR ENDED 31ST DECEMBER 2003

GRANTS TO ORGANISATIONS

The single largest grant paid to another organisation was £85,000 to the British Association for Performing Arts Medicine as the final part of a three-year undertaking. Further funding for 2004-6 has been agreed.

Other grants to organisations, all for educational purposes, paid during 2003 were:

	£
British Youth Opera	10,000
Britten-Pears School	5,000
Cadenza International Summer Music School	1,000
Chamber Music International	1,460
Cheltenham International Festival of Music	2,500
Clonter Opera	8,000
Farnham Festival	2,000
Hallé Orchestra Assistant Conductorship	5,000
Hallé Orchestra Professional Experience Scheme	11,000
Hengrave Hall	500
IMS Prussia Cove	1,700
Isle of Wight International Oboe Competition	1,000
Kathleen Ferrier Awards	1,500
Lake District Summer Music	2,500
Live Music Now!	15,000
LSO, St Luke's Academy	5,000
LSO String Experience Scheme	17,000
LSO Wind, Brass and Percussion Scheme	9,000
Manchester Mid-day Concerts	5,000
Music House	1,750
National Children's Orchestra	5,000
National Musicians Symphony Orchestra	2,000
National Opera Studio	9,500
National Portrait Gallery	3,000
National Young Musicians Festival	5,000
National Youth Brass Band of Great Britain	2,500
National Youth Music Theatre	10,000
National Youth Orchestra of Great Britain	15,000
National Youth Orchestra of Scotland Camerata	4,000
Orkney Conducting Course	1,000
Park Lane Group	3,500
Philharmonia Orchestra	2,500
Pro Corda	3,500
Royal College of Music	1,250
Royal Scottish Academy of Music and Drama	1,250
RSAMD Trust	10,000
Society for the Promotion of New Music	10,000
Stratford International Flute Festival	1,000
Young Concert Artists Trust	6,000

Three Trustees had connections with organisations receiving grants:

Ronald Corp (mentor/composer, spnm project)

Ian Stoutzker (Chairman, Live Music Now!)

Christopher Yates (Governor, Live Music Now! and Director, Manchester Mid-day Concerts)

MUSICIANS BENEVOLENT FUND

REPORT OF THE EXECUTIVE COMMITTEE (continued)

YEAR ENDED 31ST DECEMBER 2003

ASSOCIATED TRUSTS

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

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

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

Myra Hess Trust, Registered charity 248778

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

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

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

PUBLIC AFFAIRS

Work continues to attract more potential beneficiaries to the MBF with particular emphasis being placed on Scotland and Ireland where awareness of the MBF is believed to be poor. So far there has been little sign of an increase in people coming to the MBF for help but it is important to keep reminding people of the MBF's work.

A major exercise was undertaken, as a result of Data Protection Act requirements, to update the supporter data-base. Whilst an exercise of this type is costly, and partly accounts for the increase in fundraising costs in 2003, it was more than compensated for by donations which were received as a direct result of the mailing.

The MBF's newsletter, *Scherzo*, was redesigned to present a livelier image and has been renamed *the key*.

Since the end of 2003 the MBF has contributed to a project being undertaken by the Occupational Benevolent Funds Alliance to raise awareness of this type of charity. A 'portal' website has been created and the MBF has had excellent press coverage following its launch.

FESTIVAL OF ST CECILIA

The Festival took place on 4th and 19th November. The Royal Concert was given by the London Symphony Orchestra under Richard Hickox at the Barbican and was attended by HRH The Duchess of Gloucester.

MUSICIANS BENEVOLENT FUND

REPORT OF THE EXECUTIVE COMMITTEE (continued)

YEAR ENDED 31ST DECEMBER 2003

RELATIONSHIPS WITH OTHER CHARITIES

The MBF continued to support the British Association for Performing Arts Medicine (formerly BPMAT) making grants to them totalling £85,000 of which £10,000 was an additional grant to assist in funding the organisation's relaunch.

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

SCOTTISH MUSICIANS BENEVOLENT FUND

The Scottish Musicians Benevolent Fund amalgamated with the MBF in March 2002, the MBF becoming sole Trustee of SMBF. Four former Trustees of SMBF joined the MBF in various roles; Mr Ian Smith joined the Executive committee, Mr Alistair Beattie joined the Casework committee, Mr Malcolm McIver, former Chairman of SMBF, and Lady Gibson became members of the Council.

RISK STATEMENT

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

Charity trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ANNUAL GENERAL MEETING

The 74th Annual General meeting (since incorporation) will be held on 24th June 2004 at the National Liberal Club, Whitehall Place, London SW1A 2HE.

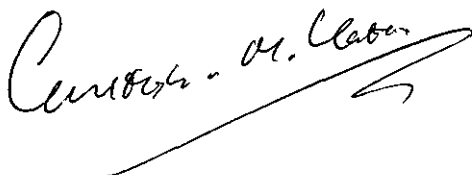
In accordance with the Articles of Association, the following members of the Executive Committee retire by rotation and, being eligible, offer themselves for re-election: The Revd Ronald Corp, Mr David Lester, Dr Jane Manning, Mr Ian Smith.

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

By Order of the Executive Committee

CHRISTOPHER YATES
Chairman

20th May 2004



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MUSICIANS BENEVOLENT FUND

We have audited the financial statements of Musicians Benevolent Fund for the year ended 31st December 2003 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out therein.

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

Respective responsibilities of trustees and auditors

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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

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

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

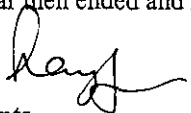
Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the charitable company and its subsidiaries' state of affairs as at 31st December 2003 and of its incoming resources and application of resources, including their income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.


haysmacintyre
Chartered Accountants
Registered Auditors

Fairfax House
15 Fulwood Place
London WC1V 6AY

20th May 2004

MUSICIANS BENEVOLENT FUND

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31ST DECEMBER 2003

	Note	Unrestricted Funds £'000	Note 14 Restricted Funds £'000	Note 13 Endowment Funds £'000	Total 2003 £'000	Total 2002 £'000
Incoming resources						
Donations, legacies etc.		2,177.7	18.2	-	2,195.9	3,600.7
Transfer from Scottish MBF		-	-	-	-	740.0
Activities in furtherance of the charity's objectives:						
Audition fees		2.3	1.1	-	3.4	3.3
Fees subscriptions and other sales		304.6	-	-	304.6	397.0
Activities for generating funds:						
Trading income		138.4	-	-	138.4	130.7
Investment income and interest		984.9	106.1	23.2	1,114.2	1,001.3
Net loss in disposal of fixed assets		-	-	-	-	(0.5)
Total Incoming Resources		<u>3,607.9</u>	<u>125.4</u>	<u>23.2</u>	<u>3,756.5</u>	<u>5,872.5</u>
Resources expended						
Cost of generating funds:						
Trading expenses		109.6	-	-	109.6	104.7
Fundraising		249.2	-	-	249.2	229.0
		<u>358.8</u>	<u>-</u>	<u>-</u>	<u>358.8</u>	<u>333.7</u>
Charitable expenditure						
Grants to individuals		1,574.9	131.9	1.6	1,708.4	1,980.6
Grants to organisations		69.0	56.5	-	125.5	295.6
Grant transfers		183.5	(183.5)	-	-	-
Grants written back		(96.3)	-	-	(96.3)	-
Residential Home		721.9	-	-	721.9	669.6
Casework and counselling		431.1	-	-	431.1	374.0
Support costs		401.4	5.1	-	406.5	368.4
Managing and administering the charity	3	231.8	4.2	1.7	237.7	257.7
		<u>3,517.3</u>	<u>14.2</u>	<u>3.3</u>	<u>3,534.8</u>	<u>3,945.9</u>
Total Resources Expended	2	<u>3,876.1</u>	<u>14.2</u>	<u>3.3</u>	<u>3,893.6</u>	<u>4,279.6</u>
Net (expended)/incoming resources before transfers		(268.2)	111.2	19.9	(137.1)	1,592.9
Transfers between funds		22.0	(8.5)	(13.5)	-	-
Net (expended)/incoming resources		(246.2)	102.7	6.4	(137.1)	1,592.9
Gain/(loss) on revaluations and disposals of investment assets		2,318.0	247.6	57.9	2,623.5	(5,298.7)
Net movement in funds		<u>2,071.8</u>	<u>350.3</u>	<u>64.3</u>	<u>2,486.4</u>	<u>(3,705.8)</u>
Fund balances brought forward at 1st January 2003		28,755.4	2,472.5	586.0	31,813.9	35,519.7
Total funds carried forward at 31st December 2003		<u>£30,827.2</u>	<u>£2,822.8</u>	<u>£650.3</u>	<u>£34,300.3</u>	<u>£31,813.9</u>

All transactions are derived from continuing activities.

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

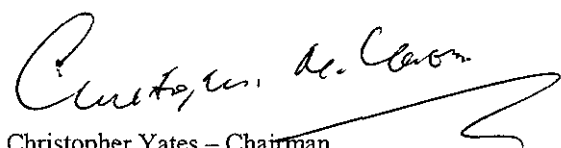
MUSICIANS BENEVOLENT FUND

BALANCE SHEETS

31ST DECEMBER 2003

	Note	Group		Charity	
		2003 £'000	2002 £'000	2003 £'000	2002 £'000
Fixed assets					
Tangible assets	7	1,877.6	1,856.4	1,877.6	1,856.4
Loans to Anchor Housing	8	48.0	59.5	48.0	59.5
Investments	9	29,787.9	27,127.6	27,216.2	24,766.1
		<u>31,713.5</u>	<u>29,043.5</u>	<u>29,141.8</u>	<u>26,682.0</u>
Current assets					
Stocks		6.4	14.1	0.8	2.7
Debtors : due within one year	10	1,102.3	2,031.2	1,390.6	2,052.7
Debtors : due after one year	10	397.0	341.1	397.0	341.1
Short term deposits		1,484.6	1,543.0	1,227.2	1,301.5
Cash at bank and in hand		201.3	36.0	201.0	21.9
		<u>3,191.6</u>	<u>3,965.4</u>	<u>3,216.6</u>	<u>3,719.9</u>
Creditors : amounts falling due within one year	12	<u>(435.1)</u>	<u>(1,195.0)</u>	<u>(587.1)</u>	<u>(882.5)</u>
Net current assets		<u>2,756.5</u>	<u>2,770.4</u>	<u>2,629.5</u>	<u>2,837.4</u>
Total assets less current liabilities		<u>34,470.0</u>	<u>31,813.9</u>	<u>31,771.3</u>	<u>29,519.4</u>
Creditors : amounts falling due after more than one year	12	<u>(169.7)</u>	<u>-</u>	<u>(127.3)</u>	<u>-</u>
Net assets		<u><u>£34,300.3</u></u>	<u><u>£31,813.9</u></u>	<u><u>£31,644.0</u></u>	<u><u>£29,519.4</u></u>
Capital Funds					
Endowments	13	650.3	586.0	97.0	88.0
Income Funds					
Restricted funds	14	2,822.8	2,472.5	766.8	700.9
Unrestricted funds :					
Designated funds	15	7,112.9	6,615.8	7,112.9	6,615.8
Other charitable funds		23,667.3	22,114.7	23,667.3	22,114.7
Non-charitable trading funds		47.0	24.9	-	-
		<u><u>£34,300.3</u></u>	<u><u>£31,813.9</u></u>	<u><u>£31,644.0</u></u>	<u><u>£29,519.4</u></u>

Approved by the Executive Committee on 20th May 2004 and signed on its behalf by:



Christopher Yates – Chairman

MUSICIANS BENEVOLENT FUND

CONSOLIDATED CASHFLOW STATEMENT

YEAR ENDED 31ST DECEMBER 2003

	Note	2003		2002	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	17		586.8		1,778.8
Capital expenditure					
Purchase of tangible fixed assets		(108.8)		(81.9)	
Proceeds from sale of tangible fixed assets		-		0.1	
Purchase of investments		(3,232.1)		(1,010.3)	
Sale of investments		2,285.1		769.7	
Loans advanced		(57.2)		(30.1)	
Net cash outflow from capital expenditure			(1,113.0)		(352.5)
(Decrease)/increase in cash	18		£(526.2)		£1,426.3

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2003

1. ACCOUNTING POLICIES

Basis of Accounting

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

Group Financial Statements

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

Fund Accounting

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

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

Incoming Resources

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

Resources Expended

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

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

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

Depreciation

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

Freehold property	- 2% p.a. straight line
Motor vehicles	- 25% p.a. straight line
Fixtures and fittings	- 10% - 25% p.a. straight line
Computer equipment	- 25% p.a. straight line

MUSICIANS BENEVOLENT FUND**NOTES TO THE CONSOLIDATED ACCOUNTS (continued)****YEAR ENDED 31ST DECEMBER 2003****1. ACCOUNTING POLICIES (continued)****Stocks**

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

Investments

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

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

Pension Scheme

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

2. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £'000	Other £'000	Depreciation £'000	Total £'000
Charitable expenditure				
Grants to individuals	-	1,708.4	-	1,708.4
Grants to organisations	-	125.5	-	125.5
Grants transfers	-	-	-	-
Grants written back	-	(96.3)	-	(96.3)
Residential Home	502.4	188.0	31.5	721.9
Casework and counselling	313.3	93.5	24.3	431.1
Support costs	219.4	170.9	16.2	406.5
Management & Administration of the charity	127.8	101.5	8.4	237.7
	<u>1,162.9</u>	<u>2,291.5</u>	<u>80.4</u>	<u>3,534.8</u>
Other expenditure				
Trading expenses	-	109.6	-	109.6
Fundraising	84.5	157.5	7.2	249.2
	<u>84.5</u>	<u>157.5</u>	<u>7.2</u>	<u>249.2</u>
Total	<u>£1,247.4</u>	<u>£2,558.6</u>	<u>£87.6</u>	<u>£3,893.6</u>

3. MANAGEMENT AND ADMINISTRATION OF THE CHARITY

The total includes a provision for auditors' remuneration in respect of 2003 of £17,978 (2002: £17,273).

MUSICIANS BENEVOLENT FUND

NOTED TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2003

4. CHANGES IN RESOURCES AVAILABLE FOR CHARITY USE	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000	Total 2002 £'000
Net movement in funds for the year	2,071.8	350.3	64.3	2,486.4	(3,705.8)
Net increase/(decrease) in tangible fixed assets:					
for charitable purposes	21.8	-	-	21.8	4.6
for other purposes	(0.6)	-	-	(0.6)	(4.0)
Net movement in Funds available for future activities	£2,093.0	£350.3	£64.3	£2,507.6	£(3,705.2)

5. STAFF COSTS	2003 £'000	2002 £'000
Salaries and wages	937.4	847.8
National Insurance	85.7	71.3
Pension scheme	128.7	100.6
Private Medical Insurance	11.4	10.1
Related expenses	48.4	13.7
Agency staff	44.6	38.6
Self-employed fees	13.3	9.8
	1,269.5	1,091.9
Less: recharged to third parties	(22.1)	(30.4)
	£1,247.4	£1,061.5

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

	2003 Number	2002 Number
£ 50,001 - £ 60,000	1	1
£ 40,001 - £ 50,000	1	1

The average number of employees analysed by function was :

Residential Home	36	30
Casework and counselling	12	11
Support costs	7	6
Fundraising and publicity	4	4
Management and administration of the charity	4	4
	63	55

6. EXECUTIVE COMMITTEE'S EMOLUMENTS AND REIMBURSED EXPENSES

None of the members of the Executive Committee received remuneration during the year (2002: £Nil).

During 2003 expenses totalling £6,795 (2002: £8,653) were reimbursed to two members of the Executive Committee (2002: two).

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2003

7. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £'000	Fixtures & Fittings £'000	Computer Equipment £'000	Motor Vehicles £'000	Total £'000
Cost or valuation					
Balance at 31st December 2002	1,828.0	235.6	74.5	78.1	2,216.2
Additions	-	65.4	43.4	-	108.8
Balance at 31st December 2003	<u>1,828.0</u>	<u>301.0</u>	<u>117.9</u>	<u>78.1</u>	<u>2,325.0</u>
Accumulated depreciation					
Balance at 31st December 2002	36.6	204.9	67.2	51.1	359.8
Charge for year	36.5	23.3	14.3	13.5	87.6
Balance at 31st December 2003	<u>73.1</u>	<u>228.2</u>	<u>81.5</u>	<u>64.6</u>	<u>447.4</u>
Net Book Value					
At 31st December 2003	<u>£1,754.9</u>	<u>£72.8</u>	<u>£36.4</u>	<u>£13.5</u>	<u>£1,877.6</u>
At 31st December 2002	<u>£1,791.4</u>	<u>£30.7</u>	<u>£7.3</u>	<u>£27.0</u>	<u>£1,856.4</u>

Freehold land and buildings were revalued as at 31st December 2001 by Cluttons, Chartered Surveyors, on an open market basis in accordance with the Guidelines issued by the Royal Institution of Chartered Surveyors. The historic cost of these assets is £1,185,886, the net book value of the items at historical cost and depreciation would be £1,057,310 (2002 : £1,081,028).

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

The Net Book Value at 31st December 2003 represents fixed assets used for :

	Freehold Land and Buildings £'000	Fixtures & Fittings £'000	Computer Equipment £'000	Motor Vehicles £'000	2003 Total £'000	2002 Total £'000
Charitable purposes						
Residential Home	1,015.7	58.4	5.8	8.4	1,088.3	1,052.5
Casework and Counselling	211.4	8.9	6.9	5.1	232.3	248.9
Support costs	327.5	3.6	10.8	-	341.9	343.7
Management & administration for the charity	105.0	1.0	9.9	-	115.9	111.5
	<u>1,659.6</u>	<u>71.9</u>	<u>33.4</u>	<u>13.5</u>	<u>1,778.4</u>	<u>1,756.6</u>
Other purposes						
Fundraising	95.3	0.9	3.0	-	99.2	99.8
	<u>£1,754.9</u>	<u>£72.8</u>	<u>£36.4</u>	<u>£13.5</u>	<u>£1,877.6</u>	<u>£1,856.4</u>

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2003

8. LOANS TO ANCHOR HOUSING ASSOCIATION

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

The loans are considered non-commercial due to the low rate of interest and the fact that any extension of the loan to secure nomination rights over a longer period would require the payment of a premium. Therefore a provision is made of 5% per annum in order that the loans are fully provided for over their 20 year durations. This year's provision is £11,500 (2002: £11,500).

9. FIXED ASSET INVESTMENTS

	Group		Charity	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Market value at 31st December 2002	27,127.6	31,252.3	24,766.1	28,361.3
Proceeds on disposals	(2,179.6)	(911.1)	(2,044.6)	(851.7)
Add: Acquisitions at cost	2,310.4	1,010.3	2,210.4	986.2
Net gains/(losses) on revaluation at 31st December 2003	2,529.5	(4,223.9)	2,284.3	(3,729.7)
Market Value at 31st December 2003	£29,787.9	£27,127.6	£27,216.2	£24,766.1
Historical cost as at 31st December 2003	£22,616.7	£22,370.7	£20,634.9	£20,378.9
The market value represents Fixed Asset Investments of the following categories:				
UK Investment properties	1,220.0	1,121.2	1,220.0	1,121.2
UK Common Investment Fund	28,458.9	24,520.5	25,966.1	22,239.1
UK Investments in trading subsidiaries	25.0	25.0	25.0	25.0
UK Listed investments	78.9	1,455.8	-	1,375.7
UK Unlisted investments	5.1	5.1	5.1	5.1
	£29,787.9	£27,127.6	£27,216.2	£24,766.1
Income arising from the above categories				
UK Investment properties	31.9	31.2	31.9	31.2
UK Common Investment Fund	1,039.0	944.7	947.8	858.5
UK Listed investments	21.5	17.0	15.6	11.0
UK Unlisted investments	0.5	0.5	0.5	0.5
	£1,092.9	£993.4	£995.8	£901.2

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

Investments in trading subsidiaries

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

Both companies are registered in England.

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

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2003

10. DEBTORS

	Group		Charity	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Balances due within one year :				
Loans (Note 11)	60.4	59.1	60.4	59.1
Income tax recoverable	-	(6.4)	-	(6.4)
Prepayments	30.4	53.4	30.4	53.4
Current accounts with associated trusts	-	-	308.2	7.4
Trading subsidiaries	-	-	-	43.2
Residents' and guest fees	0.8	3.6	0.8	3.6
Other debtors	177.7	132.0	159.3	104.6
H M Customs & Excise	1.5	1.7	-	-
Accrued legacies	831.5	1,787.8	831.5	1,787.8
	<u>1,102.3</u>	<u>2,031.2</u>	<u>1,390.6</u>	<u>2,052.7</u>
Balances due in more than one year :				
Loans (Note 11)	397.0	341.1	397.0	341.1
	<u>£1,499.3</u>	<u>£2,372.3</u>	<u>£1,787.6</u>	<u>£2,393.8</u>

11. LOANS

	2003	2002
	£	£
To beneficiaries :		
Secured loans	397.0	341.1
Loan Fund for musical instruments	52.0	52.0
To staff :		
Unsecured season ticket loans	8.4	7.1
	<u>£457.4</u>	<u>£400.2</u>

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

12. CREDITORS : amounts falling due within one year

Residents and guest fees	1.1	0.7	1.1	0.7
Custom & Excise	-	0.2	-	-
Trade creditors	26.5	797.6	20.1	481.7
Accruals and deferred income	148.6	19.7	91.1	13.0
PAYE and National Insurance	24.2	65.6	24.2	65.6
Current accounts with associated trusts	-	-	297.3	12.0
Other creditors	234.7	22.6	153.3	22.6
Bank overdraft	-	288.6	-	286.9
	<u>£435.1</u>	<u>£1,195.0</u>	<u>£587.1</u>	<u>£882.5</u>
Balances due in more than one year:				
Other creditors	169.7	-	127.3	-
	<u>£604.8</u>	<u>£1,195.0</u>	<u>£714.4</u>	<u>£882.5</u>

MUSICIANS BENEVOLENT FUND**NOTES TO THE CONSOLIDATED ACCOUNTS (continued)****YEAR ENDED 31ST DECEMBER 2003****13. ENDOWMENTS**

	Balance 31st December 2002 £'000	Incoming Resources £'000	Expenditure, Gains/(Losses) & Transfers £'000	Balance 31st December 2003 £'000
Permanent endowments				
Percy Haywood Fund	56.5	2.2	3.4	62.1
St Cecilia's Holiday Fund	31.6	1.3	1.9	34.8
British Musicians Sick & Pension Charity	147.6	5.9	9.4	162.9
Stanley Rogers Will Trust	144.0	5.7	8.8	158.5
The Courtauld Trust for the Advancement of music	45.4	1.7	3.7	50.8
Miriam Licette Scholarship Fund	160.9	6.4	13.9	181.2
	<u>£586.0</u>	<u>£23.2</u>	<u>£41.1</u>	<u>£650.3</u>

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

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

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

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

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

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

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2003

14. RESTRICTED FUNDS

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

	Balance 31st December 2002 £'000	Incoming Resources £'000	Expenditure, Gains/(Losses) & Transfers £'000	Balance 31st December 2003 £'000
Music Trades Charitable Fund	64.1	5.8	(9.7)	60.2
Ivor Newton Bequest	700.9	26.4	39.5	766.8
The Professor Charles Leggett Trust	175.7	7.9	41.2	224.8
Myra Hess Trust	444.7	18.0	14.9	477.6
Geoffrey Shaw Memorial Fund	140.3	22.4	28.0	190.7
The Ludgate Trust	221.4	13.5	82.8	317.7
Frank Britton Award	62.2	2.5	3.3	68.0
Sir Henry Richardson Award	185.5	7.8	10.8	204.1
The Peter Whittingham Fund	105.2	4.1	(0.6)	108.7
Henry & Lily Davis Fund	317.5	13.9	20.9	352.3
The Guilhermina Suggia Gift	28.9	1.3	(1.2)	29.0
Manoug Parikian Award	26.1	1.8	(5.0)	22.9
	<u>£2,472.5</u>	<u>£125.4</u>	<u>£224.9</u>	<u>£2,822.8</u>

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

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

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

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

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

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

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

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

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

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

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

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

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2003

15. DESIGNATED FUNDS

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

	Balance 31st December 2002 £'000	Income and New Designations £'000	Expenditure Gains/(Losses) & Transfers £'000	Balance 31st December 2003 £'000
Fixed Asset Fund	1,856.4	21.2	-	1,877.6
Emily English Memorial Fund	465.8	18.4	22.4	506.6
Music Education Award	14.8	27.7	(25.5)	17.0
Ivor Newton House Fund	17.2	1.4	0.2	18.8
Holiday Fund	525.7	20.9	31.9	578.5
Jacqueline du Pré Special Fund	1,063.1	42.1	66.8	1,172.0
Anthony Bernard Fund	314.3	12.5	19.1	345.9
Joan Randall Fund	1,596.1	63.5	100.2	1,759.8
Alan Fluck Memorial Fund	157.4	7.3	18.0	182.7
Patricia Cartwright Fund	302.6	12.0	14.9	329.5
R E Maidment	152.4	6.1	5.4	163.9
MSV Lawson Fund	150.0	2.7	7.9	160.6
	<u>£6,615.8</u>	<u>£235.8</u>	<u>£261.3</u>	<u>£7,112.9</u>

The Fixed Asset Fund represents the net book value of the charity's assets at 31st December 2003.

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

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

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

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

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

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

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

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2003

15. DESIGNATED FUNDS (continued)

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

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

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

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

16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Eliminate Inter-Fund £'000	Total Funds £'000
Fund balances at 31st December 2003 are represented by :					
Tangible fixed assets	1,877.6	-	-	-	1,877.6
Loans to Anchor Housing	48.0	-	-	-	48.0
Investments	26,355.6	2,794.9	637.4	-	29,787.9
Current assets	3,296.9	216.8	16.1	(338.2)	3,191.6
Current liabilities	(623.6)	(146.5)	(3.2)	338.2	(435.1)
	<u>30,954.5</u>	<u>2,865.2</u>	<u>650.3</u>	<u>-</u>	<u>34,470.0</u>
Creditors due after one year	(127.3)	(42.4)	-	-	(169.7)
Total Net Assets	<u><u>£30,827.2</u></u>	<u><u>£2,822.8</u></u>	<u><u>£650.3</u></u>	<u><u>£ -</u></u>	<u><u>£34,300.3</u></u>

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

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

Analysis by Fund

	Tangible Fixed assets £'000	Investments and loans to Anchor £'000	Current Assets £'000	Total Liabilities £'000	Net Assets £'000
Unrestricted Funds					
Musicians Benevolent Fund	-	21,194.3	2,830.0	(356.8)	23,667.5
Fixed Asset Fund	1,877.6	-	-	-	1,877.6
Emily English Memorial Fund	-	501.6	26.2	(21.2)	506.6
Music Education Fund	-	-	255.7	(238.7)	17.0
Ivor Newton House Fund	-	16.4	2.4	-	18.8
Holiday Fund	-	578.5	-	-	578.5
Anthony Bernard Fund	-	345.9	-	-	345.9
Jacqueline Du Pré Special Fund	-	1,153.6	56.7	(38.3)	1,172.0
MBF Trading Limited	-	-	113.5	(66.5)	47.0
St Cecilia Enterprises Limited	-	-	3.4	(3.4)	-
Joan Randall Fund	-	1,756.4	3.3	-	1,759.7
Alan Fluck Memorial Fund	-	197.5	5.1	(20.0)	182.6
Patricia Cartwright Fund	-	329.5	-	-	329.5
R E Maidment	-	169.3	0.6	(6.0)	163.9
MSV Lawson Fund	-	160.6	-	-	160.6
	<u>1,877.6</u>	<u>26,403.6</u>	<u>3,296.9</u>	<u>(750.9)</u>	<u>30,827.2</u>
Restricted Funds					
Music Trades Charitable Trust	-	57.0	3.7	(0.5)	60.2
Ivor Newton Bequest	-	763.7	36.5	(33.4)	766.8
The Professor Charles Leggett Fund	-	214.8	13.3	(3.3)	224.8
Myra Hess Trust	-	475.2	12.0	(9.6)	477.6
Geoffrey Shaw Memorial Fund	-	118.9	77.1	(5.3)	190.7
The Ludgate Trust	-	358.2	28.9	(69.4)	317.7
Frank Britton Award	-	67.6	1.9	(1.5)	68.0
Sir Henry Richardson Award	-	202.2	12.0	(10.1)	204.1
The Peter Whittingham Fund	-	109.6	6.4	(7.3)	108.7
Henry & Lily Davis Fund	-	380.0	16.6	(44.3)	352.3
The Guilhermina Suggia Fund	-	26.2	3.5	(0.7)	29.0
Manoug Parikian Award	-	21.5	4.9	(3.5)	22.9
		<u>2,794.9</u>	<u>216.8</u>	<u>(188.9)</u>	<u>2,822.8</u>
Endowment Funds					
Percy Haywood Fund	-	62.1	-	-	62.1
St Cecilia's Holiday Fund	-	34.8	-	-	34.8
British Musicians Sick & Pension Charity	-	161.4	1.8	(0.3)	162.9
Stanley Rogers Will Trust	-	158.6	0.2	(0.3)	158.5
The Courtauld Trust for the Advancement of Music	-	44.3	6.8	(0.3)	50.8
The Miriam Licette Scholarship Fund	-	176.2	7.3	(2.3)	181.2
	<u>-</u>	<u>637.4</u>	<u>16.1</u>	<u>(3.2)</u>	<u>650.3</u>
Inter-Fund Accounts	-	-	(338.2)	338.2	-
Totals	<u>£1,877.6</u>	<u>£29,835.9</u>	<u>£3,191.6</u>	<u>£(604.8)</u>	<u>£34,300.3</u>

MUSICIANS BENEVOLENT FUND

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2003

17. RECONCILIATION OF CHANGES IN RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2003 £'000	2002 £'000
Net (outgoing)/incoming resources	(137.1)	1,592.9
Depreciation	87.6	80.7
Loss on disposal of tangible fixed assets	-	0.5
(Decrease)/increase in creditors	(301.6)	433.8
Decrease/(increase) in debtors	930.2	(323.9)
Decrease/(increase) in stocks	7.7	(5.2)
	<u>£586.8</u>	<u>£1,778.8</u>

18. ANALYSIS OF CHANGES IN NET FUNDS

	At 1st January 2003 £'000	Cashflows £'000	At 31st December 2003 £'000
Short term deposits	1,543.0	(58.4)	1,484.6
Cash at bank and in hand	36.0	165.3	201.3
Cash awaiting investment	921.7	(921.7)	-
Bank overdraft	(288.6)	288.6	-
	<u>£2,212.1</u>	<u>£(526.2)</u>	<u>£1,685.9</u>

19. PENSION SCHEME

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

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

£12,204 was prepaid in respect of the defined contribution pension share (2002: £11,264) in respect of the defined contribution pension scheme during 2003.