

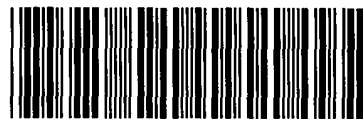
Company registration number: 02372740

BRITISH RECORD INDUSTRY TRUST
(A company limited by guarantee)

Company registration number 02372740
Charity registration number 1000413

Report and financial statements
for the year ended 31 December 2013

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**British Record Industry Trust
Annual Report and Financial Statements
For the year ended 31 December 2013**

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**British Record Industry Trust
Annual Report and Financial Statements
For the year ended 31 December 2013**

Trustees' Report

The Trustees present their Annual Report together with the audited financial statements for the year ended 31 December 2013. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, the Charities Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities 2005 ("Charities SORP 2005").

Reference and Administrative Information

Trustees:	John Craig OBE (Chairman) Andrew Cleary Rob Dickins CBE Derek Green (resigned 20 March 2013) David Kassner Jonathan Morrish Geoff Taylor Tony Wadsworth CBE Korda Marshall David Sharpe John Deacon CBE Simon Robson Emma Pike (resigned 8 July 2014) David Munns OBE (appointed 1 June 2013) William Rowe (appointed 16 July 2014)	
Registered Office:	Riverside Building County Hall Westminster Bridge Road London SE1 7JA	
Charity Number:	1000413	
Company Number:	02372740	
Auditor:	Nexia Smith & Williamson Portwall Place Portwall Lane Bristol BS1 6NA	
Bankers:	Coutts & Co 440 Strand London WC2R 0QS	
Solicitors:	Wiggin LLP 10th Floor, Met Building 22 Percy Street London W1T 2BU	
Investment Managers:	Investec Quayside House Canal Wharf Leeds LS11 5PU	Falcon Wealth 27 Knightsbridge London SW1X 7LY

**British Record Industry Trust
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Trustees' Report (continued)

Structure, Governance and Management

The British Record Industry Trust ("BRIT Trust") is a company limited by guarantee, formed on 17 April 1989, and is a registered charity, number 1000413. The company is governed by its Memorandum and Articles of Association.

The Trustees are appointed by the Board of Trustees. The Trust's Articles of Association require that there be no less than two members of the Trust at any point in time. The membership of the Board is made up of representatives of the music industry and associated companies.

Trustee meetings are held at least three times a year to consider grants and applications for funding, to review the financial performance of the investment portfolio and to monitor the administration of the Trust. The day to day management and administration is managed by Maggie Crowe and financial reporting is managed by Jenny Clarke, both employees of BPI (British Recorded Music Industry) Limited ("BPI").

The Trust also holds a 50% stake in Music Industry Trusts Limited and receives an annual donation from the profits of Music Industry Trusts Limited.

Trustee Induction and Training

The Trustees are longstanding members of the record industry and are already familiar with the practical work and objectives of the Trust. New Trustees are recruited from the same talent pool. They are encouraged to visit the BRIT School and Nordoff Robbins events and locations (as well as other beneficiaries of the Trust) throughout the year to gain a broader understanding of the Trust's work. Trustees are advised of legal and best practice developments in charity law and company law by the Trust's secretariat, both at board meetings and by e-mail.

Risk Management

The Trustees consider underperformance from investment portfolios as the charity's major risk. As the main income for the Trust is received from the BRIT Awards Limited, the economic climate can impact on that company's financial success and is also a risk to the Trust.

As the Trust is small, with few transactions, the trustees have adopted suitable internal controls to minimise the risks to which the charity is exposed. Internal control risks are minimised by procedures for the authorisation of all transactions. Investment decisions have been delegated to professional independent investment managers, whose performance is reviewed quarterly against the WM Charity Fund Monitor and at each Trustee Meeting. A sub-committee of the Board monitors the Trust's invested assets on a regular basis and reports regularly to the Board.

The Trust has implemented a Risk Register following Charity Commission guidelines, which is subject to regular review by Trustees and secretariat.

**British Record Industry Trust
Annual Report and Financial Statements
For the year ended 31 December 2013**

Trustees' Report (continued)

Objectives and Activities and Public Benefit

The object of the Trust, as set out in the Memorandum and Articles of Association, is the promotion of such exclusively charitable objects as the Trust may from time to time see fit. The mission of the Trust is to give young people a chance to express their musical creativity regardless of race, class, sex or ability. The Trust achieves this by working with organisations that encourage young people in the exploration and pursuit of educational, cultural or therapeutic benefits emanating from music. The mission and objectives are met through making grants to organisations undertaking activities aligned with the mission of the Trust.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit, reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year. The Trust carries out its objectives by providing grants to organisations undertaking activities aligned with the mission of the Trust.

Since its inception, over £16 million has been donated by the Trust to various other charities. Its principal beneficiaries are the BRIT School for Performing Arts and Technology and Nordoff Robbins Music Therapy. The BRIT School is based in Croydon, a CTC School opened in 1991; the BRIT Trust is the sponsor for the school and has donated over £8 million to date. It is the Trustees' intention to donate to the BRIT School for Performing Arts and Technology and Nordoff Robbins Music Therapy in future years subject to sufficient reserves being available.

Grant-making Policy

The Trust meets its objectives through the giving of grants and has a long standing relationship with a number of entities that receive funding each year. In addition, the Trust will also consider grants to other charitable organisations that fit the mission statement of the Trust.

The Trust invites grant applications from institutions through the BRIT Trust website and through word of mouth in the industry. Applicants will submit an application form, which details information about the charity, including financial requirements, aims and a description of benefit that the grant would provide.

Grant applications are considered at each Trustee meeting. After meeting the larger commitments of the BRIT School and Nordoff Robbins, if possible, it is the Trustees' policy to make a number of smaller donations to various charities.

Achievements and Performance

During the year, the Trustees have made grants to 12 organisations to further the stated aims of the Trust. Grants payable in the year range from £750 to £350,000 (2012: £1,000 to £735,000) and totalled £799,852 (2012: £1,145,666). Details of grants payable are given in note 5 to the financial statements.

The Trust continues to be funded principally by BRIT Awards Limited and Music Industry Trusts Limited. BRIT Awards Limited contributed £545,743 in the year (2012: £820,000).

**British Record Industry Trust
Annual Report and Financial Statements
For the year ended 31 December 2013**

Trustees' Report (continued)

Achievements and Performance (continued)

During the year, the Trust contributed £350,000 (2012: £735,000) towards the costs of the BRIT School for Performing Arts and Technology. This is a non fee-paying school jointly funded by the government and other sponsors. The school had its first intake of students in September 1991 and provides a curriculum of academic and performing arts subjects for its students.

The Trust donated a further £449,852 (2012: £409,066) to other projects during the year, which included £300,000 (2012: £300,000) to Nordoff Robbins Music Therapy, the UK's leading independent provider of music therapy services.

The Trust is run from the offices of BPI which also provides staff to administer the Trust. No charge is made in respect of this service. BPI recharges the Trust with expenses incurred specifically on its behalf. The Trustees do not receive remuneration for their services. The balance at year end due to BPI was £nil (2012: £2,200).

Financial Review

The results of the charity for the year are shown in detail in the Statement of Financial Activities on page 10. In summary, the Trust's total incoming resources were £976,565 (2012: £1,227,360) of which £243,251 (2012: £248,894) was from investment income.

Resources expended in the year totalled £902,720 (2012: £1,246,319).

In the investment portfolios, the net movement in funds is a gain of £901,669 (2012: £432,721).

Income from investments is of significant importance to the Trust, as this supplements funding from the BRIT Awards Limited and Music Industry Trusts Limited.

Investment Policy

The Trust's investments have been acquired in accordance with the Trustees' powers as set out in the Memorandum and Articles of Association. The management of the Trust's investment funds is delegated to professional investment managers. The Trust's investment policy is for total gross returns with no investment restrictions.

During the year the Trust's investment managers, Clarinden Lieu, were taken over by Falcon Wealth. There has been no change in the management of these funds.

The investments are split into Designated and General funds. Designated funds are amounts that have been put aside at the discretion of the Trustees and comprise an investment fund to provide income to meet the charity's annual General Administration Costs. General funds are expendable at the discretion of the Trustees in the furtherance of the objects of the charity.

British Record Industry Trust
Annual Report and Financial Statements
For the year ended 31 December 2013

Trustees' Report (continued)

Reserves Policy

The Trust's main source of funding is from BRIT Awards Limited. This income is primarily distributed between the BRIT School for Performing Arts and Technology and Nordoff Robbins Music Therapy, although smaller donations are also made to a number of other good causes. The Trustees have no direct control over the value of funding received from BRIT Awards Limited.

As a result of the uncertainty in the Trust's long term funding, the trustees have determined that it is prudent to maintain reserves to enable them to provide long term support to both the BRIT School for Performing Arts and Technology and Nordoff Robbins Music Therapy, which in 2013 totalled £650,000 (2012: £1,035,000). Where possible, grants will be made to other appropriate good causes.

As the Trust is a grant-making trust with its main outgoings being grants to beneficiaries, the Trustees deem it appropriate to define the level of reserves required based on future expenditure. The Trust defines expenditure as the costs of maintaining the core level of funding to the BRIT School for Performing Arts and Technology and Nordoff Robbins Music Therapy, along with a minimal amount of administrative costs of the Trust. It is expected that one year's expenditure, as defined, will total £750,000.

In previous years the Trustees have held back a proportion of otherwise distributable income with a view to establishing a reasonable and realistic level of reserves. At 31 December 2013, the balance on the Designated Fund was £8,285,769 (2012: £6,697,111) and the balance on the General Fund was £31,806 (2012: £644,950), which gives total reserves of £8,317,575 (2012: £7,342,061).

The Trustees believe the Trust should set a target for its reserves such that, should the Trust's income from its principal donors (the BRIT Awards Limited and the Music Industry Trust) significantly reduce or cease, then the Trust's reserves alone would generate sufficient income to continue to support the Trust's beneficiaries and objectives to desirable levels in perpetuity. It is the Trustees' opinion that this would require total reserves of at least £10 million.

This reserves policy was adopted on 10 July 2012 and is reviewed by the Trustees on an annual basis for continued appropriateness. The Trustees will determine this according to the Trust's forecasts of future income levels and expenditure, future needs, contingencies and risks, the likelihood of these needs arising and the Trustees' ability to meet them.

Future Plans and Subsequent Events

The Trust plans to continue with its mission during 2014 and going forward.

It is the Trustees intention to continue to support the BRIT School for Performing Arts and Technology and Nordoff Robbins Music Therapy.

Compliance with Regulations

These financial statements comply with current statutory requirements, the requirements of the Trust's Articles of Association and the requirements of Charities SORP 2005.

This report has been prepared in accordance with the special provisions relating to small companies of the Companies Act 2006.

**British Record Industry Trust
Annual Report and Financial Statements
For the year ended 31 December 2013**

Trustees' Report (continued)

Statement of Trustees' Responsibilities

The trustees (who are also directors of the British Record Industry Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

In so far as the trustees are aware:

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

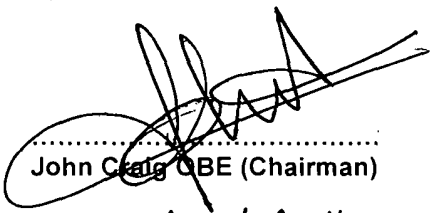
**British Record Industry Trust
Annual Report and Financial Statements
For the year ended 31 December 2013**

Trustees' Report (continued)

Auditors

A resolution to appoint Nexia Smith & Williamson for the ensuing year will be proposed at [] Trustee meeting.

By order of the Trustees



.....
John Craig OBE (Chairman)

Date: 14 August 2014

**British Record Industry Trust
Annual Report and Financial Statements
For the year ended 31 December 2013**

Independent auditor's report to the members of British Record Industry Trust

We have audited the financial statements of British Record Industry Trust for the year ended 31 December 2013, which comprises the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

As explained more fully in the Statement of Trustees' Responsibilities set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2013 and of its incoming resources and application of resources, including its 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.

**British Record Industry Trust
Annual Report and Financial Statements
For the year ended 31 December 2013**

Independent auditor's report to the members of British Record Industry Trust (continued)

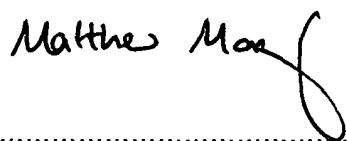
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime.



.....
Matthew Maneely (Senior Statutory Auditor)
for and on behalf of Nexia Smith & Williamson
Portwall Place
Portwall Lane
Bristol
BS1 6NA

Date: 22 August 2014

British Record Industry Trust
Annual Report and Financial Statements
For the year ended 31 December 2013

Statement of financial activities (including income and expenditure account)

	Note	General fund £	Designated fund £	Total 2013 £	Total 2012 £
Income and expenditure					
Incoming resources from generated funds:					
Voluntary income	1, 2	733,314	-	733,314	978,466
Investment income	3	26,397	216,854	243,251	248,894
Total incoming resources		759,711	216,854	976,565	1,227,360
Resources expended:					
Charitable activities	4	(839,216)	-	(839,216)	(1,190,161)
Governance costs	8	(7,290)	-	(7,290)	(4,950)
		(846,506)	-	(846,506)	(1,195,111)
Costs of generating funds:					
Investment management costs	9	(12,253)	(43,961)	(56,214)	(51,208)
Total resources expended		(858,759)	(43,961)	(902,720)	(1,246,319)
Net (outgoing)/incoming resources before transfers and other recognised (losses)/gains					
		(99,048)	172,893	73,845	(18,959)
Transfer between funds		(500,000)	500,000	-	-
Net (outgoing)/incoming resources before other recognised (losses)/gains					
		(599,048)	672,893	73,845	(18,959)
Net (losses)/gains on investment assets	12	(14,096)	915,765	901,669	432,721
Net movements in funds		(613,144)	1,588,658	975,514	413,762
Unrestricted funds brought forward at 1 January		644,950	6,697,111	7,342,061	6,928,299
Unrestricted funds carried forward at 31 December	16	31,806	8,285,769	8,317,575	7,342,061

All activities derive from continuing operations.

The Charitable Company has no gains or losses other than those included in the net movement in funds.

There is no difference between the net movement in funds and the historical cost equivalent.

British Record Industry Trust
Annual Report and Financial Statements
For the year ended 31 December 2013

Balance sheet
At 31 December 2013

	Note	2013	2012
		£	£
Fixed assets			
Investment in associated entity	11	1	1
Investments	12	<u>8,658,760</u>	<u>7,755,771</u>
		8,658,761	7,755,772
Current assets			
Debtors	13	56,982	82,593
Cash at bank and in hand		<u>331,832</u>	<u>582,346</u>
		388,814	664,939
Creditors: amounts falling due within one year	14	<u>(730,000)</u>	<u>(1,078,650)</u>
Net current liabilities		<u>(341,186)</u>	<u>(413,711)</u>
Total assets less current liabilities		<u>8,317,575</u>	<u>7,342,061</u>
Unrestricted funds			
General fund	16	31,806	644,950
Designated fund	16	<u>8,285,769</u>	<u>6,697,111</u>
		<u>8,317,575</u>	<u>7,342,061</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies under Part 15 of the Companies Act 2006.

Approved by the Trustees and signed on their behalf on



 John Craig OBE (Chairman)

14 August 2014

Company registration number 02372740.

British Record Industry Trust
Annual Report and Financial Statements
For the year ended 31 December 2013

Notes to the financial statements

1. Accounting policies

Basis of preparation

The financial statements are prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2006 ("SORP 2005"), the Companies Act 2006 and with applicable accounting standards. These particular accounting policies adopted by the Trustees, unless otherwise stated, have been applied consistently with the prior year are described below.

The company has taken advantage of the exemption from preparing a cash flow statement as set out in Financial Reporting Standard 1.

Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of investments to market value.

Income

All income is recognised in the statement of financial activities when the conditions for receipt have been met and there is reasonable assurance of receipt.

Voluntary income

This comprises donations. Donations are generally accounted for in the year to which they relate. Sundry donations are accounted for when receivable.

Investment income

This comprises investment income and interest. Interest receivable is accounted for in relation to the period that the interest accrues. Investment income is accounted for when receivable.

Charitable activities

Charitable activities comprise those costs incurred by the charitable company in the delivery of its activities for beneficiaries. This includes direct costs such as grants made and those costs of an indirect nature necessary to support them, including administration costs. There is considered to be only one type of charitable activity, being grant giving to encourage young people in relation to music. All expenditure is accounted for on an accruals basis.

Grants payable

Grants payable are accounted for when the Trustees have accepted a legal or constructive obligation to make the grant.

Other expenditure for charitable purposes

Other expenditure for charitable purposes comprise sundry expenses related to the support of music education and is accounted for when payable.

Governance costs

Governance costs include those costs incurred in meeting the constitutional and statutory requirements of the charitable company and include audit and accounting fees.

Costs of generating funds

Costs of generating funds comprise any costs associated with attracting voluntary income and the costs of generating investment income, typically investment management fees.

British Record Industry Trust
Annual Report and Financial Statements
For the year ended 31 December 2013

Notes to the financial statements (continued)

1. Accounting policies (continued)

Fund accounting

The charity maintains various types of unrestricted funds as follows:

Designated funds are amounts that have been put aside at the discretion of the Trustees and comprise an investment fund to provide income to meet the charity's annual General Administration Costs and future grant commitments.

General funds are expendable at the discretion of the Trustees in the furtherance of the objects of the charity.

Investments in associated entities

The investment in the Trust's associate is stated at cost less provision for any impairment. Music Industry Trusts Limited is not consolidated since the British Record Industry Trust does not have control of the entity. The Trust exerts significant influence, along with the other 50% shareholder.

Investments

Fixed asset investments

Investments are stated at market value as at the balance sheet date. The Statement of Financial Activities includes gains and losses arising on revaluation and disposals throughout the year.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and loss are calculated as the difference between the market value at the year end and the opening market value (or purchase date if later). As the Charity adopts a 'marking to market' approach in relation to its investment portfolio, realised and unrealised gains and losses are combined in the Statement of Financial Activities.

Foreign currencies

Transactions in foreign currencies are recognised at the rate of exchange at the date of the transaction. Monetary assets and liabilities are translated into sterling at the exchange rate on the balance sheet date. All exchange differences are recognised through the Statement of Financial Activities.

Charitable commitments

Commitments are accounted for as resources expended in the statement of financial activities.

Status of funds and members' liability

All funds held by the charity are unrestricted.

The liability of the members is limited but every member undertakes to contribute to the assets of the Trust in the event of the same being wound up while he is a member, or within one year after he ceases to be a member, for payment of debts and liabilities the Trust contracted before he ceases to be a member of costs, charges and expenses of winding up and for the adjustment of the rights of the contributions among themselves, such amounts as may be required not exceeding £1. At 31 December 2013 there were 13 members.

British Record Industry Trust
Annual Report and Financial Statements
For the year ended 31 December 2013

Notes to the financial statements (continued)

2. Voluntary income

	2013 £	2012 £
Donation from Music Industry Trusts Limited	131,922	142,749
Donation from BRIT Awards Limited	545,743	820,000
Donation from BMF Media	-	3,684
Sundry	55,649	12,033
	<u>733,314</u>	<u>978,466</u>

Sundry and voluntary income relates to income received by the Trust from BRIT Awards Limited in respect of income received and downloaded music from the annual BRIT Awards show.

3. Investment income

	2013 £	2012 £
Bank interest	173	198
Income from listed investments	243,078	248,696
	<u>243,251</u>	<u>248,894</u>

4. Charitable activities

	2013 £	2012 £
Grants payable (see note 5)	799,852	1,145,666
Support costs:		
Management and administration of the charity (see note 6)	2,828	6,893
Other charitable expenditure (see note 7)	36,536	37,602
	<u>839,216</u>	<u>1,190,161</u>

British Record Industry Trust
Annual Report and Financial Statements
For the year ended 31 December 2013

Notes to the financial statements (continued)

5. Grants payable

	2013	2012
	£	£
Grants to institutions:		
BRIT School for the Performing Arts & Technology	350,000	735,000
Nordoff-Robbins Music Therapy	300,000	300,000
Drugscope	30,000	60,000
Chickenshed	5,980	5,000
Midi Music Company	5,000	5,000
Heart n Soul	-	5,000
Paul Walter award	-	1,000
Young Voices	-	5,000
Bigga Fish	-	5,000
Birmingham Ormiston Academy		(15,874)
Creative Access	40,000	40,540
Get Sorted	(1,500)	-
Warchild	55,549	-
Text Santa	1,914	-
Royal Academy of Music	1,914	-
Company Music Theatre	4,500	-
Mayors Music Fund	5,745	-
Withycombe Raleigh	750	-
	<u>799,852</u>	<u>1,145,666</u>

The grant in respect of the Get Sorted was over accrued in a prior year with the over provision being released in the current year.

6. Support costs - management and administration of the charity

	2013	2012
	£	£
Bank charges	223	192
Sundry	2,605	6,701
	<u>2,828</u>	<u>6,893</u>

7. Support costs - other charitable expenditure

	2013	2012
	£	£
Music education support (consisting of consultancy fees)	<u>36,536</u>	<u>37,602</u>

British Record Industry Trust
Annual Report and Financial Statements
For the year ended 31 December 2013

Notes to the financial statements (continued)

8. Governance costs

	2013 £	2012 £
Auditors' remuneration - Audit	<u>7,290</u>	<u>4,950</u>

9. Costs of generating funds

	2013 £	2012 £
Investment management fees	<u>56,214</u>	<u>51,208</u>

10. Information regarding Trustees and employees

No Trustee or person related or connected by business to them received any emoluments from the charity in either the current or the preceding year.

During the year the Trust paid expenses to the value of £536 (2012: £1,478) and £nil (2012: £427) respectively on behalf of Paul Burger and John Deacon.

Messrs Wadsworth and Taylor, trustees of the charity, were directors of BRIT Awards Limited during the year, which has donated £545,743 (2012: £820,000) to the Trust in the year.

Mr Taylor and Mr Munns, trustees of the charity, were directors of Music Industry Trusts Limited, an associated entity of the Trust, during the year, which has donated £131,922 (2012: £142,749) to the Trust in the year.

Messrs Craig, Morrish, Deacon, Taylor and Wadsworth, trustees of the charity, were directors of the BRIT School for the Performing Arts & Technology, during the year, which has received grants of £350,000 (2012: £735,000) from the Trust in the year.

Mr Green and Mr Munns, trustees of the charity, were directors of Nordoff-Robbins Music Therapy during the year, which has received a grant of £300,000 (2012: £300,000) from the Trust.

The charity had no employees in either the current or the preceding year. The charity paid £1,767 (2012: £1,890) for the purchase of directors liability insurance.

Messrs Craig, Taylor, Wadsworth and Marshall and Ms Pike are Directors of the BPI (British Recorded Music Industry) Limited ("BPI"). The Trust is run from the offices of BPI, which also provides staff to administer the Trust. No charge is made in respect of this service. BPI recharges the Trust with expenses incurred specifically on its behalf. The Trustees do not receive remuneration for their services. The balance at year end due to BPI was £nil (2012: £2,200), which is included within other creditors.

British Record Industry Trust
Annual Report and Financial Statements
For the year ended 31 December 2013

Notes to the financial statements (continued)

11. Investment in associated entity

	2013 £	2012 £
Cost at 1 January and 31 December	<u>1</u>	<u>1</u>

The investment in an associated entity represents a 50% interest in the ordinary share capital of Music Industry Trusts Limited, a company incorporated in Great Britain. The remaining 50% interest in the ordinary share capital of Music Industry Trusts Limited is owned by Nordoff-Robbins Music Therapy.

Music Industry Trusts Limited donates its profits under the Gift Aid scheme to both the British Record Industry Trust and Nordoff-Robbins Music Therapy. As at the balance sheet date £37,386 (2012: £52,494) is receivable by the Trust. Details of the results for the year of Music Industry Trusts Limited and of its position as at 31 December 2013 are as follows:

	2013 £	2012 £
Extracts from the profit and loss account:		
Turnover	<u>492,399</u>	<u>542,250</u>
Profit before donations	<u>207,829</u>	<u>218,275</u>
Profit before and after taxation	<u>-</u>	<u>-</u>
 Extracts from the balance sheet:		
Net assets	<u>2</u>	<u>2</u>

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12. Investments

	2013 £	2012 £
Market value at 1 January	7,567,555	6,905,841
Additions to investments at cost	2,239,625	1,319,641
Disposals at carrying value	(2,367,599)	(1,090,648)
Net gain on revaluation	<u>901,669</u>	<u>432,721</u>
Total investments	8,341,250	7,567,555
Invested cash	<u>317,510</u>	<u>188,216</u>
Market value at 31 December	<u>8,658,760</u>	<u>7,755,771</u>

Investments comprise the following:

	2013 £	2012 £
Investments listed on a recognised stock exchange	8,341,250	7,437,971
Cash deposits held as part of investment portfolio	<u>317,510</u>	<u>317,800</u>
Total	<u>8,658,760</u>	<u>7,755,771</u>

Being at market value:

	2013 £	2012 £
Investment assets in the United Kingdom	6,292,994	4,075,917
Investment assets outside the United Kingdom	<u>2,365,766</u>	<u>3,679,854</u>
Total	<u>8,658,760</u>	<u>7,755,771</u>

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12. Investments held as fixed assets (continued)

Investments are revalued at market value at the year end. The investment portfolios are managed by Investec and Falcon Wealth (formerly Clariden Leu). Investec work to a brief of investment in moderate risk investments with the aim of producing a balance between income and capital growth; and all investments are held within unrestricted funds. Falcon Wealth work to a brief in below average risk investments with the primary aim of produce income; and all investments are held in unrestricted funds.

13. Debtors

	2013 £	2012 £
Amounts owed by Music Industry Trusts Limited	37,386	52,494
Other debtors	18,713	29,169
Prepayments	883	930
	<u>56,982</u>	<u>82,593</u>

14. Creditors: amounts falling due within one year

	2013 £	2012 £
Grant commitments	720,000	1,035,000
Other creditors	-	38,700
Accruals	10,000	4,950
	<u>730,000</u>	<u>1,078,650</u>

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14. Creditors: amounts falling due within one year (continued)

Grant Commitments	Grants payable at 1 January 2013 £	Grants awarded during the year £	Grants paid in the year £	Grants payable at 31 December 2013 £
BRIT School for the Performing Arts & Technology	735,000	350,000	(735,000)	350,000
Nordoff-Robbins Music Therapy	300,000	300,000	(300,000)	300,000
Creative Access	-	40,000	-	40,000
Drugscope	-	30,000	-	30,000
	<u>1,035,000</u>	<u>720,000</u>	<u>(1,035,000)</u>	<u>720,000</u>

15. Analysis of assets and liabilities between funds

	Unrestricted funds			
	General fund	Designated fund	Total 2013	Total 2012
	£	£	£	£
Fixed assets				
Investment in associates	1	-	1	1
Investments	385,275	8,273,485	8,658,760	7,755,771
Current assets				
Debtors	44,698	12,284	56,982	82,593
Cash at bank and in hand	331,832	-	331,832	582,346
Current liabilities	<u>(730,000)</u>	<u>-</u>	<u>(730,000)</u>	<u>(1,078,650)</u>
	<u>31,805</u>	<u>8,285,769</u>	<u>8,317,575</u>	<u>7,342,061</u>

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16. Movement in Funds

	As at 1 January 2013 £	Incoming resources £	Outgoing resources £	Transfers £	As at 31 December 2013 £
Unrestricted Funds					
Designated Investment Fund	6,697,111	1,132,619	(43,961)	500,000	8,285,769
General Funds	<u>644,950</u>	<u>745,615</u>	<u>(858,759)</u>	<u>(500,000)</u>	<u>31,806</u>
	<u>7,342,061</u>	<u>1,878,234</u>	<u>(902,720)</u>	<u>-</u>	<u>8,317,575</u>

Unrestricted funds include unrealised gains and losses in respect of investments held at the balance sheet date.