

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 2014**

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**British Record Industry Trust
Annual Report and Financial Statements
For the year ended 31 December 2014**

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**British Record Industry Trust
Annual Report and Financial Statements
For the year ended 31 December 2014**

Trustees' Report

The Trustees present their Annual Report together with the audited financial statements for the year ended 31 December 2014. 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 David Kassner Jonathan Morrish Geoff Taylor Tony Wadsworth CBE Korda Marshall David Sharpe John Deacon CBE David Munns OBE William Rowe (appointed 16 July 2014) Margaret Crowe OBE (appointed 19 November 2014) Angela Watts (appointed 19 November 2014) Simon Presswell (appointed 19 November 2014) Melanie Fox (appointed 26 November 2014) Emma Pike (resigned 11 March 2014) Simon Robson (resigned 26 November 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

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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 three 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.

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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 £17 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 £9 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 11 organisations to further the stated aims of the Trust. Grants payable in the year range from £2,500 to £400,000 (2013: £750 to £350,000) and totalled £972,783 (2013: £799,852). 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 £1,100,000 in the year (2013: £545,743).

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Trustees' Report (continued)

Achievements and Performance (continued)

During the year, the Trust contributed £400,000 (2013: £350,000) 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 £572,783 (2013: £449,852) to other projects during the year, which included £350,000 (2013: £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 (2013: £ nil).

Financial Review

The results of the charity for the year are shown in detail in the Statement of Financial Activities on page 9. In summary, the Trust's total incoming resources were £1,555,449 (2013: £976,565) of which £256,475 (2013: £243,251) was from investment income.

Resources expended in the year totalled £1,077,873 (2013: £902,720).

In the investment portfolios, the net movement in funds is a gain of £67,783 (2013: £901,669).

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.

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.

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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 2014 totalled £750,000 (2013: £650,000). 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 2014, the balance on the Designated Fund was £8,792,914 (2013: £8,285,769) and the balance on the General Fund was £70,020 (2013: £31,806), which gives total reserves of £8,862,934 (2013: £8,317,575).

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 2015 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.

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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.

Auditors

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

By order of the Trustees


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John Craig OBE (Chairman)

Date: 18 September 2015

**British Record Industry Trust
Annual Report and Financial Statements
For the year ended 31 December 2014**

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 2014, 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 2014 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
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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.

Nexia Smith & William

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

Date: *18 September 2015*

British Record Industry Trust
Annual Report and Financial Statements
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Statement of financial activities (including income and expenditure account)

	Note	General fund £	Designated fund £	Total 2014 £	Total 2013 £
Income and expenditure					
Incoming resources from generated funds:					
Voluntary income	1, 2	1,298,974	-	1,298,974	733,314
Investment income	3	11,303	245,172	256,475	243,251
Total incoming resources		1,310,277	245,172	1,555,449	976,565
Resources expended:					
Charitable activities	4	(1,012,418)	-	(1,012,418)	(839,216)
Governance costs	8	(5,256)	-	(5,256)	(7,290)
		(1,017,674)	-	(1,017,674)	(846,506)
Costs of generating funds:					
Investment management costs	9	(6,832)	(53,367)	(60,199)	(56,214)
Total resources expended		(1,024,506)	(53,367)	(1,077,873)	(902,720)
Net incoming resources before transfers and other recognised (losses)/gains		285,771	191,805	477,576	73,845
Transfer between funds	16	(236,778)	236,778	-	-
Net incoming resources before other recognised (losses)/gains		48,993	428,583	477,576	73,845
Net (losses)/gains on investment assets	12	(10,779)	100,727	89,948	901,057
Foreign exchange (loss)/gain on cash		-	(22,165)	(22,165)	612
Net movements in funds		38,214	507,145	545,359	975,514
Unrestricted funds brought forward at 1 January		31,806	8,285,769	8,317,575	7,342,061
Unrestricted funds carried forward at 31 December	16	70,020	8,792,914	8,862,934	8,317,575

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.

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Balance sheet
At 31 December 2014

	Note	2014	2013
		£	£
Fixed assets			
Investment in associated entity	11	1	1
Investments	12	<u>8,780,590</u>	<u>8,658,760</u>
		8,780,591	8,658,761
Current assets			
Debtors	13	<u>77,006</u>	<u>56,982</u>
Cash at bank and in hand		<u>969,337</u>	<u>331,832</u>
		1,046,343	388,814
Creditors: amounts falling due within one year	14	<u>(850,000)</u>	<u>(730,000)</u>
Net current assets/(liabilities)		<u>196,343</u>	<u>(341,186)</u>
Total assets less current liabilities		<u>8,976,934</u>	<u>8,317,575</u>
Creditors: amounts falling due after one year	14	<u>(114,000)</u>	<u>-</u>
Net assets		<u>8,862,934</u>	<u>8,317,575</u>
Unrestricted funds			
General fund	16	<u>70,020</u>	<u>31,806</u>
Designated fund	16	<u>8,792,914</u>	<u>8,285,769</u>
		<u>8,862,934</u>	<u>8,317,575</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 18 September 2015.



 John Craig OBE (Chairman)

Company registration number 02372740.

**British Record Industry Trust
Annual Report and Financial Statements
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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
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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 2014 there were 15 members.

British Record Industry Trust
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Notes to the financial statements (continued)

2. Voluntary income

	2014 £	2013 £
Donation from Music Industry Trusts Limited	157,523	131,922
Donation from BRIT Awards Limited	1,100,000	545,743
Sundry	41,451	55,649
	<u>1,298,974</u>	<u>733,314</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

	2014 £	2013 £
Bank interest	255	173
Income from listed investments	256,220	243,078
	<u>256,475</u>	<u>243,251</u>

4. Charitable activities

	2014 £	2013 £
Grants payable (see note 5)	972,783	799,852
Support costs:		
Management and administration of the charity (see note 6)	2,704	2,828
Other charitable expenditure (see note 7)	36,931	36,536
	<u>1,012,418</u>	<u>839,216</u>

British Record Industry Trust
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Notes to the financial statements (continued)

5. Grants payable

	2014 £	2013 £
Grants to institutions:		
BRIT School for the Performing Arts & Technology	400,000	350,000
Nordoff-Robbins Music Therapy	350,000	300,000
Drugscope	30,000	30,000
East London Arts & Music	114,000	-
Key4Life	40,000	-
Attitude is Everything	40,000	-
Creative Access	(17,500)	40,000
Music 4 Good	(19,368)	-
Melos Sinfonia	2,500	-
Reprezent	2,500	-
Each One Teach One	5,000	-
Buckinghamshire University	5,000	-
Warchild	20,651	55,549
Get Sorted	-	(1,500)
Chickenshed	-	5,980
Midi Music Company	-	5,000
Text Santa	-	1,914
Royal Academy of Music	-	1,914
Company Music Theatre	-	4,500
Mayors Music Fund	-	5,745
Withycombe Raleigh	-	750
	972,783	799,852

The grants in respect of Creative Access and Music 4 Good were 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

	2014 £	2013 £
Bank charges	386	223
Sundry	2,318	2,605
	2,704	2,828

7. Support costs - other charitable expenditure

	2014 £	2013 £
Music education support (consisting of consultancy fees)	36,931	36,536

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Notes to the financial statements (continued)

8. Governance costs

	2014 £	2013 £
Auditors' remuneration – Audit	5,256	7,290

9. Costs of generating funds

	2014 £	2013 £
Investment management fees	60,199	56,214

10. Information regarding Trustees and employees

During the year the Trust paid expenses to the value of £930 (2013: £536) on behalf of Paul Burger, a director of the BRIT School for the Performing Arts & Technology. The Trust also paid consultancy fees of £36,000 (2013: £36,000) to Mr Burger.

Mr Wadsworth, Mr Taylor and Mrs Crowe, trustees of the charity, were directors of BRIT Awards Limited during the year, which has donated £1,100,000 (2013: £545,743) to the Trust in the year.

Mr Taylor, Mr Munns and Mrs Crowe, trustees of the charity, were directors of Music Industry Trusts Limited, an associated entity of the Trust, during the year, which has donated £157,523 (2013: £131,922) to the Trust in the year.

Messrs Craig and Morrish, trustees of the charity, were directors of the BRIT School for the Performing Arts & Technology, during the year, which has received grants of £400,000 (2013: £350,000) from the Trust in the year. Mr Presswell was a governor of the School during the year.

Mr Munns, a trustee of the charity, was a director of Nordoff-Robbins Music Therapy during the year, which has received a grant of £350,000 (2013: £300,000) from the Trust.

Mr Sharpe, a trustee of the charity, was a trustee of Key 4 Life during the year, which has received a grant of £40,000 (2013: £nil) from the Trust.

The charity had no employees in either the current or the preceding year. The charity paid £1,665 (2013: £1,767) for the purchase of directors liability insurance.

Messrs Craig, Taylor, Wadsworth and Marshall are Directors of 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. No balance was due to BPI at 31 December 2014.

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

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Notes to the financial statements (continued)

11. Investment in associated entity

	2014 £	2013 £
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 £61,053 (2013: £37,386) 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 2014 are as follows:

	2014 £	2013 £
Extracts from the profit and loss account:		
Turnover	<u>550,905</u>	<u>492,399</u>
Profit before donations	<u>266,507</u>	<u>207,829</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 held as fixed assets

	2014 £	2013 £
Market value at 1 January	8,341,250	7,567,555
Additions to investments at cost	2,335,017	2,239,625
Disposals at carrying value	(2,328,082)	(2,366,987)
Net gain on revaluation	<u>89,948</u>	<u>901,057</u>
Total investments	8,438,133	8,341,250
Invested cash	<u>342,457</u>	<u>317,510</u>
Market value at 31 December	<u>8,780,590</u>	<u>8,658,760</u>

Investments comprise the following:

	2014 £	2013 £
Investments listed on a recognised stock exchange	8,438,133	8,341,250
Cash deposits held as part of investment portfolio	<u>342,457</u>	<u>317,510</u>
Total	<u>8,780,590</u>	<u>8,658,760</u>

Being at market value:

	2014 £	2013 £
Investment assets in the United Kingdom	6,271,565	6,292,994
Investment assets outside the United Kingdom	<u>2,509,025</u>	<u>2,365,766</u>
Total	<u>8,780,590</u>	<u>8,658,760</u>

Investments are revalued at market value at the year end. During the year the investment portfolios were managed by Investec and Falcon Wealth. 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 worked to a brief in below average risk investments with the primary aim of producing income; and all investments were held in unrestricted funds.

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13. Debtors

	2014 £	2013 £
Amounts owed by Music Industry Trusts Limited	61,053	37,386
Other debtors	15,014	18,713
Prepayments	939	883
	<u>77,006</u>	<u>56,982</u>

14. Creditors

Amounts falling due within one year	2014 £	2013 £
Grant commitments	840,000	720,000
Accruals	10,000	10,000
	<u>850,000</u>	<u>730,000</u>

Amounts falling due after one year	2014 £	2013 £
Grant commitments	114,000	-
	<u>114,000</u>	<u>-</u>

Grant Commitments	Grants payable at 1 January 2014 £	Grants awarded during the year £	Grants paid in the year £	Grants payable at 31 December 2014 £
BRIT School for the Performing Arts & Technology	350,000	400,000	(350,000)	400,000
Nordoff-Robbins Music Therapy	300,000	350,000	(300,000)	350,000
Creative Access (note 5)	40,000	(17,500)	(22,500)	-
East London Arts & Music	-	114,000	-	114,000
Key4Life	-	40,000	(10,000)	30,000
Attitude is Everything	-	40,000	-	40,000
Drugscope	30,000	30,000	(40,000)	20,000
	<u>720,000</u>	<u>956,500</u>	<u>(722,500)</u>	<u>954,000</u>

The grant commitment due to East London Arts & Music of £114,000 (2013: £nil) is considered an amount falling due after one year.

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Notes to the financial statements (continued)

15. Analysis of assets and liabilities between funds

	Unrestricted funds			
	General fund	Designated fund	Total 2014	Total 2013
	£	£	£	£
Fixed assets				
Investment in associates	1	-	1	1
Investments	693	8,779,897	8,780,590	8,658,760
Current assets				
Debtors	61,989	15,017	77,006	56,982
Cash at bank and in hand	969,337	-	969,337	331,832
Liabilities	<u>(962,000)</u>	<u>(2,000)</u>	<u>(964,000)</u>	<u>(730,000)</u>
	<u>70,020</u>	<u>8,792,914</u>	<u>8,862,934</u>	<u>8,317,575</u>

16. Movement in Funds

	As at 1 January 2014	Incoming resources	Outgoing resources	Transfers	As at 31 December 2014
	£	£	£	£	£
Unrestricted Funds					
Designated Investment Fund	8,285,769	323,734	(53,367)	236,778	8,792,914
General Funds	<u>31,806</u>	<u>1,299,498</u>	<u>(1,024,506)</u>	<u>(236,778)</u>	<u>70,020</u>
	<u>8,317,575</u>	<u>1,623,232</u>	<u>(1,077,873)</u>	<u>-</u>	<u>8,862,934</u>

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

The transfer relates to the transfer of investments from Falcon Wealth to Investec.