

Report & Financial Statements

For the year ended 31 March 2018

**Music in Hospitals and Care
(formerly Music in Hospitals)**

Registered Charity No: 1051659
Office of Scottish Charities No: SC038864
Company No: 3138683

Music in Hospitals and Care (formerly Music in Hospitals)

Administrative information

Music in Hospitals and Care is a company limited by guarantee, Registered in England & Wales No.3138683

Registered Charity No. in England and Wales 1051659 and in Scotland SC038864

Registered Office: Unit 40, Enterprise House, 44-46 Terrace Road, Walton on Thames, Surrey KT12 2SD

Royal Patron: HRH the Duchess of Gloucester GCVO

Scottish Patron: Sally Magnusson

Welsh Patron: Rebecca Evans

President: Sir Thomas Allen CBE

Vice Presidents: Dame Evelyn Glennie DBE, Julian Lloyd Webber,
Dame Felicity Lott DBE, Dame Vera Lynn CH DBE, Sir Richard Stilgoe OBE,
Toby Spence, Katie Derham

Presidents Emeriti: Nella Kerr MBE
Sylvia Lindsay MBE

Chairman: Peter Fairlie

Vice Chairman: John Middleton

Hon Treasurer: Arthur Davey (to 24 October 2017)
Helen Ashley Taylor (from 24 October 2017)

Trustees (Directors): The following Trustees served during the year to 31 March 2018: Peter Fairlie, Dr Alan Jacques, Roger Luxmoore-Styles, Fiona McIntosh, Sarah Mallock, John Middleton, Dr Jeremy Huw Williams, Arthur Davey (to 24 October 2017), Dr Sivasankaran Sashidharan (to 24 October 2017), Helen Ashley Taylor (from 24 October 2017), Siân Carter (from 24 October 2017), Dr Andrew Kelso (from 24 October 2017), Lorimer MacKenzie (from 24 October 2017), Anne O'Hagan (from 24 October 2017).

The following Trustees were appointed after 31 March 2018: Helen Dutta (from 3 July 2018), Maureen Hall (from 3 July 2018), Charmian May (from 3 July 2018).

Solicitors: Bates, Wells & Braithwaite, London EC4M 6YH

Auditors: Mazars LLP (from 7 March 2018)

Bankers: National Westminster Bank plc, Walton-on-Thames, Surrey KT12 1DW
Clydesdale Bank plc, Edinburgh EH2 2QW

Investment Advisors: Investec Wealth & Investment Management Ltd. London EC2V 7QN;
Smith & Williamson Investment Management Ltd, Glasgow G2 5SG

Chief Executive: Barbara Osborne (from 1 August 2018)
Stephen Rowland-Jones (England, Wales, Northern Ireland to 30 April 2018)
Florence Burke (Scotland to 17 November 2017)

Registered Office: Unit 40, Enterprise House, 44-46 Terrace Road, Walton on Thames, Surrey, KT12 2SD

Scotland Office: 10 Forth Street, Edinburgh EH1 3LD

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Trustees' report for the year ended 31 March 2018

The Trustees are pleased to present their Report, together with the Financial Statements of the Company. The Financial Statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice 2015 – Accounting and Reporting by Charities (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Music in Hospitals and Care is registered as a Charity with the Charity Commission and the Office of the Scottish Charity Regulator.

Music in Hospitals and Care is a company limited by guarantee governed by its Memorandum and Articles of Association dated 11 October 1995 as amended by Special Resolutions on 20 April 2004, 4 July 2007 and 28 September 2011. The company is sometimes referred to as the Charity in this report. The Charity changed its name from Music in Hospitals to Music in Hospitals and Care by Special Resolution on 28 June 2017.

Trustees (Board of Directors)

The Charity's directors, for the purpose of Charity law, are referred to as Trustees in this report. The Trustees of the Charity are listed on page 1. Under the requirements of the Articles of Association, one third of the Trustees are required to retire at each annual general meeting. New Trustees are appointed in the light of their specialist expertise.

As part of maintaining an appropriate set of skills and experiences amongst the Trustee body and, conscious that two Trustees would be standing down anyway, the Trustees instigated an open recruiting and selection process for new Trustees. A number of high-quality applicants showed an interest and were interviewed under the direction of the Appointments' Committee, with the need for diversity and a range of experiences and skills uppermost in the selection criteria. Recommendations were laid before the Board which were accepted and five new Trustees were appointed in October 2017, with a further three Trustees appointed after the year end in July 2018.

All Trustees gave of their time voluntarily and received no benefits from the Charity. No trustee remuneration was paid in the year. Details of Trustees' expenses are disclosed in note 11 to the accounts. Trustees are required to disclose all relevant interests and register them with the Chairman and abstain from voting where a conflict of interest arises.

The Trustees have all received the Charity Commission Guidelines on Trustees' Responsibilities. All Trustees have a sufficient understanding of the Charity's activities and resources to enable them properly to fulfil their responsibilities. Job descriptions are in place for the Chairman, Hon Treasurer and Trustees.

As part of their induction, new Trustees are provided with full details of the Charity and its operations including information on governance and finances. New Trustees also undergo a briefing with the Chairman or Vice Chairman and appropriate senior management staff across the Charity. All Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role, as well as attending live music concerts where possible.

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Organisational Structure

The Board of Trustees administers the Charity. The Board meets at least three times a year and there are sub-committees covering finance & audit, fundraising and marketing, and appointments.

Subject, in each case, to the overall responsibilities of the Trustees, the business of the Charity is managed under the direction of a Chief Executive, Barbara Osborne. Stephen Rowland-Jones, managed the activities in England, Wales, Northern Ireland and the Channel Islands until 30th April 2018. The Charity's activities in Scotland were previously managed under the direction of Florence Burke who handed over her role as Chief Executive in Scotland on 17 November 2017.

Key Management. The key management personnel are the Trustees and Chief Executive. Their remuneration, as with all staff, is reviewed annually by the Finance & Audit Committee in full cognisance of the annual budget, with recommendations being laid before the full Board of Trustees. Their salaries are commensurate with their responsibilities and are shown at note 10 of the report.

Employee Benefits. All staff receive an annual salary commensurate with their responsibilities, are eligible to join the Company Pension Scheme under current Auto-Enrolment legislation, with a 5% contribution from the Charity; alternatively they can elect to have a similar contribution paid into their personal pension plan. They also receive a death in service life insurance benefit. All full-time staff receive 35 days annual holiday, part-time staff receive a *pro rata* equivalent.

Volunteers

The Charity is grateful to have a number of loyal volunteers across the UK. With 68 contributing throughout the year in a variety of ways to assist with fundraising, raising awareness and profile of our work, we appreciate their time and dedication to the cause.

Values

At Music in Hospitals and Care we are passionate about live music and the genuine benefits it can have, particularly for those with illness and disability in healthcare. We are sensitive to the needs of different venues and audiences within them and have a flexible and diverse range of musical genres. Committed to providing the best possible outcomes from the concerts we arrange, the Charity cares about the quality of its concerts and works only with professional musicians of the highest quality.

MUSIC IN HOSPITALS AND CARE - AIM AND OBJECTIVES FOR THE PUBLIC BENEFIT

Vision

To provide an ever-increasing number of high quality concerts performed by professional musicians in hospitals, hospices and care homes across the UK.

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Aim and Activities

The Charity's objects are the relief of physical or mental sickness and the preservation and protection of health by the use of high quality music as a therapeutic agent.

The overall aim of the Charity is to benefit the public by delivering music concerts across the UK, in order to raise the spirits, reduce distress and suffering, and to bring pleasure to sick and vulnerable adults, children, and their families, through the therapeutic benefits of high quality live music performed by professional musicians.

Research¹ has shown that the introduction of live music into healthcare settings enhances the quality of life of patients, improves communication, empathy and understanding of patients' needs, reduces stress and the perception of pain, sometimes leading to the reduction of medication required. There is strong evidence that live music induces positive physiological and psychological changes in clinical outcomes, which can result in shortening the length of stay in hospital.

All Music in Hospitals and Care's charitable activities focus on the delivery of high quality live music for adults and children who find themselves in healthcare as a result of illness, disability and those who are no longer able to look after themselves. These charitable activities are undertaken to further Music in Hospitals and Care's charitable purposes for public benefit. The concerts are given by individual or small groups of professional musicians who have been carefully selected through a rigorous audition. They are chosen for their high standard of musicianship, communication skills, breadth of repertoire and their ability to relate to each member of the audience whatever their age, illness, ethnic background or disability. Music in Hospitals and Care's concerts provide the opportunity for our audiences to participate in a warm, informal, social and cultural activity that helps break down feelings of isolation, vulnerability, anxiety and depression often experienced during an unfamiliar and difficult time. Participation is encouraged which provides a natural physiotherapy as members of the audience sing, tap their feet, clap and dance or just sit back, relax and reminisce.

Since its foundation in 1948, the Charity has been particularly patient focused, providing a public benefit for people with a disability or who are sick or elderly. However, that benefit extends to wider audiences which include family and friends as well as care staff, nurses and clinicians. At all times we consult and involve healthcare professionals with a view to ensuring that the concerts provided are truly enjoyable and have a genuine therapeutic benefit. The concerts are monitored by the care establishments, the Charity's staff and from time to time by Trustees and committee members. Health Boards and NHS Trusts recognise the therapeutic value of live music and many healthcare establishments have regular concerts.

The Charity will continue to forge closer links with healthcare establishments in order to meet the needs of adults and children in their care and to meet the challenge of providing its service where it is most needed.

¹ Various papers Marshall & Shibazaki 2016/2017

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Objectives

The Charity's overall aim will be achieved by:

- increasing the number of concerts by 2021 within a financially sustainable framework;
- delivering concerts when and where they are most needed across the UK;
- expanding the Area and local network (of offices, staff and volunteers);
- developing a coherent and sustainable fundraising programme that optimises strong local links as well as consistent regional, national and UK wide appeals;
- structuring a marketing and communications programme that ensures an effective message is delivered to target audiences;
- enhancing the support we give to our musicians and the assistance we gain from venues.

Objectives for 12 month period 1 April 2017 to 31 March 2018

The Main Objectives for the year were as follows:

- To rebrand the Charity to better reflect the diverse beneficiary base;
- to introduce GDPR² in order to be compliant by May 2018;
- to provide 4,700 concerts in healthcare establishments across the UK;
- to maintain and, indeed, improve the high quality of concerts;
- to reach over 100,000 people in a variety of healthcare settings, special needs groups and disadvantaged members of the community;
- to introduce a charity-wide Fundraising Strategy in order to maintain sufficient funds to sustain an increased programme of live music concerts;
- to introduce a charity-wide Communications Strategy to launch the Charity's new brand image, thereby raising awareness and activity within communities across the UK;
- to continue to implement the Corporate Plan work;
- to continue to provide impact reports on the outcomes from our valuable work for those in healthcare.

Those who particularly benefitted from the live music concerts provided by the Charity included:

- Children with acute, chronic or life-limiting illness or additional support needs;
- Adults with additional support needs;
- Adults and children with mental health conditions, including people with dementia;
- Individuals who have experienced a stroke;
- People with neurological conditions;
- Adults and children who are visually impaired;
- Those receiving respite or palliative care in hospices;
- Those receiving specialist treatment in Intensive Care Units;
- Frail elderly people in long-term care; and
- Members of the ex-service community.

² GDPR – General Data Protection Regulation

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The following chart shows the breakdown of Music in Hospitals and Care's activities across the United Kingdom over the past 12 months:³

2017/2018 (2016/2017 figures in brackets)	England, Wales, Northern Ireland & Channel Islands	Scotland	UK Total
Number of concerts in healthcare establishments	2,892 (3,933)	1,514 (1,657)	4,406 (5,590)
Approximate number of adults and children attending concerts	57,840 (98,325)	30,280 (30,642)	88,120 (128,967)
Different healthcare establishments visited	968 (1,079)	493 (510)	1,461 (1,589)
Healthcare establishments visited for the first time	161 (318)	32 (20)	193 (338)
Number of fully funded concerts provided	2,931 (3,099)	346 (454)	3,277 (3,553)

Where their financial circumstances permitted, healthcare establishments were asked to make a contribution towards the cost of the concert, and the Charity funded the balance. The Charity approached a range of benefactors for grants and sponsorship which contribute towards the difference between the healthcare establishments' contribution and the cost to the Charity.

Music in Hospitals and Care reviews its aim, objectives and activities each year. The Charity has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set and they value the continuance of robust impact reporting to substantiate the outcomes.

Impact. Assessing the precise impact of the live music concerts can often be quite challenging and relies on feedback from clinical, nursing and other care staff. Nevertheless, the health and wellbeing of audiences, including staff and visitors, was seen to improve; for the older population, feelings of loneliness and isolation were also seen to reduce. Through the research it was also possible to record reductions in stress and anxiety as a consequence of the live music concerts in other population groups within the healthcare sector for whom live music was being provided.

Research. The research work with partners at the University of Sussex, and University of Huddersfield continues to build into a really meaningful and positive relationship. Throughout the past year, further work has continued to explore the nature of the impact of music on the process of bereavement and the impact of music on children with severe cognitive disabilities. Presentations about the research, and spreading the word about the work of MiHC have been given in 6 European, and 1 Asian country, and as a consequence of the work having been carried out in local care homes, the projects have been selected by Huddersfield as one of the key impact studies for the forthcoming research assessment framework in 2020.

³ Based on headcount of 20 for 2017/18 compared to headcount of 25 (2016/2017) for England, Wales, Northern Ireland & Channel Islands and 18.5 (2016/2017) for Scotland

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Engagement. As part of the work carried out on the Corporate Plan, a rebranding exercise was also carried out during the year. The aim of the exercise was to review the name of the Charity in order to ensure it better reflected the inclusive nature of its beneficiaries and thereby improve engagement, both locally and nationally. At the same time the Trustees have embarked on a strategy of increasing representation across the UK through a programme of recruiting more Vice-Presidents and committee members. This work is anticipated to come to fruition in the coming year.

Innovation.

In response to a request from the staff at the Children's Heart Unit in the Freeman Hospital in Newcastle upon Tyne, we developed an initiative called Lullaby Hour. The aim was to provide gentle, lullaby songs that can be personalised for very ill babies and children at the Children's Heart Unit. This has been very well received by both healthcare professionals and the families, with observations including lowering of heart rate for children and providing comfort for anxious parents. Lullaby Hour offers beautiful moments with children beyond the treatments and clinical activity of a hospital ward.

Fundraising. The Charity, having a small investment portfolio and modest level of reserves, relies upon its fundraising activity to sustain the delivery of the charitable objects.—The Charity has benefitted from a number of funding awards and partnerships including being one of the beneficiary charities for the Lord Mayor of London's annual Appeal; and being the recipient of a 3 year funding award from the Postcode Care Trust.

Plans for the Future

Musicians & Concerts

Music in Hospitals and Care will continue to seek new musicians to broaden the Charity's concert programme by recruiting a wide selection of musicians who will provide cultural and geographical diversity. Conscious of the changing demographic across the UK and the maturity of our existing musicians, it is important to increase our portfolio of professional musicians. Auditions continue across the Charity and it was recognised that better engagement with musicians as a way of sharing best practice and experience should be an ongoing feature to ensure skills and expertise are passed on from one generation of musicians to another.

Research. We have a number of requests to assist with research and are pleased to collaborate with various Universities including the University of Sussex, University of Huddersfield, Manchester, University of Sheffield; and The Institute of Dementia at University of Salford.

The insight into precisely how our live music is benefitting those in healthcare has been enormously useful and informs not only the structure of our concerts but also the complexity, familiarity and volume of the music.

Innovation. The ICU-Hear project, piloted in Manchester during 2016/17 will continue to be developed and rolled out to other ICUs/HDUs across the UK where funding and opportunity allows. We are also seeking to build on the success of our new initiative, Lullaby Hour which has already generated interest from other relevant healthcare settings.

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Objectives for 12 month period 1 April 2018 to 31 March 2019

The Main Objectives for the year to 31 March 2019 are as follows:

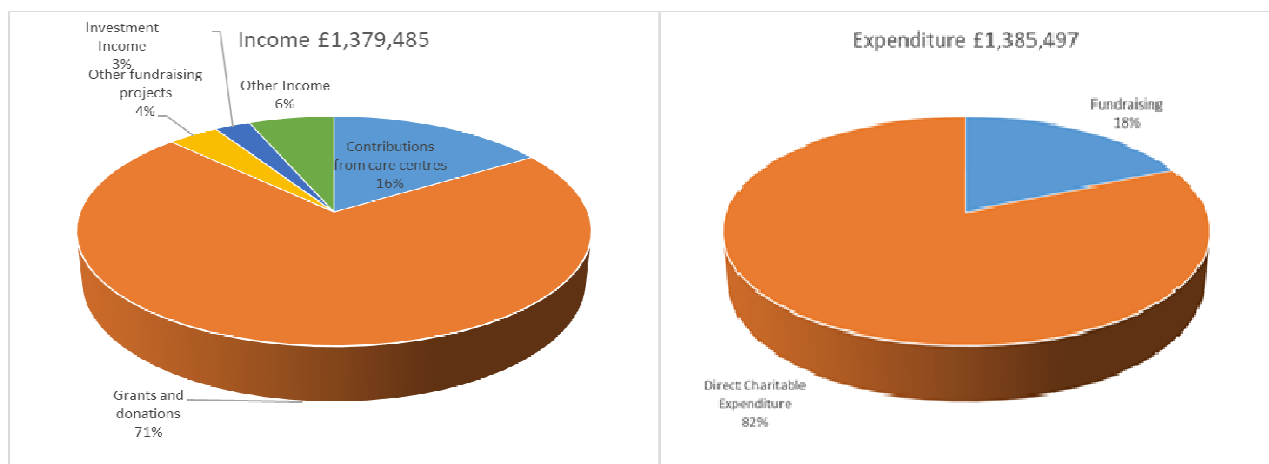
- To review the Corporate Plan and required structure for the next 5 years
- to provide 4,700 concerts in healthcare establishments across the UK;
- to maintain and improve the high quality of concerts;
- to reach over 100,000 people in a variety of healthcare settings, special needs groups and disadvantaged members of the community;
- to deliver a Fundraising strategy to maintain sufficient funds to sustain an increased programme of live music concerts;
- to deliver a charity-wide Communications Strategy to raise awareness and activity within communities and healthcare settings across the UK;
- to continue to provide impact reports on the outcomes from our valuable work for those in healthcare.

PUBLIC BENEFIT

The Trustees have had regard to the guidance issued by the Charity Commission concerning public benefit. They are satisfied that the information given in this Report, particularly regarding the activities undertaken when read in conjunction with the objects of the Charity, demonstrates that the requirements to identify public benefit have been met.

The Trustees publicise the work of the Charity and each year produce Annual Review publications which are circulated to members, relevant beneficiary organisations and those to whom it applies for assistance.

FINANCIAL REVIEW



The total income for the year was £1,379,485 (2017: £1,527,842) with expenditure of £1,371,647 (2017: £1,410,056). The surplus for the year (before movements on the investment portfolio and transfers between funds) was £7,838 (2017: £117,786). The overall deficit for the year was £5,476 (2017: surplus of £263,355).

The previous financial year (2016/17) had seen the charity receive a significant one-off restricted grant of £402,000 from the Aged Veterans fund that had been unbudgeted for at the start of that financial year. This led to a large increase in concerts provided in one financial year only. The noticeable increase in concert

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numbers and income for 2016/17 were due to that one-off large grant and as such, were never expected to be repeated again in 2017/18. The concert numbers, income/expenditure profile and modest surplus achieved (before investment movements) for 2017/18 are broadly similar to that achieved in 2015/16 – and more in line with expectations prior to the receipt of the one-off large grant in 2016/17.

The increase in fundraising costs and events reflected in 2017/18 was also anticipated, following the completion of the delivery requirements of the Aged Veterans funding in July 2017 and the reallocation of resources into more fundraising events again.

The 2017/18 year saw several one-off professional costs (contained within the 'General Office Costs' headings in note 8); further information is given on the nature of these below.

During the year the charity became de-registered for VAT and HMRC granted a VAT refund of the amount shown in note 6. A large related one-off professional fee was incurred in relation to this work performed by the charity's previous auditors, disclosed in note 6. Additional accountancy costs were also incurred during the move to a new unified accounting system across the charity; a long-term investment designed to improve efficiencies in reporting and improved shared access to financial and fundraising information across Scotland and England.

As part of its long-term strategy, the charity also incurred further budgeted one-off professional costs during the year in relation to a major re-branding exercise and change of name. A new website was launched and promotional events in Scotland and London took place as part of this rebranding exercise.

In addition to investment in the website and branding, the charity commenced its planned investment in the upgrade of IT. This will continue further during 2018/19, using funds from the charity's unrestricted reserves to fund this investment.

The Walton and Manchester offices moved office locations during the year, with one-off budgeted costs being incurred in relation to this.

Principal Funding Sources

The charity continues to review its funding model to ensure continuity of the services it provides for the public benefit. In 2017/18 a number of healthcare establishments contributed a proportion of the cost of a concert and Music in Hospitals and Care funded the balance from its own resources and fundraising activities. However, in most cases, live music concerts were provided completely free of charge to the healthcare establishments thanks to the income received from corporate partnerships, grant-making trusts and foundations, fundraising activity and the generosity of the public. See the pie-chart on the previous page.

We would like to thank all those who have provided financial support to Music in Hospitals and Care for their generosity, particularly those with whom we have enjoyed a long-term strategic partnership.

The Charity is not dependent on any one donor or group of donors and receives support from a substantial number of separate sources including individuals, companies, statutory authorities and charitable trusts in support of its work. A list of our principal supporters is at Note 21 but it is impossible to list all the individual supporters across the UK who give generously to Music in Hospitals and Care and without whom we simply could not provide the number of concerts to so many deserving adults and children in healthcare.

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Restricted and Unrestricted Funds

The restricted funds available are to be used for purposes specified by the donors. The unrestricted funds underpin the core work of the Charity and also support the shortfall between any contributions made towards the cost of concerts by healthcare establishments and the actual cost to the Charity.

Investments

The Charity's investment policy is to produce a reasonable long term overall return by means of a balanced portfolio. The Trustees expect income returns and capital values to rise at least in line with inflation over the 12 month accounting period, although this may not be achievable at times of economic downturn and falling market values. The policy is regularly reviewed by the Trustees in conjunction with the Charity's independent investment fund managers. The Trustees rely on recognised bench marks to review performance. Dividend income from the investments is applied to the costs of charitable activity. Hitherto, the Trustees have not given specific targets to the investment managers, rather setting the broad strategic guidelines for the investments and allowing the managers to achieve the best income whilst maintaining the value of the investments against inflation. The Trustees are grateful for the achievements of the investment managers in the face of significant volatility in the markets.

Reserves Policy

The Charity's reserves totalling £1,558,375 (2017: £1,563,851) comprise:

- a) expendable endowment of £251,578 (2017: £256,051) the income from which is required to be applied to the provision of concerts in specific regions of Scotland in the medium and long term;
- b) restricted funds totalling £557,062 (2017: £388,651), arising from donations for the provision of concerts in specified areas of the United Kingdom or specified categories of care units, usually in the short term; and
- c) unrestricted funds of £749,735 (2017 - £919,149).

The Trustees review the appropriate level of unrestricted reserves annually to take account of ongoing risks associated with the charity's operations and to ensure the charity is provided with adequate financial stability to be able to plan ahead strategically, build resilience and properly manage its resources.

The trustees hold unrestricted reserves at a level that is designed to protect the charity's work and legal objectives for current and future beneficiaries in the event of unforeseen or significant adverse changes in financial position.

The Board of Trustees has established a Finance and Audit Committee which, in addition to the annual review of reserves carried out by the Board, reviews levels of reserves and current and future needs at each Committee meeting and also monitors the levels of reserves on a monthly basis in conjunction with the charity's cash flow forecasts and budgets.

Reasons for holding an appropriate level of general reserves are to:

- Maintain adequate cash flow to meet the continuing costs of the charity's core operation of delivering live music concerts during periods where the timing of receipt of funding is uncertain and

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often not within the charity's immediate control.

- Ensure sufficient funds are available to allow the charity to honour its advance contractual commitments to hospitals, care venues, musicians and staff. The trustees analyse future contractual commitments, needs, contingencies, risks and the potential consequences for the charity of not being able to meet them.
- To meet the shortfall in costs between any contributions made towards the cost of concerts by healthcare establishments and the actual cost to the charity, and to allow time for the charity to consider alternative funding options if the charity's funding has deteriorated materially.
- To ensure that, should the charity need to cease its operations completely, the charity can meet its outstanding liabilities and obligations in a controlled, orderly and responsible manner.

In considering the appropriate level of general reserves, the trustees consider the likelihood and costs of interruption of the charity's activities. The trustees review the overall strength of the charity's balance sheet, available cash and unrestricted investments along with operational plans for the next 12 months and the longer-term strategy, and ensure that the reserves are sufficient to fulfil the charity's obligations and to continue with the charity's operations.

Music in Hospitals and Care holds four different types of reserves.

- Endowment Fund:** this is restricted and can only be used in line with the express wishes of the original donor. This fund is held in investments and the income is required to be applied to the provision of concerts in specific regions of Scotland in the medium and long term.
- Restricted Funds:** these are held and used in line with the express wishes of the donors of those funds. The trustees of the charity do not have the discretion in the use of these funds. The funds arise from donations for the provision of concerts in specified areas of the United Kingdom or specified categories of care units – usually in the short term.
- Unrestricted Funds:** these must be held at a level that is designed to protect the charity's work and legal charitable objectives in the event of unforeseen changes in the financial position. Funds raised respectively in England and Scotland are held in separate bank accounts and unrestricted funds are designated for use in the areas in which the funds are raised. Unrestricted funds held in the charity's investment portfolio are similarly designated between England and Scotland – reflecting where funds were raised. These reserves are not all immediately realisable and are subject to market volatility.
- Designated Fund:** the Trustees took a long-term strategic decision in the 2007/8 financial year to sell the former charity office premises in England in order to fund long-term stability and growth. The proceeds of the sale have been used to fund the development of offices and IT infrastructure in furtherance of the charity's legal objectives and to build closer local relationships with healthcare venues, musicians and funders. Sale proceeds have also been used to meet costs and liabilities in relation to leasehold premises over the past decade (including the obligation to pay dilapidations) that were vacated during 2017. This fund has

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now reduced significantly and is expected to diminish further over the next 12 – 24 months. The remaining funds are not immediately realisable and are subject to market volatility.

Given the nature of the commitments that the charity enters into (for example, some healthcare venues require a 12-month commitment from the charity for the supply of concerts), the Trustees adopted a policy to endeavour to hold free unrestricted reserves to cover the charity's normal operation and provision of live music concerts for 12 months. This is intended to give confidence to venues that the charity will be able to continue to deliver its service for the period of the agreement made at the outset.

As at 31 March 2018, the Charity's free unrestricted reserves amounted to £699,870 which equates to just over 6 months' activity based on last year's total expenditure. The trustees are monitoring the reserves level carefully and are taking appropriate steps to increase free reserves back to 12 months' expenditure.

Risk Management

The Trustees review the risk management policy on a regular basis. The Trustees' risk management strategy comprises:

- an ongoing review of the risks the Charity may face;
- the establishment of systems and procedures to mitigate those risks identified;
- the implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

The principal risk to the Charity's ability to deliver its Object is the inability to raise sufficient funds. Recognising this the Trustees are in the final stages of producing a new UK-wide fundraising strategy in order to capitalise on the national remit, and, at the same time, taking further steps to safeguard the Charity's reputation.

Performance and risk is measured against the strategic objectives and the trustees continue to develop an approach to risk management to ensure that management of risk is embedded within the day-to-day running of the charity. 2017/18 saw a review of the charities policies and procedures as part of this, with the work continuing into 2018/19 through the establishment of a new and revised handbook of policies and procedures for use with consistency across all of the charity's offices.

During the year the trustees also carried out a review of internal financial controls, using the Charity Commission checklist for this, following the consolidation of the financial systems between the Walton and Scotland offices to one unified accounting package.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Music in Hospitals and Care for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 – the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

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- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' SORP;
- make judgements 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 a 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 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

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 preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

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.

Auditors

Mazars LLP were appointed during the year and have indicated their willingness to continue in office and, in accordance with the provisions of the Companies Act. It is therefore proposed that they be re-appointed auditors for the ensuing year.

The financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small entities.

Approved by the Trustees on 7 November 2018 and signed on their behalf



Peter Fairlie
Chairman

Independent auditor's report to the Trustees of Music in Hospitals and Care

Opinion

We have audited the financial statements of Music in Hospitals and Care (the 'charity') for the year ended 31 March 2018 which comprise the statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 and of 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

Independent auditor's report to the Trustees of Music in Hospitals and Care

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper 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 specific by law are not made;
- 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 and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on pages 12 and 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report to the Trustees of Music in Hospitals and Care

Auditor's responsibilities for the audit of the financial statements

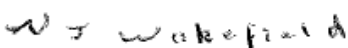
We have been appointed as auditors under Section 44(1)(C) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

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

Use of the audit report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed: 

Nicola Wakefield (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Times House, Throwley Way, Sutton, Surrey SM1 4JQ

Date: 14 November 2018

Music in Hospitals and Care (formerly Music in Hospitals)

Statement of financial activities For the year ended 31 March 2018

	Notes	Unrestricted funds £	Restricted funds £	Expendable endowment funds £	Total funds 2018 £	Total funds 2017 £
Income & Endowments						
Donations and legacies	2	187,292	795,277	-	982,569	1,246,631
Charitable activities	4	221,974	-	-	221,974	175,746
Events	3	51,826	-	-	51,826	71,226
Income from investments	5	27,091	9,030	-	36,121	34,239
Other income	6	86,995	-	-	86,995	-
Total operating income		575,178	804,307	-	1,379,485	1,527,842
Expenditure						
Expenditure on raising funds						
Fundraising costs	7	243,374	-	-	243,374	204,842
Investment management costs	7	7,238	-	1,810	9,048	9,375
Total cost of raising funds		250,612	-	1,810	252,422	214,217
Expenditure on charitable activities						
Artists' fees and expenses for concerts		67,490	382,446	-	449,936	615,636
Other expenditure		243,026	426,263	-	669,289	580,203
Total charitable expenditure	8	310,516	808,709	-	1,119,225	1,195,839
Total operating expenditure		561,128	808,709	1,810	1,371,647	1,410,056
Net operating income / (expenditure)	9	14,050	(4,402)	(1,810)	7,838	117,786
(Losses)/gains on investment assets		(10,651)	-	(2,663)	(13,314)	145,569
Net income/(expenditure) before transfers		3,399	(4,402)	(4,473)	(5,476)	263,355
Transfers between funds		(172,813)	172,813	-	-	-
Net movement in funds		(169,414)	168,411	(4,473)	(5,476)	263,355
Total funds brought forward		919,149	388,651	256,051	1,563,851	1,300,496
Total funds carried forward		749,735	557,062	251,578	1,558,375	1,563,851

There are no recognised gains or losses other than those included above. All amounts relate to continuing activities.

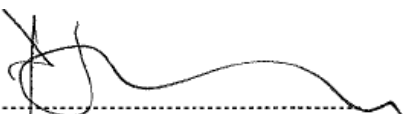
Music in Hospitals and Care (formerly Music in Hospitals)

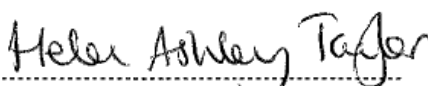
Balance sheet as at 31 March 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible fixed assets	12	13,020		-	
Tangible assets	13	36,846		39,917	
Investments	14	1,148,314		1,153,014	
		<u>1,198,180</u>		<u>1,192,931</u>	
Current assets					
Debtors	15	59,836		41,271	
Cash at bank and in hand		394,360		432,701	
		<u>454,196</u>		<u>473,972</u>	
Creditors: amounts falling due within one year	16	(94,001)		(103,052)	
		<u></u>		<u></u>	
Net current assets		360,195		370,920	
		<u></u>		<u></u>	
Net assets	18	1,558,375		1,563,851	
		<u><u>1,558,375</u></u>		<u><u>1,563,851</u></u>	
Represented by:					
Unrestricted funds	19	749,735		919,149	
Restricted funds	21	557,062		388,651	
Expendable endowment funds	20	251,578		256,051	
		<u>1,558,375</u>		<u>1,563,851</u>	
		<u><u>1,558,375</u></u>		<u><u>1,563,851</u></u>	

The financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small entities.

Approved by the Trustees on 7 November 2018 and signed on their behalf by


Peter Fairlie – Chair of Trustees


Helen Ashley-Taylor – Treasurer

Music in Hospitals and Care (formerly Music in Hospitals)

Statement of Cash Flows for the year ended 31 March 2018

	2018 £	2018 £	2017 £	2017 £
Cash flows from operating activities				
Net (expenditure) / income	(5,476)		263,355	
Adjustments for:				
Amortisation	2,604		-	
Depreciation	5,747		4,814	
Loss/(gain) on investments	13,314		(145,569)	
Investment income	(36,121)		(34,239)	
Trade and other debtors	(18,565)		(7,795)	
Trade and other creditors	(9,051)		275	
	<hr/>		<hr/>	
Cash flows (used in)/ generated from operating activities		(47,548)		80,841
Purchase of investments	(113,122)		(152,781)	
Proceeds on disposal of investments	104,508		206,659	
Investment income	36,121		34,239	
Purchase of intangible fixed assets	(15,624)		-	
Purchase of tangible fixed assets	(2,676)		(11,866)	
	<hr/>		<hr/>	
Cash flows generated from investing activities		9,207		76,251
		<hr/>		<hr/>
Net (decrease)/increase in cash and cash equivalents		(38,341)		157,092
Cash and cash equivalents at 1 April		432,701		275,609
		<hr/>		<hr/>
Cash and cash equivalents at 31 March		394,360		432,701
		<hr/> <hr/>		<hr/> <hr/>

Music in Hospitals and Care (formerly Music in Hospitals)

Notes to the financial statements for the year ended 31 March 2018

1 Accounting policies

The company is limited by guarantee and does not have share capital. Every member of the company undertakes to contribute to the assets of the company in the event of the same being wound up during the time that he is a member or within one year after he ceases to be a member, for the payment of the debts and liabilities of the company contracted before he ceased to be a member, such amount as may be required not exceeding £10.

The company is a registered charity.

(a) Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006, the Charities Act 2011 and Charities Accounts (Scotland) Regulations 2006 as amended by the Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

(b) Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charitable company's forecasts and projections and have taken account of pressures on donation and investment income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

(c) Intangible Fixed Assets and Amortisation

Amortisation has been provided on intangible fixed assets at rates calculated to write off the cost less estimated net residual value of each asset over its effective life, as follows:

Website development 33% straight line on cost

(d) Tangible Fixed Assets and Depreciation

Depreciation has been provided on tangible fixed assets at rates calculated to write off the cost less estimated net residual value of each asset over its effective life, as follows:

Freehold Property 2% straight line on cost

Office Equipment 20% straight line on cost

Computer Equipment 20% straight line on cost

Musical Equipment 17.5% reducing balance

Freehold property and equipment are stated at cost less accumulated depreciation

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or changes in circumstances indicate the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

Music in Hospitals and Care (formerly Music in Hospitals)

Notes to the financial statements for the year ended 31 March 2018

(e) Income

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably. Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

Income is deferred when the donor attaches conditions outside the Charity's own control or specifies that the resources are to be used in a future accounting period.

Investment income is received net of investment management fees but is grossed up in the accounts for investment management fees.

All grants and donations received, whether received specifically to perform concerts or to contribute to the shortfall in concert income, or for any other purpose, are treated as Donation Income. Costs attributable to concerts specifically funded by a grant or a donation may fall in a subsequent accounting period to that in which the grant or donation was received.

(f) Expenditure

Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration on each activity, comprising the salaries and office costs, is apportioned as set out in note 7.

(g) Pension Costs

The charity operates pension schemes for certain of its employees. The schemes are defined contribution schemes and the contributions are charged against income as they are paid. The opportunity to join the schemes is available to all employees.

(h) Fixed Asset Investments

Investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their quoted price (inclusive of accrued income) at the balance sheet date without deduction of the estimated future selling costs. Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the Statement of Financial Activities as 'gains or losses on investments' and are allocated to the appropriate fund holding or disposing of the relevant investment.

(i) Realised Gains and Losses

All gains and losses are taken to the income and expenditure section of the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and original cost. Unrealised gains and losses are calculated as the difference between the market value at the end of the year and opening market value, or purchase date if later. Realised and unrealised gains are not separated in the Statement of Financial Activities.

(j) Restricted Funds

Restricted funds are to be used for specie purposes as laid down by the donor. Expenditure which meets this criterion is charged to the fund.

Music in Hospitals and Care (formerly Music in Hospitals)

Notes to the financial statements for the year ended 31 March 2018

(k) Leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

(l) Critical Accounting Estimates and Areas of Judgement

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

2 Voluntary income

	Unrestricted funds	Restricted funds	Total funds 2018
	£	£	£
Grants and donations	53,135	-	53,135
Grants and donations for concerts	123,157	795,277	918,434
Legacies	11,000	-	11,000
	<u>187,292</u>	<u>795,277</u>	<u>982,569</u>
	<u>187,292</u>	<u>795,277</u>	<u>982,569</u>

	Unrestricted funds	Restricted funds	Total funds 2017
	£	£	£
Grants and donations	60,680	-	60,680
Grants and donations for concerts	121,179	1,059,772	1,180,951
Legacies	5,000	-	5,000
	<u>186,859</u>	<u>1,059,772</u>	<u>1,246,631</u>
	<u>186,859</u>	<u>1,059,772</u>	<u>1,246,631</u>

3 Other trading activities

All income in the current and comparative year relates to unrestricted funds.

4 Income from charitable activities

	Total funds 2018	Total funds 2017
	£	£
Contributions from healthcare establishments	221,974	175,746
	<u>221,974</u>	<u>175,746</u>
	<u>221,974</u>	<u>175,746</u>

All income in the current and comparative year relates to unrestricted funds.

Music in Hospitals and Care (formerly Music in Hospitals)

Notes to the financial statements for the year ended 31 March 2018

5 Investment income

	Unrestricted funds £	Restricted funds £	Total funds 2018 £
Deposit interest	878	-	878
Investment income from quoted investments	26,213	9,030	35,243
	<u>27,091</u>	<u>9,030</u>	<u>36,121</u>

	Unrestricted funds £	Restricted funds £	Total funds 2017 £
Deposit interest	211	-	211
Investment income from quoted investments	25,592	8,436	34,028
	<u>25,803</u>	<u>8,436</u>	<u>34,239</u>

6 Other income

Other income includes £86,995 relating to a one off recovery of VAT in the year. Professional fees of £25,340 were incurred in relation to this matter.

7 Fundraising costs

	Unrestricted funds £	Restricted funds £	Expendable endowment £	Total funds 2018 £
Fundraising costs	243,374	-	-	243,374
Investment management costs	7,238	-	1,810	9,048
	<u>250,612</u>	<u>-</u>	<u>1,810</u>	<u>252,422</u>

	Unrestricted funds £	Restricted funds £	Expendable endowment £	Total funds 2017 £
Fundraising costs	204,842	-	-	204,842
Investment management costs	7,671	-	1,704	9,375
	<u>212,513</u>	<u>-</u>	<u>1,704</u>	<u>214,217</u>

Music in Hospitals and Care (formerly Music in Hospitals)

Notes to the financial statements for the year ended 31 March 2018

8 Expenditure

	Charitable activities £	Fundraising costs £	Total 2018 £
Expenditure directly allocated to activities			
Artists' fees and expenses	449,936	-	449,936
Staff costs	-	105,563	105,563
Advertising	-	548	548
Travelling	12,077	16,677	28,754
Cost of fundraising events	-	18,798	18,798
General office costs	14,680	17,038	31,718
Audit fees	12,360	-	12,360
Investment management costs	-	9,048	9,048
Support costs allocated to activities			
Staff costs	472,155	62,058	534,213
Depreciation & Amortisation	8,351	-	8,351
General office costs	114,840	16,547	131,387
Premises and equipment expenses	34,826	6,145	40,971
	<u>1,119,225</u>	<u>252,422</u>	<u>1,371,647</u>
Expenditure directly allocated to activities			
Artists' fees and expenses	615,636	-	615,636
Staff costs	-	102,438	102,438
Advertising	-	3,733	3,733
Travelling	7,805	10,801	18,606
Cost of fundraising events	-	6,693	6,693
General office costs	6,101	6,823	12,924
Audit fees	18,837	-	18,837
Annual report	565	-	565
Investment management costs	-	9,375	9,375
Support costs allocated to activities			
Staff costs	449,679	59,251	508,930
Depreciation	4,814	-	4,814
General office costs	45,551	6,835	52,386
Premises and equipment expenses	46,851	8,268	55,119
	<u>1,195,839</u>	<u>214,217</u>	<u>1,410,056</u>

Music in Hospitals and Care (formerly Music in Hospitals)

Notes to the financial statements for the year ended 31 March 2018

8 Expenditure (continued)

Support costs have been allocated on the following basis:

Staff costs - time spent
Depreciation & amortisation - usage
Other expenses - floor area

In the year to 31 March 2018, £808,709 of charitable activities' costs were in respect of restricted expenditure and £1,810 of costs relating to raising funds were in respect of the expendable endowment fund. All other costs were met from unrestricted funds.

9 Net operating income

	Total 2018	Total 2017
	£	£
This is stated after charging:		
Auditors' remuneration	11,640	18,837
Depreciation of intangible fixed assets	2,604	-
Depreciation of tangible fixed assets	5,747	4,841
Operating lease rentals – land and buildings	24,588	14,720
Operating lease rentals – other	8,753	3,222
	<u> </u>	<u> </u>

10 Employees

	2018	2017
	£	£
Wages and salaries	561,057	541,974
Social security costs	47,851	40,052
Pension costs	27,835	25,261
Other staff costs	3,033	-
	<u> </u>	<u> </u>
Staff costs	639,776	607,287
	<u> </u>	<u> </u>

The average number of staff employed by the charity was:

	No.	No.
Chief Executives (England, Wales, Northern Ireland and Scotland)	2	2
Fundraising and publicity	5	5
Concert organisation and support	16	15
	<u> </u>	<u> </u>
	23	22
	<u> </u>	<u> </u>

One employee earned between £60,000 and £70,000 per annum (including taxable benefits) during the year (2017:one).

Music in Hospitals and Care (formerly Music in Hospitals)

Notes to the financial statements for the year ended 31 March 2018

11 Trustees and Key management personnel

No trustees received emoluments in the year (2017: none).

Total travel expenses of £6,833 (2017: £7,805) were paid to 7 (2017: eight) trustees during the period.

Key management personnel include the Trustees and Chief Executives. The total employee emoluments of the charity's key management personnel were £102,809 (2017:£136,699). As stated above, trustee emoluments were nil (2017: nil).

12 Intangible fixed assets

	Website Development £
Cost	
At 1 April 2017	-
Additions	15,624
	<hr/>
At 31 March 2018	15,624
	<hr/>
Depreciation	
At 1 April 2017	-
Charge for the year	2,604
	<hr/>
At 31 March 2018	2,604
	<hr/>
Net book value	
At 31 March 2018	13,020
	<hr/> <hr/>
At 31 March 2017	-
	<hr/> <hr/>

Music in Hospitals and Care (formerly Music in Hospitals)

Notes to the financial statements for the year ended 31 March 2018

13 Tangible fixed assets

	Freehold Premises £	Office Equipment £	Musical Equipment £	Computer Equipment £	Total £
Cost					
At 1 April 2017	42,253	16,879	14,582	83,381	157,095
Additions	-	1,836	-	840	2,676
Disposals	-	(9,269)	-	(29,770)	(39,039)
At 31 March 2018	<u>42,253</u>	<u>9,446</u>	<u>14,582</u>	<u>54,451</u>	<u>120,732</u>
Depreciation					
At 1 April 2017	18,592	16,358	12,573	69,655	117,178
Charge for the year	845	428	420	4,054	5,747
Disposals	-	(9,269)	-	(29,770)	(39,039)
At 31 March 2018	<u>19,437</u>	<u>7,517</u>	<u>12,993</u>	<u>43,939</u>	<u>83,886</u>
Net book value					
At 31 March 2018	<u>22,816</u>	<u>1,929</u>	<u>1,589</u>	<u>10,512</u>	<u>36,846</u>
At 31 March 2017	<u>23,661</u>	<u>521</u>	<u>2,009</u>	<u>13,726</u>	<u>39,917</u>

The freehold premises are occupied by Music in Hospitals and Care for charitable activities.

14 Investments

	2018 £	2017 £
Quoted shares and securities		
Market value at 1 April	1,153,014	1,061,323
Additions	113,122	152,781
Disposals	(104,508)	(206,659)
Realised and unrealised (losses)/gains on portfolio	(13,314)	145,569
Market value at 31 March	<u>1,148,314</u>	<u>1,153,014</u>
Historical cost at 31 March	<u>926,392</u>	<u>948,513</u>

The portfolio included the following individual shareholdings in excess of 5% of the total at 31 March 2018.

	£	%
Jupiter UK Special Situations Fund	64,717	5.6%
Link Fund Lindsell Train UK Equity Fund	62,717	5.5%
Threadneedle UK Equity Income	70,955	6.2%

Music in Hospitals and Care (formerly Music in Hospitals)

Notes to the financial statements for the year ended 31 March 2018

15 Debtors

	2018	2017
	£	£
Sundry debtors	32,686	27,672
Prepayments & other debtors	27,150	13,599
	<u>59,836</u>	<u>41,271</u>

16 Creditors: amounts falling due within one year

	2018	2017
	£	£
Artists' fees and expenses	43,807	32,542
Taxation and social security	16,809	20,918
Other creditors	33,385	49,592
	<u>94,001</u>	<u>103,052</u>

17 Financial commitments

The charity's future minimum lease payments are as follows:

	Land and Buildings		Other	
	2018	2017	2018	2017
	£	£	£	£
Within one year	20,063	8,987	2,533	3,222
Between two and five years	-	-	6,395	2,874
	<u>20,063</u>	<u>8,987</u>	<u>8,928</u>	<u>6,096</u>

18 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Expendable endowment	Total funds 2018
	£	£	£	£
Tangible & intangible assets	49,866	-	-	49,866
Investments	680,618	216,118	251,578	1,148,314
Current assets	113,252	340,944	-	454,196
Current liabilities	(94,001)	-	-	(94,001)
	<u>749,735</u>	<u>557,062</u>	<u>251,578</u>	<u>1,558,375</u>

Music in Hospitals and Care (formerly Music in Hospitals)

Notes to the financial statements for the year ended 31 March 2018

18 Analysis of net assets between funds (continued)

	Unrestricted funds £	Restricted Funds £	Expendable endowment £	Total funds 2017 £
Tangible & intangible assets	39,917	-	-	39,917
Investments	896,963	-	256,051	1,153,014
Current assets	85,321	388,651	-	473,972
Current liabilities	(103,052)	-	-	(103,052)
	<u>919,149</u>	<u>388,651</u>	<u>256,051</u>	<u>1,563,851</u>

19 Unrestricted funds

	At 1 April 2017 £	Income £	Expenditure £	Transfers & investment losses £	At 31 March 2018 £
Fixed asset funds:					
England, Wales, NI & CI	14,949	-	-	(176)	14,773
Scotland	24,970	-	-	10,122	35,092
Property fund – England*	138,699	-	-	(2,630)	136,069
England, Wales, NI & CI*	456,539	362,696	(348,282)	(4,295)	466,658
Scotland*	283,992	212,482	(212,846)	(186,485)	97,143
Total	<u>919,149</u>	<u>575,178</u>	<u>(561,128)</u>	<u>(183,464)</u>	<u>749,735</u>

Unrestricted funds include a donation of £50,000 from the Lord Mayor's Appeal.

The designated fixed assets funds represent the net book value of tangible fixed assets and the net proceeds of sale of a property in 2007/08, formerly the office premises of the charity in England. This latter fund is to be used to meet future costs and liabilities in relation to current leasehold premises in England, such as the obligation to pay dilapidations. It is also to fund the charity's development and expansion programme.

The remaining unrestricted funds, which are represented by investments, cash and other net current assets, are designated between the charity's two main areas of operation, being England, Wales, Northern Ireland & Channel Islands, and Scotland, on the expectation by the Trustees that funds raised and held in bank accounts in the name of these areas will be expended in those areas.

The transfers relate to the following:

- Fixed asset funds: Movement to reflect changes in net book value of tangible and intangible fixed assets;
- England property fund: Transfer to reflect office move costs of £2,630; and
- Scotland fund: Transfer of £172,813 to restricted funds after a legacy previously recorded as unrestricted was identified as being restricted for a specific purpose.

* The funds marked with an asterisk represent the free reserves of the charity totalling £699,870 (2017: £879,230).

Music in Hospitals and Care (formerly Music in Hospitals)

Notes to the financial statements for the year ended 31 March 2018

20 Expendable endowment funds

	At 1 April 2017	Income	Expenditure	Investment losses	At 31 March 2018
	£	£	£	£	£
Concerts in Scotland fund A	170,491	-	(1,207)	(1,775)	167,509
Concerts in Scotland fund B	85,560	-	(603)	(888)	84,069
Total	256,051	-	(1,810)	(2,663)	251,578

Concerts in Scotland Fund A: The Income generated from this fund, donated from the Margaret J Stephen's Charitable Trust, is for the provision of concerts in healthcare establishments in the Dundee and Angus area.

Concerts in Scotland Fund B: The income generated from this fund, donated from the Gibson Graham Charitable Trust, is for the provision of concerts in healthcare establishments in Strathclyde, with a special preference for Kintyre (Campbeltown and Minard).

21 Restricted funds

	At 1 April 2017	Income	Expenditure	Transfers	At 31 March 2018
	£	£	£	£	£
ABF The Soldiers Charity	-	18,000	(17,493)	-	507
Aged Veterans Fund	16,688	-	(16,688)	-	-
Big Lottery Fund	2,610	9,765	(12,375)	-	-
Civil Service Insurance Charity Fund	-	5,000	(5,000)	-	-
Edinburgh & Lothians Health Foundation	-	25,000	(24,000)	-	1,000
Friends of Woodend	-	8,170	(5,415)	-	2,755
Gannochy Trust	-	11,160	(9,561)	-	1,599
Greenwich Hospital	7,500	15,400	(9,746)	-	13,154
MacRobert Trust	-	21,800	(19,942)	-	1,858
Masonic Charitable Foundation	20,016	20,016	(20,016)	-	20,016
OJ Colman Charitable Trust	-	10,000	-	-	10,000
Plum Trust	-	20,000	(10,831)	-	9,169
Poppyscotland	-	37,246	(16,660)	-	20,586
Postcode Care Trust	-	120,850	(6,389)	-	114,461
RAF Benevolent Fund	-	5,000	(555)	-	4,445
Royal British Legion	-	20,016	(20,016)	-	-
Scottish Power	2,222	25,600	(27,566)	-	256
ScottishPower Foundation	-	17,537	(14,797)	-	2,740
SCVO	-	13,085	(13,085)	-	-
William Roy Legacy	-	-	-	172,813	172,813
Worshipful Company of Insurers	-	2,000	(2,000)	-	-
Restricted funds for performing concerts in specific areas of the United Kingdom					
England, Wales, NI and CI	243,143	169,110	(322,093)	-	90,160
Scotland	28,991	116,526	(109,169)	-	36,348
Restricted funds for performing concerts at specific categories of healthcare establishments					
England, Wales, NI and CI	50,993	78,114	(81,992)	-	47,115
Scotland	16,488	34,912	(43,320)	-	8,080
Total	388,651	804,307	(808,709)	172,813	557,062

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Notes to the financial statements for the year ended 31 March 2018

21 Restricted funds (continued)

ABF The Soldiers Charity	Grant for the provision of concerts for ex-service personnel in care homes in England and Wales
Aged Veterans' Fund	Grant for the provision of live music concerts in ex-service care homes across the UK
Big Lottery Fund	Concerts in Wales
Civil Service Insurance Society Charity Fund	Grant for the provision of concerts in Royal Star & Garter homes
Edinburgh & Lothians Health Foundation	Grant for the provision of concerts at NHS Lothian Sites
Friends of Woodend	Grant for the provision of concerts at Woodend Hospital
Gannochy Trust	Grant to support the charity's work in Perth and Kinross
Greenwich Hospital	Grant for the provision of concerts in Pembroke House, Royal Alfred Seafarers and Adam Smith drop-in centres
MacRobert Trust	Grant for the provision of live music concerts in ex-service care homes across the UK
Masonic Charitable Foundation	Concerts for elderly people in care homes in England and Wales
OJ Colman Charitable Trust	Grant for the provision of concerts in areas served by the Community Dental Service
Plum Trust	Grant for the provision of concerts across Scotland
Poppyscotland	Grant to fund the 'Play it again Sam!' project
Postcode Care Trust	Grant for the provision of concerts for those under the age of 55
RAF Benevolent Fund	Grant for the provision of concerts at Princess Marina House
Royal British Legion	Grant to support live music concerts in Royal British Legion homes
Scottish Power	Grant for the provision of concerts in care homes
Scottish Power Foundation	Grant to fund 'Open for Music' and 'ICU-Hear' projects
SCVO	Grant to fund the 'Open Digital' and 'Tap the App' projects
William Roy Legacy	Legacy restricted to expenditure on concerts and support in Scotland
Worshipful Company of Insurers	Grant in memory of Mike Cooper Mitchell to fund concerts at London hospitals

All other restricted funds are for performing concerts in specific geographical locations or at specific categories of healthcare establishments.

22 Commitments

There were no capital commitments at 31 March 2018 or 31 March 2017.

23 Pension costs

The company operates contributory pension schemes. They are defined contribution schemes and contributions are charged against income as they accrue. The charge for the year was £27,835 (2017: £25,084).