

# Report & Financial Statements

For the year ended 31 March 2019

## **Music in Hospitals and Care**

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

[mihc.org.uk](http://mihc.org.uk)



# Music in Hospitals and Care

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# **Music in Hospitals and Care**

## **Trustees' report for the year ended 31 March 2019**

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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).

### **Values**

At Music in Hospitals & 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 care venues and the 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.

### **OBJECTIVES AND ACTIVITIES**

#### **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 live 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.

Research has shown that the introduction of live music into healthcare settings enhances the quality of life for 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 of the charitable activities undertaken by Music in Hospitals & Care focus on the delivery of high quality live music for adults and children who find themselves in need as a result of illness, disability and those who are no longer able to look after themselves.

The live music concerts are presented by individual or small groups of skilled musicians who have been carefully selected through a process of 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. A concert from Music in Hospitals & Care provides 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.

# **Music in Hospitals and Care**

## **Trustees' report for the year ended 31 March 2019**

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Since its foundation in 1948, the Charity has been particularly patient focused, providing a public benefit for people with a disability or those who are sick or elderly. However, we know that benefit extends to wider audiences including family and friends, who may also be carers, in addition to supporting the healthcare professionals - the care staff, nurses and clinicians, who share the experience of a live music concert from Music in Hospitals & Care.

We consult and involve healthcare professionals with a view to optimising the benefits of each unique live music session provided. Our dedicated and experienced teams ensure that each concert is bespoke to the needs of the recipients, which means we can have a transformative impact on the health and wellbeing of those in the audience.

The care establishments, the Charity's staff, and from time to time, the Trustees, monitor the quality of our concerts by attending live music sessions in person, and through our feedback forms, which capture the outcomes directly from beneficiaries and the healthcare professionals. There is growing awareness and understanding of the therapeutic value of live music and we are pleased to work with many of the Health Boards, NHS Trusts and healthcare establishments to deliver regular concerts across the United Kingdom.

The Charity continues to forge relationships with healthcare establishments in order to meet the needs of adults and children in their care, whilst also seeking to develop the understanding and recognition that live music in health is integral to health, healthcare provision and healthcare environments.

### **Objectives**

The Charity's overall aim will be achieved by:

- increasing the number of concerts to maximise our reach within a sustainable framework;
- delivering live music sessions (concerts) in response to demand from our beneficiaries across the UK;
- building and developing our capacity through our staff, volunteers, musicians and partners;
- developing a fundraising strategy with clear links to our delivery;
- structuring a communications and engagement programme that articulates our impact and ensures an effective message is delivered to target audiences;
- enhancing the relationship with our musicians, and the assistance we gain from venues.

### **Volunteers**

The Charity is grateful to have a number of committed volunteers across the UK. With around 70 actively 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.

# Music in Hospitals and Care

## Trustees' report for the year ended 31 March 2019

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

The Main Objectives for the year were 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.

### Achievements and Performance

We visited a wide range of places across the UK to reach those people who particularly benefit from live music concerts provided by the Charity. These included:

- Those in hospitals, hospices, residential care settings, and long term care;
- 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.

The Charity commemorated its 70<sup>th</sup> birthday in 2018 and we were delighted to have so many join us in our celebrations – including the NHS which was founded in July of the same year. Some things have changed beyond recognition since Music in Hospitals & Care was formed in 1948 – but the Charity stays true to the original aim to bring the power of live music and the associated recognised therapeutic benefits that live music bestows to people, regardless of their health or well-being.

70 years ago, we took music into a handful of hospitals; today, the charity performs up to 5,000 concerts a year throughout the UK, in care homes, hospices, special schools and day centres, as well as in hospitals.

In recognition of this special year, we were honoured to welcome our Patron, HRH The Duchess of Gloucester to Sherwood House Care Home in Walton-on-Thames for a birthday concert in May 2018. Her Royal Highness enjoyed an afternoon of tea and live music alongside residents and staff of both Sherwood House and Music in Hospitals & Care reminiscing to jazz classics and music from the 1920s to the 1940s, courtesy of our musicians, The Boneshaker. To mark the occasion, Her Royal Highness unveiled a commemorative plaque honouring her attendance at the event.

## Music in Hospitals and Care

### Trustees' report for the year ended 31 March 2019

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#### Impact



#### Activity 2018/19

 **4,563** concerts in healthcare settings

 **91,260** adults and children attending concerts\*  
\*Estimate based on 20 attendees per concert

 **1,474** different healthcare venues visited:

  
Care homes

  
Hospitals

  
Day centres

  
Special schools

  
Hospices

  
Community settings

 **287** venues visited for the first time

  
**2,272** concerts fully funded by grants



## Music in Hospitals and Care

### Trustees' report for the year ended 31 March 2019

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We receive direct insight from our live music sessions through our feedback forms and postcards.

"The audience were overheard singing and laughing by some of our medical staff and the doctors asked me if we could have Vic in every day as he was the best medicine for them"

Whipps Cross Hospital

"I cannot tell you thank you enough – the people we can afford on the budget are lovely, but generally from the sing a long genre, often with a backing track or single instrument, or they just aren't top notch. To be able to bring this kind of music to our residents is truly an answer to prayer. Thank you so much! Residents have asked me not to book a panto this year, but to spend the money on booking another concert from the charity."

MHA Stratton House, Bath

"A massive thank you for making it possible for our service users to experience this amazing day. The day was a magical time, especially for some experiencing live music for the first time."

Queens Walk Resource Centre

"There are so many things we imagined doing with our new baby that we haven't been able to. To sit quietly with him listening to Emma's beautiful singing helps us to forget these surroundings for a short while and I feel really benefits my mental health and therefore, in turn how anxious I am with my baby which enables him to relax."

Parent at St Peter's Hospital Neonatal Unit

"What a sensational experience – I instantly felt relaxed and mellowed. Knowing this benefitted our critical care patients as well seeing them engage and smile lifted my spirits. The power of music is second to no other. Thank you so much. I hope we see a lot more experiences like this."

Conquest Hospital ICU/HDU

#### Engagement

Musicians Days – thanks to funding from Arts Council England, we hosted Musicians Days in Newcastle, Manchester and Walton-on-Thames which encompassed presentations and sessions designed to enhance the skills of our musicians to maximise their engagement with our audiences.

Funding secured from Arts Council Wales and The Darkley Trust, facilitated Musicians Days in Mold, Cardiff and Swansea with a focus on communication skills for those living with dementia. In Glasgow, we welcomed a number of musicians to the Scottish Music Centre for our Musicians Day.

With thanks to all of our partners who helped to make these Musicians Days so successful – feedback from those who attended was overwhelmingly positive with musicians valuing the opportunity to share their experiences with others performing for the Charity.

Following on from the rebranding exercise, the Charity has created a new role for a Communications & Engagement Officer to increase awareness and increase engagement with new audiences by showcasing our impact across the UK. This role will support the wider aims of the Charity through the creation of engaging content, which is fully reflective of how our skilled musicians engage with the audiences to share the therapeutic benefits of quality live music.

## Music in Hospitals and Care

### Trustees' report for the year ended 31 March 2019

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#### Innovation

We launched a three-year project in partnership with Age UK branches in the North of England to combat social isolation and loneliness thanks to funding from The National Lottery Community Fund.

Funding from the Postcode Care Trust has supported the development of a regular drop-in Choir for mental health patients and carers at the Royal Victoria Infirmary in Newcastle. Clinical Psychologist, Dr Siobhan Currell approached us due to the wealth of evidence about the benefits of group singing for physical and psychological wellbeing. Qualitative feedback from those attending includes the release of 'happy hormones' and reported physical health benefits with one person noticing improvements to her breathing after just three sessions.

We were delighted that our initiative, Lullaby Hour achieved recognition at the ScottishPower Foundation Awards where we were the winning organisation in the 'Innovative Project Award'. The additional £5,000 funding boost facilitated provision at a number of new venues including a number of neonatal units across the UK.

**'Lullaby Hour was an amazing experience to have shared with my little boy. I felt transported away from the neonatal unit and didn't for a second worry about the numbers on the monitor or what the doctor had to say. It was pure escapism for a brief moment in time. An experience I will treasure, thank you!'**

In conjunction with this award, and with funding from Arts Council England, we have produced a Lullaby Hour CD and Songbook to enhance the sessions, which will be available for parents and families to access online or as hard copies.

As part of Music in Hospitals & Care Scotland's Tap to the App Project, 45 individuals in care homes across Scotland aged 60-98 were invited to attend 25 creative digital workshops to make music choices for their tailored live music concerts. We provided 10 live music sessions with the programme for each chosen by the participants to bring their choices to life. We were shortlisted as a finalist in the Tech4Good Awards alongside our partners in Glasgow and Aberdeen for this innovative pilot project.

Music in Hospitals & Care Cymru were proud to receive an award at the Arts & Business Cymru Awards Ceremony for a creative partnership with Western Power Distribution (WPD). The partnership project supported by Arts & Business Cymru's CultureStep programme, enabled 15 live music concerts to take place in Day Centres across West Wales, benefitting over 300 vulnerable people in some of the most isolated areas of Wales.

#### Fundraising

We are very grateful to everyone who joined in with our birthday celebrations this year - including those who donated to our 70<sup>th</sup> Birthday Appeal and those who very kindly gifted their own birthday to raise funds to bring joy through live music.

There was an excellent response to our 70:70 appeal, which sought to involve 70 choirs, and ensembles help us celebrate our special milestone. We were delighted that 70 professional, community and individuals shared their live music with us with over 130 events taking place raising in excess of £25,000.



## Music in Hospitals and Care

### Trustees' report for the year ended 31 March 2019

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Thanks to our loyal Friends who continue their sustained support through regular gifts, and our committed volunteers who have undertaken various fundraising efforts throughout the year. A special mention to Local Ambassador, Robin Barr who raised £5,000 by walking to the seven farthest points in Orkney in his 'Fit as a Fiddle Challenge'. Robin also composed seven fiddle tunes to match the heritage of the location, linking up with musicians, artists and community members as he went.

The Charity benefit from a number of strategic funding awards and partnerships, and is grateful for the continued relationship with those funders including some of our larger benefactors, which includes People's Postcode Lottery, ScottishPower Foundation and the Masonic Charitable Foundation amongst others.

#### Plans for the Future

##### Musicians & Concerts

Music in Hospitals & Care has embarked on a programme of consultation with our musicians to seek increased engagement and input to our strategy. We will continue to seek new musicians in response to demand from our beneficiaries, whilst ensuring we provide a broad portfolio of musicians and genres to provide cultural and geographical diversity. We will continue our selection process through targeted recruitment and associated auditions to identify those musicians with the appropriate communication and engagement skills needed for our audiences.

Due to the increasing demand for music in critical care settings, in response to the development of our innovative ICU-Hear® and Lullaby Hour programmes, we will equip our artists through a structured peer-to-peer programme to support them with requisite skills for these settings.

We will continue to develop our work in communities to identify partners to help reach those who would benefit from high quality live music.

##### Research

We have a number of requests to assist with research and are pleased to collaborate with various Universities as the insight into 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 Trustees have made the decision to create the role for a Development Officer in the North of Scotland. The Charity will utilise a generous legacy bequest from William Roy first notified to the Charity in 2013 to achieve sustainable development in the North of Scotland. This will help to realise our ambitions to widen reach to new beneficiaries, to recruit new local musicians, and establish new relationships with venues and partners who could benefit from the joy of live music.

## Music in Hospitals and Care

### Trustees' report for the year ended 31 March 2019

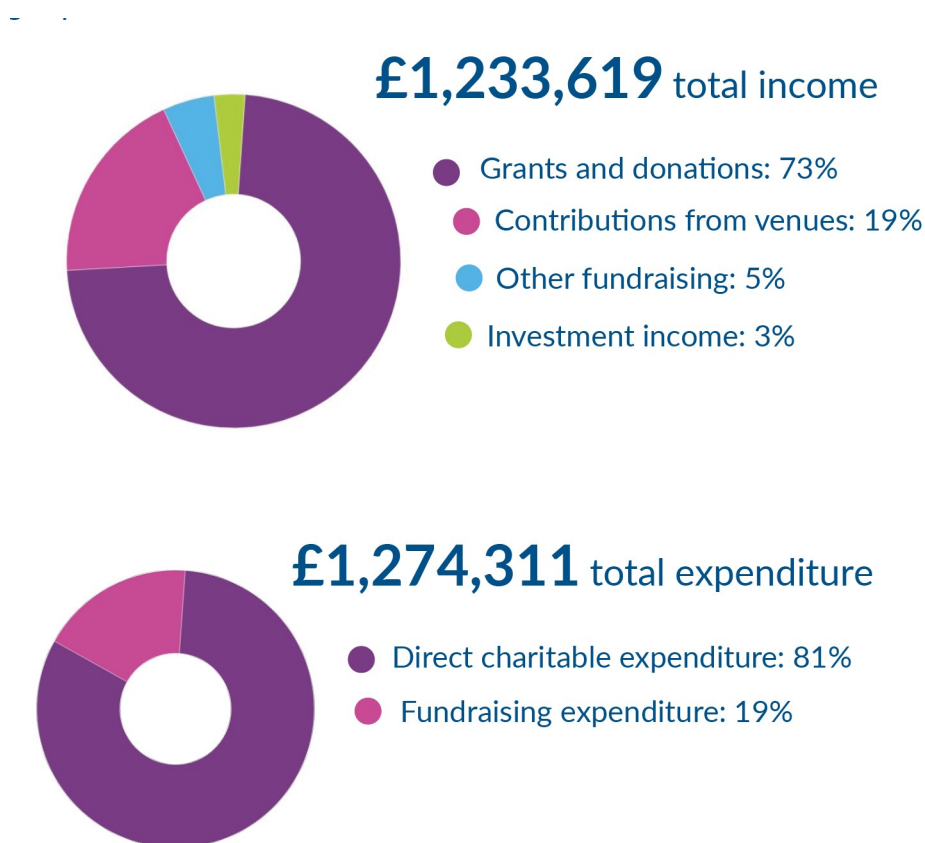
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#### PUBLIC BENEFIT

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 £1,233,619 (2018: £1,379,485) with expenditure of £1,274,311 (2018: £1,371,647). The (deficit) for the year before gains/losses on investments and transfers between funds was (£40,692). (2018: Surplus of £7,838).

The Charity continued to invest in developing the website and the planned upgrade to the IT to ensure sustainability of the systems infrastructure. This will continue into 2019/2020 using funds from the charity's designated funds to underwrite this investment.

# Music in Hospitals and Care

## Trustees' report for the year ended 31 March 2019

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### Principal Funding Sources

The charity continues to review its funding model to ensure continuity of the services it provides for the public benefit. In 2018/19, a number of healthcare establishments<sup>1</sup> contributed a proportion of the cost of a concert and Music in Hospitals & Care funded the balance from its own resources and fundraising activities. Thanks to the income received from corporate partners, grant-making trusts and foundations, fundraising activity and the generosity of our supporter, half of the live music concerts were provided completely free of charge to the healthcare establishments.

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

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 some of the 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 & Care, and without whom we simply could not provide the number of concerts to so many deserving adults and children in healthcare.

### 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 benchmarks 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

Reserves are that part of the unrestricted funds which is freely available to spend on any of the Charity's purposes.

### Reserves Policy

In order to consider the appropriate level of reserves required, the Trustees review the forecasts of income and expenditure and cash flow, the plans for future needs, the risks of income reducing or expenditure increasing which would jeopardize the continuing provision of our concerts, take into account past trends of funding and the risks of unplanned closure. These factors then determine the possibility of reserves being required.

The Finance & Audit committee monitor the management accounts, which include notification of the reserves figure, before submission to all trustees each month.

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<sup>1</sup> 596 establishments (40% of those visited)

## Music in Hospitals and Care

### Trustees' report for the year ended 31 March 2019

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In previous years, the Trustees endeavoured to hold reserves equal to 12 months of total expenditure to ensure commitments to provide concerts were honoured. Current risk-based calculations indicate that the level of reserve can now be reduced to provide a reserve of £700,000 and the Trustees aim to hold reserves at that level to ensure sufficient reserves to avoid financial difficulties.

#### Reserves at 31 March 2019

The free unrestricted reserves available to the Trustees to be used for the purposes of the Charity at 31 March 2019 amounted to £609,771 and this is made up of:

Unrestricted Funds per accounts		£ 782,070
Less: Designated fixed assets funds		
Scotland	(£57,571)	
England, Wales, NI & Channel Isles	(£13,207)	
Property fund – England	<u>(£101,521)</u>	
		(£172,299)
Reserves at 31 March 2019		<u>£609,771</u>
Reserves at 31 March 2018		<u>£563,801</u>

The designated fixed assets funds represent the net book value of tangible fixed assets.

The Property Fund - England was initially designated as a separate fund with the net proceeds of sale of the office premises in England in 2007/2008. This fund is to be used to meet future costs and liabilities of leasehold premises in England such as dilapidations, and to fund the development and expansion programme of the Charity across the UK.

During the year to 31 March 2019 website and IT costs of £34,548 were set against this fund and it is anticipated that further data base development costs will be incurred in the current year.

#### FUNDS

There are four different types of funds held by the Charity.

a. ENDOWMENT FUNDS

These are restricted and can only be used in line with the express wishes of the original donors. These funds are held in investments and the income is applied to provide concerts in certain areas in Scotland.

b. RESTRICTED FUNDS

These funds arise from donations for the provision of concerts with express wishes attached and the trustees have no discretion in the use of these funds.

c. DESIGNATED FUNDS

These funds are designated to cover the net book value of tangible assets and to fund the development and expansion programme of the charity including offices and IT infrastructure.

# Music in Hospitals and Care

## Trustees' report for the year ended 31 March 2019

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d. UNRESTRICTED FUND

This fund is available to be used for any of the charity's purposes. The assets are partly held in investments but can be realised if required.

A summary of the funds at 31 March 2019 was:

a) Endowment funds	£257,044
b) Restricted funds	£521,906
c) Designated funds	£172,299
	<hr/>
	£951,249
d) Unrestricted funds: available to the trustees to be used for the purposes of the Charity	£609,771
<b>Total funds</b>	<hr/>
	<b>£1,561,020</b>

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing Document

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

Music in Hospitals & 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, 28 September 2011 and 5 March 2019. 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 & 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.

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.

# Music in Hospitals and Care

## Trustees' report for the year ended 31 March 2019

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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 for 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 our Chief Executive, Barbara Osborne who joined in August 2018.

Key Management. The key management personnel are the Trustees and Chief Executive. Staff remuneration, 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.

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.

### 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 have made the decision to appoint a Head of Fundraising & Partnerships to develop the fundraising strategy in order to capitalise on the UK wide remit.

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.

### Brexit

The terms, on which the United Kingdom may withdraw from the European Union, (Brexit) are not clear. Therefore, there is large-scale uncertainty and it is not currently possible to evaluate in full all the potential implications to the Charity.

We will continue to review the situation as more information is provided by the Government and as part of our normal risk assessment processes. We currently hold sufficient reserves to allow for any adverse situations, including the impact of Brexit and any cash flow issues.

The UK's decision to leave the European Union means that we must meet the challenges that this decision will bring and cope with any volatility through continued engagement with our funding partners, musicians and end delivery partners.

# Music in Hospitals and Care

## Trustees' report for the year ended 31 March 2019

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### Statement of Trustees' Responsibilities

The Trustees (who are also directors of Music in Hospitals & 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:

- 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 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 6th November 2019 and signed on their behalf

  
Peter Fairlie  
Chairman

# Music in Hospitals and Care

## Administrative Information

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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:** Helen Ashley Taylor (to 7 November 2018)  
Anne O'Hagan (from 7 November 2018)

**Trustees (Directors):** The following Trustees served during the year to 31 March 2019 and up to the date of this report:

Peter Fairlie, Dr Alan Jacques, Roger Luxmoore-Styles, Fiona McIntosh, Sarah Mallock, John Middleton, Dr Jeremy Huw Williams, Helen Ashley Taylor, Siân Carter, Dr Andrew Kelso, Lorimer MacKenzie, Anne O'Hagan, Helen Dutta (from 3 July 2018), Maureen Hall (from 3 July 2018), Charmian May (from 3 July 2018).

**Solicitors:** Turcan Connell, Princes Exchange, 1 Earl Grey Street, Edinburgh, EH3 9EE

**Auditors:** Mazars LLP

**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)

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



# **Independent auditor's report to the Trustees of**

## **Music in Hospitals and Care**

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### **Opinion**

We have audited the financial statements of the Music in Hospitals and Care (the 'charity') for the year ended 31 March 2019 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 2019 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.

### **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.

### **The impact of uncertainties due to Britain exiting the European Union on our audit**

The Trustees' view on the impact of Brexit is disclosed on page 12.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Charity's activities and the wider economy.

We considered the impact of Brexit on the Charity as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Charity's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Charity and this is particularly the case in relation to Brexit.

### **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.

# **Independent auditor's report to the Trustees of**

## **Music in Hospitals and Care**

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### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, 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.

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 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; or
- we have not received all the information and explanations we require for our audit.
- 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.

# Independent auditor's report to the Trustees of

## Music in Hospitals and Care

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### Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 14 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.

### Auditor's responsibilities for the audit of the financial statements

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](http://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.

*NJ Wakefield*

**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: *7th November 2019*

## Music in Hospitals and Care

### Statement of financial activities For the year ended 31 March 2019

	Notes	Unrestricted funds £	Restricted funds £	Expendable endowment funds £	Total funds 2019 £	Total funds 2018 £
<b>Income &amp; Endowments</b>						
Donations and legacies	2	281,491	622,404	-	903,895	982,569
Charitable activities	4	236,541	-	-	236,541	221,974
Events	3	56,362	-	-	56,362	51,826
Income from investments	5	26,149	-	10,587	36,736	36,121
Other income	6	85	-	-	85	86,995
<b>Total operating income</b>		<b>600,628</b>	<b>622,404</b>	<b>10,587</b>	<b>1,233,619</b>	<b>1,379,485</b>
<b>Expenditure</b>						
<b>Expenditure on raising funds</b>						
Fundraising costs	7	223,684	-	-	223,684	243,374
Investment management costs	7	9,408	-	2,800	12,208	9,048
Total cost of raising funds		233,092	-	2,800	235,892	252,422
<b>Expenditure on charitable activities</b>						
Artists' fees and expenses for concerts		56,963	373,140	8,885	438,988	449,936
Other expenditure		315,011	284,420	-	599,431	669,289
Total charitable expenditure	8	371,974	657,560	8,885	1,038,419	1,119,225
<b>Total operating expenditure</b>		<b>605,066</b>	<b>657,560</b>	<b>11,685</b>	<b>1,274,311</b>	<b>1,371,647</b>
<b>Net operating (expenditure)/ income</b>	9	<b>(4,438)</b>	<b>(35,156)</b>	<b>(1,098)</b>	<b>(40,692)</b>	<b>7,838</b>
<b>Gains/losses on investment assets</b>		<b>36,773</b>	<b>-</b>	<b>6,564</b>	<b>43,337</b>	<b>(13,314)</b>
<b>Net income/(expenditure) before transfers</b>		<b>32,335</b>	<b>(35,156)</b>	<b>5,466</b>	<b>2,645</b>	<b>(5,476)</b>
<b>Transfers between funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>32,335</b>	<b>(35,156)</b>	<b>5,466</b>	<b>2,645</b>	<b>(5,476)</b>
Total funds brought forward		749,735	557,062	251,578	1,558,375	1,563,851
<b>Total funds carried forward</b>		<b>782,070</b>	<b>521,906</b>	<b>257,044</b>	<b>1,561,020</b>	<b>1,558,375</b>

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

# Music in Hospitals and Care

## Balance sheet as at 31 March 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Intangible fixed assets	12		13,140		13,020
Tangible assets	13		57,638		36,846
Investments	14		1,178,996		1,148,314
			<u>1,249,774</u>		<u>1,198,180</u>
<b>Current assets</b>					
Debtors	15	51,318		59,836	
Cash at bank and in hand		337,204		394,360	
		<u>388,522</u>		<u>454,196</u>	
<b>Creditors: amounts falling due within one year</b>	16	(77,276)		(94,001)	
		<u></u>		<u></u>	
<b>Net current assets</b>			311,246		360,195
<b>Net assets</b>	18		<u>1,561,020</u>		<u>1,558,375</u>
<b>Represented by:</b>					
Unrestricted funds	19		782,070		749,735
Restricted funds	21		521,906		557,062
Expendable endowment funds	20		257,044		251,578
			<u>1,561,020</u>		<u>1,558,375</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 6th November 2019 and signed on their behalf by

Peter Fairlie  
Chair of Trustees



Anne O'Hagan  
Hon. Treasurer

Anne O'Hagan

## Music in Hospitals and Care

### Statement of Cash Flows for the year ended 31 March 2019

	2019 £	2019 £	2018 £	2018 £
<b>Cash flows from operating activities</b>				
Net income / (expenditure)	2,645		(5,476)	
Adjustments for:				
Amortisation	5,208		2,604	
Depreciation	9,564		5,747	
(Gain)/loss on investments	(43,337)		13,314	
Investment income	(36,736)		(36,121)	
Trade and other debtors	8,518		(18,565)	
Trade and other creditors	(16,725)		(9,051)	
<b>Cash flows (used in) operating activities</b>		<b>(70,863)</b>		<b>(47,548)</b>
Purchase of investments	(313,071)		(113,122)	
Proceeds on disposal of investments	322,666		104,508	
Investment income	36,736		36,121	
Movement in investment cash	3,060		-	
Purchase of intangible fixed assets	(5,328)		(15,624)	
Purchase of tangible fixed assets	(30,356)		(2,676)	
<b>Cash flows generated from investing activities</b>		<b>13,707</b>		<b>9,207</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(57,156)</b>		<b>(38,341)</b>
<b>Cash and cash equivalents at 1 April</b>		<b>394,360</b>		<b>432,701</b>
<b>Cash and cash equivalents at 31 March</b>		<b>337,204</b>		<b>394,360</b>

# Music in Hospitals and Care

## Notes to the financial statements for the year ended 31 March 2019

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### 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
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#### (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

## Notes to the financial statements for the year ended 31 March 2019

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### **(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 8.

### **(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 were calculated in previous years as the difference between sale proceeds and original cost. In the year ended 31 March 2019 realised gains and losses are calculated as the difference between the sale cost and opening market value (or purchase cost if later). 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 specific purposes as laid down by the donor. Expenditure which meets this criterion is charged to the fund.



# Music in Hospitals and Care

## Notes to the financial statements for the year ended 31 March 2019

### (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 2019 £
Donations from individuals	72,265	-	72,265
Grants and donations for concerts	209,226	622,404	831,630
	<u>281,491</u>	<u>622,404</u>	<u>903,895</u>

	Unrestricted funds £	Restricted funds £	Total funds 2018 £
Donations from individuals	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>

## 3 Other trading activities

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

## 4 Income from charitable activities

	Total funds 2019 £	Total funds 2018 £
Contributions from healthcare establishments	<u>236,541</u>	<u>221,974</u>

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

# Music in Hospitals and Care

## Notes to the financial statements for the year ended 31 March 2019

### 5 Investment income

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2019
	£	£	£	£
Deposit interest	393	-	-	393
Investment income from quoted investments	25,756	-	10,587	36,343
	<u>26,149</u>	<u>-</u>	<u>10,587</u>	<u>36,736</u>
	<u><u>26,149</u></u>	<u><u>-</u></u>	<u><u>10,587</u></u>	<u><u>36,736</u></u>
	Unrestricted funds	Restricted funds	Endowment 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>-</u>	<u>36,121</u>
	<u><u>27,091</u></u>	<u><u>9,030</u></u>	<u><u>-</u></u>	<u><u>36,121</u></u>

### 6 Other income

Other income includes £nil (2018: £86,995) relating to a one off recovery of VAT during 2017/18. Professional fees of £nil (2018: £25,340) were incurred in relation to this matter.

### 7 Fundraising costs

	Unrestricted funds	Restricted funds	Expendable endowment	Total funds 2019
	£	£	£	£
Fundraising costs	223,684	-	-	223,684
Investment management costs	9,408	-	2,800	12,208
	<u>233,092</u>	<u>-</u>	<u>2,800</u>	<u>235,892</u>
	<u><u>233,092</u></u>	<u><u>-</u></u>	<u><u>2,800</u></u>	<u><u>235,892</u></u>
	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>
	<u><u>250,612</u></u>	<u><u>-</u></u>	<u><u>1,810</u></u>	<u><u>252,422</u></u>

## Music in Hospitals and Care

### Notes to the financial statements for the year ended 31 March 2019

#### 8 Expenditure

	Charitable activities £	Fundraising costs £	Total 2019 £
<b>Expenditure directly allocated to activities</b>			
Artists' fees and expenses	438,988	-	438,988
Staff costs	-	104,423	104,423
Advertising	-	6,832	6,832
Travelling	9,707	13,405	23,112
Cost of fundraising events	-	15,701	15,701
General office costs	7,561	8,366	15,927
Audit fees	13,084	-	13,084
Investment management costs	-	12,208	12,208
<b>Support costs allocated to activities</b>			
Staff costs	467,054	61,387	528,441
Depreciation & Amortisation	14,772	-	14,772
General office costs	56,387	8,123	64,510
Premises and equipment expenses	30,866	5,447	36,313
	<u>1,038,419</u>	<u>235,892</u>	<u>1,274,311</u>
	Charitable activities £	Fundraising costs £	Total 2018 £
<b>Expenditure directly allocated to activities</b>			
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
<b>Support costs allocated to activities</b>			
Staff costs	472,155	62,058	534,213
Depreciation	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>

# Music in Hospitals and Care

## Notes to the financial statements for the year ended 31 March 2019

### 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 2019, £657,560 (2018: £808,709) of charitable activities' costs were in respect of restricted expenditure and £11,685 (2018: £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 (expenditure)/income

	<b>Total 2019</b>	<b>Total 2018</b>
This is stated after charging:	<b>£</b>	<b>£</b>
Auditors' remuneration	13,084	11,640
Depreciation of intangible fixed assets	5,208	2,604
Depreciation of tangible fixed assets	9,564	5,747
Operating lease rentals – land and buildings	25,368	24,588
Operating lease rentals – other	9,189	8,753
	<u>          </u>	<u>          </u>

### 10 Employees

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	553,382	561,057
Social security costs	46,425	47,851
Pension costs	28,009	27,835
Other staff costs	5,048	3,033
	<u>          </u>	<u>          </u>
Staff costs	632,864	639,776
	<u>          </u>	<u>          </u>

The average number of staff employed by the charity was:	<b>No.</b>	<b>No.</b>
Chief Executives (England, Wales, Northern Ireland and Scotland)	1	2
Fundraising and publicity	5	5
Concert organisation and support	17	16
	<u>          </u>	<u>          </u>
	23	23
	<u>          </u>	<u>          </u>

No employees earned over £60,000 per annum (including taxable benefits) during the year (2018: one employee earned between £60,000 and £70,000).

# Music in Hospitals and Care

## Notes to the financial statements for the year ended 31 March 2019

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### 11 Trustees and Key management personnel

No trustees received emoluments in the year (2018: none).

Total travel expenses of £6,411 (2018: £6,833) were paid to seven (2018: seven) 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 £53,634 (2018:£102,809). As stated above, trustee emoluments were nil (2018: nil).

There were no transactions with related parties.

### 12 Intangible fixed assets

	<b>Website Development £</b>
<b>Cost</b>	
At 1 April 2018	15,624
Additions	5,328
	<hr/>
At 31 March 2019	20,952
	<hr/>
<b>Depreciation</b>	
At 1 April 2018	2,604
Charge for the year	5,208
	<hr/>
At 31 March 2019	7,812
	<hr/>
<b>Net book value</b>	
At 31 March 2019	13,140
	<hr/> <hr/>
At 31 March 2018	13,020
	<hr/> <hr/>

## Music in Hospitals and Care

### Notes to the financial statements for the year ended 31 March 2019

#### 13 Tangible fixed assets

	Freehold Premises £	Office Equipment £	Musical Equipment £	Computer Equipment £	Total £
<b>Cost</b>					
At 1 April 2018	42,253	9,446	14,582	54,451	120,732
Additions	-	1,136	-	29,220	30,356
Disposals	-	-	-	-	-
At 31 March 2019	42,253	10,582	14,582	83,671	151,088
<b>Depreciation</b>					
At 1 April 2018	19,437	7,517	12,993	43,939	83,886
Charge for the year	845	838	278	7,603	9,564
At 31 March 2019	20,282	8,355	13,271	51,542	93,450
<b>Net book value</b>					
At 31 March 2019	21,971	2,227	1,311	32,129	57,638
At 31 March 2018	22,816	1,929	1,589	10,512	36,846

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

#### 14 Investments

	2019 £	2018 £
<b>Quoted shares and securities</b>		
Market value at 1 April	1,148,314	1,153,014
Additions at cost	313,071	113,122
Disposals at opening market value	(322,666)	(104,508)
Movement in investment cash	(3,060)	-
Unrealised gains/(losses) on portfolio	43,337	(13,314)
Market value at 31 March	1,178,996	1,148,314
Historical cost at 31 March	1,002,496	926,392

The portfolio included the following individual shareholdings in excess of 5% of the total at 31 March 2019.

	£	%
Vanguard FTSE 100 Fund	76,296	6.4
Quilter Meridian UK Fund	62,616	5.3
Jupiter UK Special Situations Fund	60,775	5.1
Artemis Income Fund	60,677	5.1
Vanguard S&P 500 Fund	59,046	5.0

# Music in Hospitals and Care

## Notes to the financial statements for the year ended 31 March 2019

### 15 Debtors

	2019	2018
	£	£
Sundry debtors	30,686	32,686
Prepayments & other debtors	20,632	27,150
	<u>51,318</u>	<u>59,836</u>

### 16 Creditors: amounts falling due within one year

	2019	2018
	£	£
Artists' fees and expenses	35,531	43,807
Taxation and social security	13,772	16,809
Other creditors	27,973	33,385
	<u>77,276</u>	<u>94,001</u>

### 17 Financial commitments

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

	Land and Buildings		Other	
	2019	2018	2019	2018
	£	£	£	£
Within one year	20,063	20,063	2,533	2,533
Between two and five years	-	-	3,862	6,395
	<u>20,063</u>	<u>20,063</u>	<u>6,395</u>	<u>8,928</u>

### 18 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds	Expendable endowment	Total funds 2019
	£	£	£	£
Tangible & intangible assets	70,778	-	-	70,778
Investments	705,834	216,118	257,044	1,178,996
Current assets	82,734	305,788	-	388,522
Current liabilities	(77,276)	-	-	(77,276)
	<u>782,070</u>	<u>521,906</u>	<u>257,044</u>	<u>1,561,020</u>

## Music in Hospitals and Care

### Notes to the financial statements for the year ended 31 March 2019

#### 18 Analysis of net assets between funds (continued)

	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>

#### 19 Unrestricted funds

	At 1 April 2018 £	Income £	Expenditure £	Transfers & investment gains £	At 31 March 2019 £
Fixed asset funds:					
England, Wales, NI & CI	14,773	-	-	(1,566)	13,207
Scotland	35,092	-	-	22,479	57,571
Property fund – England	136,069	-	-	(34,548)	101,521
England, Wales, NI & CI*	466,658	317,872	(337,004)	65,496	513,022
Scotland*	97,143	282,756	(268,062)	(15,088)	96,749
Total	<u>749,735</u>	<u>600,628</u>	<u>(605,066)</u>	<u>36,773</u>	<u>782,070</u>

The designated fixed assets funds represent the net book value of tangible fixed assets.

The Property fund – England was designated from the net proceeds of sale of the former office premises in England in 2007/2008. This fund is to be used to meet future costs and liabilities of leasehold premises in England, such as dilapidations, and to fund the development and expansion programme of the charity.

The remaining unrestricted funds are represented by investments, cash and other net assets.

The transfers relate to the following :

- Fixed asset funds : Movement to reflect changes in net book value of tangible and intangible assets.
- Property fund – England : Movement to reflect expenditure of £29,220 on IT costs and £5,328 on website costs, a total of £34,548.

\* The funds marked with an asterisk represent the free reserves of the charity totalling £609,771 (2018: £563,801).



## Music in Hospitals and Care

### Notes to the financial statements for the year ended 31 March 2019

#### 20 Expendable endowment funds

	At 1 April 2018 £	Income £	Expenditure £	Investment gains £	At 31 March 2019 £
Concerts in Scotland fund A	167,509	7,058	(7,336)	4,376	171,607
Concerts in Scotland fund B	84,069	3,529	(4,349)	2,188	85,437
Total	251,578	10,587	(11,685)	6,564	257,044

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. Expenditure during the year relates to provision of concerts (£5,469) and investment management fees (£1,867).

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). Expenditure during the year relates to provision of concerts (£3,416) and investment management fees (£933).

#### 21 Restricted funds

	1 April 2018 £	Income £	Expenditure £	31 March 2019 £
ABF The Soldiers Charity	507	12,000	(9,649)	2,858
Bank of Scotland Foundation	-	12,000	(1,200)	10,800
Big Lottery Fund	-	25,134	(3,278)	21,856
Civil Service Insurance Charity Fund	-	7,500	(5,000)	2,500
Co-op Local Community Fund	-	20,750	(8,737)	12,013
Dunard Fund	-	10,000	(7,300)	2,700
Greenwich Hospital	13,154	-	(13,154)	-
Lady Marion Gibson	-	10,000	(2,674)	7,326
Masonic Charitable Foundation	20,016	-	(20,016)	-
Oglesby Charitable Foundation	2,224	20,000	(9,497)	12,727
OJ Colman Charitable Trust	10,000	-	(10,000)	-
Plum Trust	9,169	10,000	(9,269)	9,900
Poppyscotland	20,586	33,650	(31,396)	22,840
Postcode Care Trust	114,461	100,000	(123,598)	90,863
Queensberry House Trust	-	10,000	(10,000)	-
RS Macdonald Charitable Trust	-	13,000	(1,040)	11,960
RAF Benevolent Fund	4,445	-	(4,445)	-
Scottish Power Foundation	2,996	39,844	(40,474)	2,366
Waterloo Foundation	-	12,500	(12,500)	-
William Roy Legacy	172,813	-	-	172,813
Worshipful Company of Insurers	-	3,000	-	3,000
Performing concerts in specific areas of the UK				
England, Wales, NI and CI	84,233	189,948	(199,595)	74,586
Scotland	41,791	31,248	(52,081)	20,958
Performing concerts at specific categories of healthcare establishments				
England, Wales, NI and CI	42,351	49,910	(61,536)	30,725
Scotland	18,316	11,920	(21,121)	9,115
Total	557,062	622,404	(657,560)	521,906

# Music in Hospitals and Care

## Notes to the financial statements for the year ended 31 March 2019

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### 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
Bank of Scotland Foundation	Music Sessions Care Homes and Hospitals across Scotland
Big Lottery Fund	Concerts in Wales
Civil Service Insurance Society Charity Fund	Grant for the provision of concerts in Royal Star & Garter homes
Co-op Local Community Fund	Concerts arranged in Skye 2018-20
Dunard Fund	Concerts in Scotland during 2018-19
Greenwich Hospital	Grant for the provision of concerts in Pembroke House, Royal Alfred Seafarers and Adam Smith drop-in centres
Lady Marion Gibson	To support shortfall funding.
Masonic Charitable Foundation	Concerts for elderly people in care homes in England and Wales
Oglesby Charitable Foundation	Concerts in ICU Childrens Units
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
Queensbury House Trust	Concerts in Edinburgh and Lothians during 2018/19
RS Macdonald Trust	Concerts in Neurological Units
RAF Benevolent Fund	Grant for the provision of concerts at Princess Marina House
Scottish Power Foundation	Grant to fund 'Open for Music' and 'ICU-Hear' projects
Waterloo Foundation	Concerts in Wales
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 2019 or 31 March 2018.

### 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 £28,009 (2018: £27,835).