



THE PERFORMING RIGHT SOCIETY FOUNDATION
(a Company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
For the Year Ended 31 December 2011

Registered Charity No. 1080837





THE PERFORMING RIGHT SOCIETY FOUNDATION

Charity Information as of July 2012

Trustees	Simon Darlow (from 13 April 2011) Edward Gregson Michael Leeson Paulette Long Stephen McNeff Estelle Morris Michael Noonan Simon Platz Sally Taylor – Chairman
Secretary	Fiona Harvey
Registered Charity No	1080837
Registered Office	29-33 Berners Street London W1T 3AB
Auditors	Ernst & Young LLP 1 More London Place London SE1 2AF
Bankers	NatWest 1 Cavendish Square London W1A 4NU



Structure, governance and management

Governing document

The Performing Right Society Foundation (the Foundation) is a company limited by guarantee, being governed by its memorandum and articles of association and has no share capital (company no 3901665). The PRS Foundation is a registered charity, number 1080837.

The Foundation was re-branded as PRS for Music Foundation in 2010. This name highlights the Foundation's connection with its major donor, the Performing Right Society Limited, which was also re-branded in 2010 as PRS for Music.

Governance

For the purposes of the Companies Act 2006, the Trustees of the Foundation are deemed to be Directors. The Trustees who served during the year 2011 are:

Simon Darlow (from 13 April 2011)
Lesley Douglas (until 25 April 2012)
Nigel Elderton (until 8 February 2011)
Edward Gregson
Michael Leeson
Paulette Long
Stephen McNeff
Estelle Morris
Michael Noonan
Simon Platz
Sally Taylor – Chairman

The Foundation has provision for eleven Trustees of which no more than half shall be nominated by the Board of the Performing Right Society Limited (PRS). Other Trustees shall be independent individuals with relevant experience relating to the role of the Foundation. Nigel Elderton, Mick Leeson, Estelle Morris and Simon Platz were previously nominated by PRS. In 2011, Simon Darlow was nominated by the Board of PRS and was appointed in April 2011. Edward Gregson was re-appointed as a PRS Director on a casual basis in December 2011.

Trustees are deemed to be re-elected if they stand for re-election and their re-appointment is approved by the majority of members eligible to vote. If a vacancy arises amongst those Trustees nominated by PRS, PRS shall be invited to nominate a new Trustee who shall then be approved by a majority of members eligible to vote. If a vacancy arises amongst any of the independent Trustees, the full Board of Trustees will identify and invite a suitable candidate and give proper notice of their intention to appoint a new Trustee.

All Trustees are offered training in order to develop their role. New Trustees receive full information and induction from the Chairman and staff in order to understand fully their remit, role and responsibilities.

Risk management

The Trustees identify potential risks by carrying out regular detailed reviews of the activities and an annual risk assessment which is approved by the Board via the Finance and Personnel Committee meetings and as part of the business planning process.

The following specific measures are in place to mitigate against potential risks:

- a wide and appropriate level of professional skills and experience within the Board of Trustees,
- the employment of professionally qualified staff and the engagement of professional services for legal, financial and human resource requirements,
- the employment of an increasingly broad range of independent advisors who help to assess the Foundation's applications
- comprehensive and adequate insurances
- good internal communications and controls

Risk management focuses on health and safety of staff, financial controls, IT and database security, post-disaster personnel procedures, equipment and communications. No significant risks were identified during this year's reviews.

Despite being an independent registered charity, the Foundation subscribes to health and safety requirements set down and monitored by PRS in whose offices the Foundation is housed.



Management

The Foundation team comprises

Vanessa Reed	Executive Director
Charlotte Ray	Grants Director (January – February, on maternity leave February - December) part-time
Fiona Harvey	Operations Director (February – December) part-time maternity leave cover
James Hannam	Applications Manager
Laura Whitticase	Applications Co-ordinator
Luke Meadows	Communications & Events Officer (until 19 August)
Sarah Thirtle	Communications & Events Officer (from 1 September)
Rachel Collins	Administrator

During 2011, Charlotte Ray and Fiona Harvey undertook the Company Secretary Role

All decisions regarding grant-making and strategic initiatives are made by the Trustees, following recommendations and advice from the Management team and the Advisory Council. The Advisory Council consists of 140 music advisors, who give expert advice and assistance to the Trustees in whom the discretion to grant awards is vested. The Foundation pays a fee for specific services as a member of the Advisory Council, which will be set out in a letter or email confirming these services when required.

Premises and associated services

PRS supports the Foundation through a generous annual donation, and through in-kind support for office accommodation (£43,318), financial accounting (£12,873) and printing and postage (£4,400). This in-kind support, for which the Foundation is very grateful to PRS, amounts to £60,591 in total.

Objectives and activities for the public benefit

The principal objectives of PRS for Music Foundation are to support, sustain and further the creation and performance of new music in the UK and increase the public's appreciation of and education in new music.

With partnership at the heart of everything we do, we push artistic boundaries, lead initiatives which respond to sector needs and raise the profile of new music.

The Foundation actively seeks to support all genres of new music through a range of funding schemes and via strategic partnership with other organisations.

The activities employed in 2011 to achieve this are

- grant-giving schemes to provide core support for new music organisations
- project grants for commissions to stimulate the creation and performance of new music
- partnership programmes with other organisations to develop long-term support for new music and stimulate significant change e.g. via professional development, international showcasing and collaboration
- preparation of a UK wide Cultural Olympiad commissioning programme, New Music 20x12

The Foundation supports music creators, performers and promoters who are involved in creatively adventurous or pioneering musical activity. In particular, support is focused on music creators (composers / song-writers / producers) who live and work in the UK and on not-for-profit performers, festivals and promoters who are based in the UK. The Foundation supports a huge range of new music activity - from unsigned band showcases to residencies for composers and performers, from ground breaking commissions to the training of music producers and audience development initiatives.

The Foundation accepts applications for funding from all sectors of the public throughout the UK. All details of the Foundation's activities are easily available on www.prsformusicfoundation.com, including grant-making policies, priorities for each funding programme and application forms. All applications and partnerships are considered carefully by the Management, Advisors and Trustees before funding is offered. Our emphasis on transparency in the application process, and the ability of the Foundation team to give expert advice to potential applicants, is a crucial part of the grant-making process.



All recipients are required to take part in an evaluation process so that the Foundation can monitor the impact of its support. Recipients are also encouraged to give feedback on their grant and their needs as part of the new music community through the evaluation process. This information is retained, reviewed and discussed by Trustees and staff, so that Foundation strategies and practices are kept current. In addition, the members of the Advisory Council, all well-respected music professionals, regularly provide advice to inform current practices and future developments.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and setting the grant making policy for the year. Public benefit is implicit in the Foundation's vision which is to enable high quality new music in any genre to be enjoyed by audiences of all kinds. In particular, the Trustees ensure that the Foundation is open to applications from all geographical areas of the UK, that steps are taken to ensure a clear and transparent decision-making process and that we work in partnership with other organisations to extend our reach and impact, particularly in relation to any music genres, individuals and organisations which are under-represented in our funding portfolio.

Achievements and performance

2011 built on the success of our 10th anniversary in 2010 and marked Year 2 of our current three year agreement with PRS. A significant landmark in 2011 was the Board's decision to review our longstanding open grant schemes and to support Management's delivery of new grants programmes which will be launched in 2012. Ambitious and groundbreaking partnerships were also initiated in 2011, including a major commissioning programme for the Cultural Olympiad, a new series of musician residencies in China and a new fund for women music creators.

We also reviewed our £50,000 New Music Award prize and decided, in view of its limited reach, not to continue with this initiative. Our testing of alternative approaches to this one-off prize enabled us to identify more effective ways in which we could raise the profile of new music and its creators, such as via commissioning initiatives like New Music 20x12, via international residencies and via special funding calls which respond to industry needs.

Alongside these innovations, the Foundation continued to consolidate and celebrate its reputation as the UK's only independent, specialist funder of new music across all genres by supporting grant schemes which stimulate the creation of new work alongside partnership programmes which stimulate professional development and creative collaboration. All of these activities have been planned in the framework of a 3 year Business Plan (2010-12) which facilitates new programmes alongside longstanding initiatives.

Financial support for all genres of new music

The Foundation provided a significant level of direct financial support for new music in 2011 (over £1.6m). Grant-making for the support of new music is at the heart of the Foundation's activities and is recognised by the sector as indispensable, flexible funding. Through this support we

- stimulate a growing market and infrastructure for live music across all genres, through festivals, promoters, organisations and performance groups
- encourage employment of composers & musicians, build audiences, promote the development of artists of all ages, create copyright material, and kick-start collaborations & partnerships

This year PRS for Music Foundation has pledged support to new live British music by awarding £1,101,011 to grants and partnership programmes and £501,113 to initiatives which depend on restricted income from funding partners who share our objectives.

82% of our grants budget supported new work and infrastructure across all genres

18% was awarded to partnership programmes which support professional development for emerging talent (e.g. British Music Abroad, Composer in the House, Take Five, scholarships and bursaries) and collaboration (e.g. Beyond Borders, international creative exchanges)

Our support is awarded to composers and organisations from across the whole of the UK, with 9% of the Foundation's funding going to Scotland, 5% to Wales, 4% to Northern Ireland and 82% to England including organisations with a UK wide remit. This aligns with the 2001 population census. As we believe that the diversity of UK music is critical to the vibrancy of live music in the UK, our funding is awarded to an enormous cross-section of composers and writers, including those working in and across classical, electronic, experimental, folk, jazz, pop, sound art and urban music.



Partnerships, income raised and additional funds leveraged

The Foundation's partnerships with other organisations are central to our work. With like-minded organisations we combine resources to enhance our impact and initiate pioneering programmes which enable the sector to develop and grow.

- In 2011, we raised £282,697 from sources other than PRS of which £269,443 was pledged direct to the Foundation as restricted income and £13,254 as unrestricted. Distribution of this restricted income was managed by the Foundation in consultation with partners, external advisors and with approval from Trustees.
- In addition to this income generated by the Foundation, £498,042 of matched funding was levered for the music sector as a result of our leadership and partnership programmes which incentivise others to invest in new music. These levered funds included in-kind support for large-scale Foundation programmes such as New Music 20x12, match funding for International programmes like our Musicians in Residence in China, funds raised for European projects we helped to initiate and awards made direct to grantees by partners who share our charitable objectives.
- In addition to these levered funds, our Grantees tell us that our funding helps them to secure over £1m per year from other sources.

Examples of strategic partnership programmes which were initiated by the Foundation in 2011 and stimulated additional investment into the sector are

- **Musicians in Residence in China** to enable UK musicians to spend time in China, writing new music and building new, international relationships.
- **New Music Plus. .UK** to support the creative and professional development of music event producers and arts organisations throughout the UK building on our regional pilots in London and the North West.
- **Take Five Europe** to enable participants of the longstanding jazz development programme run by Serious, to significantly develop their international careers, showcase and expand their professional networks.

Examples of longer standing partnerships which we continued to deliver in 2011

- **New Music 20x12** to support the commissioning of 20 new works each lasting 12 minutes in collaboration with BBC Radio 3, NMC Recordings and London 2012. This was initiated by private patrons, David Cohen and Jillian Barker and will culminate with performances UK wide throughout 2012.
- **British Music Abroad** supports emerging, high quality UK artists to attend international industry facing showcases. It is funded by the Foundation, Arts Council England (via British Underground), UKTI and Arts Council Wales/Wales Arts International. The fifth year saw a greater number of artists supported to attend a broader range of showcases than ever before. Tangible outcomes include:
 - 54 acts supported to attend nine international industry events including SXSW, Jazzhead, Womex, CMJ, Sauti Za Busara
 - 86% returning with tangible immediate results, e.g. signings, live performances, distinctive press coverage
 - Artists that have gone on to achieve significant international success include James Blake, Everything Everything, Dry The River and Soweto Kinch
- **Beyond Borders:** to support cross border commissioning in the UK with support from Arts Council of Wales, Creative Scotland, Arts Council of Northern Ireland and Colwinston Trust.
- **New Music Incubator** to support 10 musicians from the UK and Sweden to participate in a residential exchange, with support from the Swedish Music Information Centre and Musikalliansen.

Ongoing partnerships also took place with Jerwood Charitable Foundation, Royal Philharmonic Society, Bliss Trust and Alan Hawkshaw.



Reputation

The Foundation is positioned as a crucial organisation within the new music community, the arts funding system and the music industry. The Foundation is recognised for its knowledge, specialist networks and efficient grant-making systems which offer a channel through which other funders can reach a wide range of creators and support bespoke programmes which respond to need.

The Foundation collaborates with UK Music 2009 Ltd, BASCA, and other music industry organisations based at our Berners Street offices and exchanges information with other Trusts and Foundations which support the arts in the UK via the informal arts funder network set up by Paul Hamlyn Foundation.

Measuring success

By its very nature, much of the impact of the Foundation's work is felt several years later. However, the Trustees monitor the effect of the Foundation's activities through

- annual evaluation of the key grant-making schemes and projects
- regular discussions with key stakeholders and partners
- regular review of income streams
- regular risk assessment

Financial Performance

A renewed charitable donation of £1.5m per annum from the Board of the Performing Right Society Limited to the Foundation was confirmed in September 2009 for 2010, 2011 and 2012. This has enhanced the support the Foundation can offer to the music sector and has provided stability for the Foundation's strategic planning, activity and partnerships with other organisations. The Foundation is extremely grateful for the generosity and support of the Membership and the Board of PRS and their commitment to creating a future for music in the UK.

On 4 July 2012 the PRS Board agreed to a commitment of an annual donation to the Foundation of £1.5 million as a rolling 3 year agreement to be reviewed each December, with an 18 months' notice period. Based on this and the Foundation's business plan projections, the Trustees believe that it is appropriate for the Foundation to continue to adopt the going concern basis in preparing the annual report and financial statements.

By using PRS's donation as an incentive, the Foundation stimulated investment of an estimated £2,315,739 into the sector (£282,697 of direct income, £498,042 of funds levered via PRSF's partnership programmes and an estimated £1,530,000 levered by the Grantees we support). This indicates the additional value the Foundation is creating thanks to PRS's core support.

Reserves policy

The Trustees intend that the operational reserves will cover the administration costs of the charity for the first quarter of the following year. The operational reserves at 31 December 2011 stand at £207,403 for unrestricted funds.

Administrative costs

As a result of rigorous financial management, administrative costs are kept between 10-12% of the total funds raised and levered for its charitable objectives.

Restricted fund projects

New Music Plus, British Music Abroad, Beyond Borders, New Music 20x12, New Music Incubator, the Alan Hawkshaw/PRSF Scholarships, and Musicians in Residence China are administered by the Foundation with restricted funds from other sources. All of these are ongoing projects. Any deficit at the beginning or end of the financial year is due to timing differences on payments from partners.

Grant-making process

When allocating grants to organisations, applications have to meet criteria set out in the Application guidelines. Once the criteria have been met, the application is first assessed by the Foundation staff, then by an Advisory panel, and then taken to the Foundation Board of Trustees for final approval. The grant pledges are recognised in the Board minutes and will be recognised in the statutory accounts in the same year that the Board has approved the application. Following approval of an application, all grantees are sent an offer letter which may or may not contain certain conditions that need to be fulfilled in order for them to receive the funding. Organisations that are awarded multi-year grants are required to submit a report every year so that Foundation funding is re-confirmed by the Board on an annual basis.



Plans for 2012

Our current Business Plan (2010-2012) provides a blue-print for our ambitions during this period. In year 3 of our business plan we remain committed to these ambitions, which are to

- ❖ Lead transformational programmes which exploit our specialist knowledge
- ❖ Champion new British music at home & overseas
- ❖ Increase resources by building coalitions that make a significant difference
- ❖ Sustain broad, flexible and indispensable support of new music in any genre
- ❖ Learn and communicate more effectively to increase relevance and impact
- ❖ Work with PRS to maximise the mutual benefit of our partnership

Our priorities in 2012 are

- Implementation and ongoing monitoring of our new grants schemes for individuals and organisations
- Successful delivery of our Cultural Olympiad programme, New Music 20x12, in partnership with BBC Radio 3, NMC Recordings, Southbank Centre and London 2012
- Launching a UK wide version of our New Music Plus development programme for music producers
- Sustaining our new fund for Women Music Creators
- Building on legacy of our music creator residencies in China
- Securing our next 3 year donation from PRS (2013-15)

In view of the current economic climate, we will continue to champion partnership programmes which promote the importance of sharing resources and have the potential to grow audiences for new music. We also aim to diversify our range of funding partners to include private sponsors for some of our music industry programmes.

Disclosure of information to auditors

So far as each person who was a Trustee at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Trustees and the charitable company's auditor, each Trustee has taken all the steps that he/she is obliged to take as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Re-appointment of auditors

A resolution to re-appoint Ernst & Young LLP as the Company's Auditor will be put to the forthcoming Annual General Meeting.

Small companies' exemption

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.



Thanks

I have been supported by, and grateful to, the Board of Trustees, the members of which donate their time to the Foundation and provide expert artistic and business guidance. In particular, I am delighted to welcome Simon Darlow – who brings, as a songwriter, a wealth of music industry knowledge and experience to the Board. I would also like to thank Nigel Elderton who stepped down from our Board in February, having contributed to our work for over 10 years. Nigel has been an invaluable source of wisdom and expertise and his contribution as founding Trustee will be missed.

Alongside our Trustees, our Advisory Council continues to make a major contribution to our decision-making and collectively brings an exceptional level of expertise and knowledge for which we are extremely grateful.

Finally, the Foundation would not be as effective as it is without the Management team which continues to be highly committed to the work of the Foundation. They work tirelessly and inventively to maintain the standards and visibility for which we have become known.

Sally Taylor
Chairman
11 July 2012

A handwritten signature in black ink, appearing to read 'Sally Taylor', with a long, sweeping horizontal line extending to the right.



**THE PERFORMING RIGHT SOCIETY FOUNDATION
STATEMENT OF TRUSTEES' RESPONSIBILITIES
for the year ended 31 December 2011**

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PERFORMING RIGHT SOCIETY FOUNDATION

We have audited the financial statements of The Performing Right Society Foundation for the year ended 31 December 2011 which comprise the Statement of Financial Activities, Balance Sheet and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standards for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the 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 company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the 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

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- ▶ give a true and fair view of the state of the charitable company's affairs as at 31 December 2011 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 applicable to Smaller Entities, and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE PERFORMING RIGHT SOCIETY FOUNDATION**

Matters on which we are required to report by exception

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

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

Ernst & Young LLP

Andy Glover (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
London

16 July 2012



THE PERFORMING RIGHT SOCIETY FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
(Including an Income and Expenditure account)
For the year ended 31 December 2011

	Notes	2011 £ Unrestricted Funds	2011 £ Restricted Funds	2011 £ Total Funds	2010 £ Total Funds
Incoming resources					
Voluntary income					
Donations	1b,8,10	1,573,845	269,443	1,843,288	1,872,860
Investment income					
Bank Interest Received	1b,8,10	9,873	-	9,873	3,045
Total incoming resources		<u>1,583,718</u>	<u>269,443</u>	<u>1,853,161</u>	<u>1,875,905</u>
Resources expended					
Charitable activities					
Grants pledged in furtherance 1e, 3 of the charity's objectives		(1,101,011)	(501,113)	(1,602,124)	(1,571,390)
Managing and administering 1e,4,10 the charity		(330,142)	-	(330,142)	(333,333)
Total resources expended		<u>(1,431,153)</u>	<u>(501,113)</u>	<u>(1,932,266)</u>	<u>(1,904,723)</u>
Net incoming / (outgoing) before other transfers		152,565	(231,670)	(79,105)	(28,818)
Gross transfers between funds	1b,8	<u>(56,049)</u>	<u>56,049</u>	<u>-</u>	<u>-</u>
Movement in total funds for the year					
Net income for the year	4,8	96,516	(175,621)	(79,105)	(28,818)
Total funds brought forward	8	<u>110,887</u>	<u>328,895</u>	<u>439,782</u>	<u>468,600</u>
Total funds carried forward	8	<u>207,403</u>	<u>153,274</u>	<u>360,677</u>	<u>439,782</u>

The Statement of Financial Activities includes all gains and losses recognised during the year

All incoming resources and resources expended derive from continuing activities



**THE PERFORMING RIGHT SOCIETY FOUNDATION
BALANCE SHEET
At 31 December 2011**

	Notes	31 December 2011 £	31 December 2010 £
Fixed Assets			
Tangible Fixed Assets	5	3,590	4,833
Current Assets			
Debtors			
Amounts falling due after one year	6	6,500	22,500
Amounts falling due within one year	6	154,567	233,553
	6	161,067	256,053
Cash at bank and in hand		1,012,205	1,111,414
		1,173,272	1,367,467
Creditors, amounts falling due within one year			
Creditors	7	(24,891)	(56,874)
Grants payable	7	(791,294)	(875,644)
	7	(816,185)	(932,518)
Net Current Assets		357,087	434,949
Net Assets	9	360,677	439,782
Capital and Reserves			
Unrestricted Funds	8	207,403	110,887
Restricted Funds	8	153,274	328,895
	8	360,677	439,782

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities

The financial statements were approved by the Board on 11 July 2012 and signed on its behalf by

Sally Taylor
Chairman



1. Accounting Policies

a) Accounting Conventions

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (Effective April 2008) and the Companies Act 2006 and follow the recommendations in 'Accounting and Reporting by Charities Statement of Recommended Practice' (SORP 2005) issued in March 2005

The Trustees believe that the Foundation should continue to adopt the going concern basis in preparing the annual report and financial statements as they have a guarantee to fund for 3 years from PRS until 2012. On 4 July 2012 the PRS Board agreed to a commitment of an annual donation to the Foundation of £1.5 million as a rolling 3 year agreement to be reviewed each December, with an 18 months' notice period. Based on this and the Foundation's business plan projections, the Trustees believe that it is appropriate for the Foundation to continue to adopt the going concern basis in preparing the annual report and financial statements

b) Fund Accounting

The funds consist of restricted and unrestricted funds, of which the unrestricted are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity. The restricted funds are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. There have been the following movements from the unrestricted fund to the restricted funds: £30,000 to British Music Abroad, £30,000 to Beyond Borders, £5,000 to NFTS scholarships and £5,000 to Composer in the House. There have also been movements to the unrestricted funds from restricted funds: £13,600 from New Music Plus North West and £351 from New Music Incubator. This represents the Foundation's financial investment in these projects.

c) Incoming Resources

Voluntary income including donations and grants are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when

- the donor specifies that the grant or donation must only be used in future accounting periods, or
- the donor has imposed conditions which must be met before the charity has unconditional entitlement

Investment income is recognised on a receivable basis

d) Donated Services and Facilities

Where services are provided to the Foundation as a donation that would normally be purchased from suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the Foundation. Donated services and facilities are discussed in note 10



1. Accounting Policies (continued)

e) Resources Expended

Grants pledged in furtherance of the charity's objectives, comprise those grants allocated during the financial period. Grant obligations are recognised on an accruals basis once a valid expectation of receipt of the grant has been established.

Management and administration costs are all other costs actually incurred by the Foundation, which are not grants. During the period, no direct fundraising costs were incurred. Governance costs include those incurred in the governance of the charity and its assets are primarily associated with constitutional and statutory requirements.

f) Cash flow Statement

The charity has taken advantage of the exemption in FRS1 from the requirement to produce a cash flow statement because it is a small company.

g) Value Added Tax

The company is not registered for value added tax and all irrecoverable VAT is allocated to the related expense.

h) Pensions

Contributions to personal pension schemes are charged to the profit and loss account as they become payable in accordance with the rules of the individual schemes.

i) Fixed Assets and Depreciation

Fixed assets are initially recorded at cost. Depreciation is provided at rates calculated to write off the cost less residual value of each tangible fixed asset over its expected useful life as follows:

Computer equipment – 20% per annum straight line

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

2. Legal Status of the Charity

The charity is a company limited by guarantee and has no share capital. The members of the Company are Performing Right Society Limited and the Trustees. The liability of each member in the event of winding up is limited to £10.



3 Grants Pledged in Furtherance of Charity's Objectives

There are no designated funds set up by the Trustees

	2011 £	2010 £
Unrestricted		
Organisations	284,800	267,600
Festivals	219,400	203,150
Performance groups	190,062	180,668
New Works	167,225	192,500
Promoters	141,450	143,025
Women Make Music	63,760	-
Partnerships	42,914	92,377
Special Projects	(4,100)	10,042
Live Connections	(4,500)	(500)
Prizes and Awards	-	68,000
Unsigned Award	-	2,280
Atom	-	(2,675)
Composers	-	(3,000)
	<u>1,101,011</u>	<u>1,153,487</u>
Restricted		
New Music 20x12	214,600	2,725
Beyond Borders	110,090	105,000
British Music Abroad	92,281	119,430
New Music Plus North West	51,538	126,063
National Film and TV School	10,000	10,000
PRSF/Alan Hawkshaw Scholarships		
Composer in the House	20,000	-
China	2,604	-
New Music Plus London	-	54,685
	<u>501,113</u>	<u>417,903</u>
Total	<u>1,602,124</u>	<u>1,571,390</u>

The *Partnerships* figure includes grants pledged for the Adopt a Composer, Music Creators in Residence, New Music Incubator, MOBO and Jazz Promoters schemes. Further details can be found at www.prsformusicfoundation.com



THE PERFORMING RIGHT SOCIETY FOUNDATION
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4. Resources Expended on Managing and Administering the Charity

	2011	2010
	£	£
Governance Costs		
Audit Fees	5,631	6,319
Trustee Expenses	2,109	2,823
Personnel Costs:		
Salaries	155,398	167,158
Consultancy	19,200	-
Employer's NI Contribution	17,355	16,541
Pension Contribution	3,812	4,720
Continuing Professional Development	3,196	3,520
Temporary Staff	2,285	2,436
Recruitment	480	1,610
Charitable Activity.		
Computer Costs	14,377	10,288
Special Investment PR	12,612	-
Web Design and Development	7,734	6,382
Travel Expenses	4,323	3,503
Advisory Council Expenses	3,897	4,583
Subsistence and Tickets	3,169	3,634
Promotional Events and Materials	2,514	2,249
Website Hosting	2,326	3,918
Catering	2,138	2,173
Evaluation and Planning	1,649	1,253
New Music Award Support Costs	-	22,126
10 th Anniversary Expenses	-	3,000
Office Costs.		
Accommodation – Support in kind	43,318	43,318
Financial Accounting – Support in kind	12,873	12,873
Printing and Postage – Support in kind	4,400	4,400
Computer Software Depreciation	1,703	1,612
Sundry Expenses	1,196	498
Stationery	769	376
Insurance	611	791
Telephone	514	805
Bank Charges	421	424
Bad Debts	132	-
Total Resources Expended	330,142	333,333
	2011	2010
	£	£
Net movement in funds	(79,105)	(28,818)

**4. Resources Expended on Managing and Administering the Charity (continued)****This is stated after charging:**

	2011 £	2010 £
Auditor's remuneration – audit services	5,631	6,319
Depreciation	<u>1,703</u>	<u>1,612</u>

Trustees' remunerations are as follows:

No remuneration was paid to any Trustee or related party in 2011 or 2010, other than the following expenses incurred by 9 Trustees (2010 9)

	2011 £	2010 £
Travel expenses, refreshments and tickets	<u>2,109</u>	<u>2,823</u>

The average monthly number of full-time equivalent employees, (including part-time staff) during the year was 5.3 (2010 5.6). These employees were involved in the administration of the charity. No employee received remuneration above £60,000 in 2011 or 2010.

5. Tangible Fixed Assets

	2011 £
Cost	
At 1 January 2011	28,910
Additions	460
At 31 December 2011	<u>29,370</u>
Depreciation	
At 1 January 2011	24,077
Charge for the year	1,703
At 31 December 2011	<u>25,780</u>
Net book value	
At 31 December 2011	<u>3,590</u>
At 1 January 2011	<u>4,833</u>
Tangible fixed assets consist of computer equipment	



**THE PERFORMING RIGHT SOCIETY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011**

6. Debtors	2011	2010
	£	£
Other Debtors	161,067	256,053
	<hr/>	<hr/>
Amounts falling due after more than one year included above are		
	2011	2010
	£	£
Other Debtors	6,500	22,500
	<hr/>	<hr/>
7. Creditors: amounts falling due within one year	2011	2010
	£	£
Other Taxes and Social Security	4,703	6,280
Other Creditors and Accruals	20,188	50,594
	<hr/>	<hr/>
	24,891	56,874
Grants Payable	791,294	875,644
	<hr/>	<hr/>
	816,185	932,518
	<hr/>	<hr/>



THE PERFORMING RIGHT SOCIETY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

8 Capital and Reserves

	At 1 Jan 2011	Incoming Resources	Outgoing Resources	Transfers	Net movement in funds	At 31 Dec 2011
	£	£	£	£	£	£
-Unrestricted funds of the charity						
	110,887	1,583,718	(1,431,153)	(56,049)	96,516	207,403
	<u>110,887</u>	<u>1,583,718</u>	<u>(1,431,153)</u>	<u>(56,049)</u>	<u>96,516</u>	<u>207,403</u>
	At 1 Jan 2011	Incoming Resources	Outgoing Resources	Transfers	Net movement in funds	At 31 Dec 2011
	£	£	£	£	£	£
-Restricted funds of the charity						
Beyond Borders	60,000	55,000	(110,090)	30,000	(25,090)	34,910
British Music Abroad	20,307	81,918	(92,281)	30,000	(19,637)	39,944
China	-	3,000	(2,604)	-	396	396
Composer in the House	20,000	-	(20,000)	5,000	(15,000)	5,000
New Music Incubator	-	351	-	(351)	-	-
NMP London	3,637	(1)	-	-	(1)	3,636
NMP North West	66,376	-	(51,538)	(13,600)	(65,138)	1,238
New Music 20x12	158,575	94,175	(214,600)	-	(120,425)	38,150
NMP UK	-	30,000	-	-	30,000	30,000
NFTS	-	5,000	(10,000)	5,000	-	-
	<u>328,895</u>	<u>269,443</u>	<u>(501,113)</u>	<u>56,049</u>	<u>(175,621)</u>	<u>153,274</u>
-Total Restricted and Unrestricted Funds						<u>360,677</u>

Beyond Borders, managed by the Foundation with funds also from Scottish Arts Council, Arts Council Wales, Arts Council Northern Ireland and Colwinston Trust, supports collaboration and co-commissioning between organisations throughout the UK

British Music Abroad, managed by the Foundation with funds from Arts Council England and UK Trade and Investment, provides travel and accommodation costs for bands selected to perform at international showcases

China – Musicians in Residence China is a partnership programme which the Foundation initiated in collaboration with British Council which is managing this project. A travel, R&D grant was awarded in 2011 to support Foundation staff to set up the residency hosts in China

Composer in the House, administered by the Foundation with matching funds from the Royal Philharmonic Society offers a 2 year residency to a British composer to work with a leading orchestra. The hosting orchestra is also expected to match some of this funding through in kind support and a commitment to commissioning new work

New Music Incubator is an international residential course for performers, improvisers and composers run in partnership with the Swedish Composer Society, Swedish Embassy sponsored the launch of this programme in London in 2011



**THE PERFORMING RIGHT SOCIETY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011**

8 Capital and Reserves (continued)

New Music Plus UK (NMP UK) is a live event producer development programme which was initiated by the Foundation in collaboration with the hub. In the North West, NMP was supported by Arts Council England, Paul Hamlyn Foundation and Sound and Music - administration of this programme will be completed in early 2012. NMP UK was devised in consultation with a range of host organisations and funders from across the UK who confirmed the need for this programme to be made available beyond its pilot regions. Creative Scotland and Arts Council of Wales confirmed their support in 2011.

New Music 20x12 is supported with funds from a wide range of private patrons, trusts, foundations and Arts Councils across the UK. It supports the commissioning of new works delivered by 20 arts organisations from across the UK and is run in partnership with BBC Radio 3 and London 2012. Each organisation raises additional funds to realise their projects in their entirety.

The *NFTS scholarships* is an ongoing joint funding scheme between the Foundation and private donor, Alan Hawkshaw to support composers at The National Film and Television School.

9 Analysis of Net Assets between Funds

	Unrestricted Funds £	Restricted Funds £	Total £
Tangible fixed assets	3,590	-	3,590
Cash at bank and in hand	760,253	251,952	1,012,205
Other net current assets	(24,221)	160,397	136,176
Grants due in under one year	(532,219)	(259,075)	(791,294)
	<u>207,403</u>	<u>153,274</u>	<u>360,677</u>

10. Related Party Transactions

During the year, the Company was pledged donations of £1,500,000 (2010 £1,500,000) from its member, PRS, of which £1,500,000 was received by 31 December 2011 (2010 £1,500,000). The Foundation has the use of PRS Ltd's premises and a range of associated services, an estimate of this support in kind, based on the value of the contribution to the Foundation, has been included as a donation and a cost.

	2011 £	2010 £
Accommodation	43,318	43,318
Financial Accounting	12,873	12,873
Printing and Postage	4,400	4,400
	<u>60,591</u>	<u>60,591</u>

11. Corporation Tax

This charitable Company is exempt from corporation tax on its charitable activities.