

# Report & Financial Statements

For the year ended 31 March 2020

## **Music in Hospitals and Care (Music in Hospitals & Care\*)**

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

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



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## Music in Hospitals & Care

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\* Note that the charity brand name is Music in Hospitals & Care and will be referred to as such throughout the report.

# Music in Hospitals & Care

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## Trustees' report for the year ended 31 March 2020

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 the healing power of 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 sharing the healing power of live music to improve the health and wellbeing of children and adults through the creation of specially tailored live music experiences.

Every year, our professional musicians share live music with over 100,000 people from across the UK, who may not otherwise get to experience it. This includes those living with dementia, who have mental health problems, or who are seriously ill.

We believe live music needs to be part of everyone's health and social care. Why? Because research shows that live music heals. It helps people feel relaxed and confident, and can relieve frustration, stress and isolation. Music can also reduce the perception of pain. It brings back memories and helps create new ones. When you move your body to music – even just tapping a finger – it's natural physiotherapy.

Our dedicated music team handpicks professional musicians through audition. They're chosen for their blend of musical talent, sensitivity and people skills. The live music experiences they create and share unlock all kinds of emotions – from joy to loss, pleasure to nostalgia. Unlocking these emotions supports people's wellbeing.

Since 1948, Music in Hospitals & Care has been breaking down the barriers which prevent people, regardless of their health or wellbeing, from accessing the therapeutic benefits of live music. Our sessions are designed to humanise clinical settings, reach and connect people, encourage communication and meaningful interactions and evoke emotions and memories when it matters most.

Research shows that the introduction of live music into healthcare settings enhances the quality of life for the people they care for, improves communication, empathy and understanding of their needs, reduces stress and the perception of pain, sometimes leading to the reduction of medication required.

## Music in Hospitals & Care

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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.

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 live music session 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.

Live music can transform relationships between patients, families, healthcare professionals, residents and carers. When people enjoy music together, they feel more connected to each other, which leads to more personalised care.

All of the charitable activities undertaken by Music in Hospitals & Care focus on improving the health and wellbeing of children and adults through the healing power of live music.

The overall aim of the Charity is to improve the health and wellbeing of an increasing number and diversity of beneficiaries through the healing power of live music. This will be achieved by activities to:

- develop new ways to reach and connect people with our live music programme
- increase our knowledge of the musical needs of our beneficiaries through our partners, networks and research
- build and develop our capacity through our staff, volunteers, musicians and partners
- develop a cohesive business plan with co-ordinated fundraising and music delivery strategies
- cultivate our communications and engagement programme to articulate our impact and increase the profile of the Charity
- establish agreed shared outcomes with our partners to evaluate and inform on the transformative impact of our live music sessions
- enhance 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 people 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 & Care

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### Objectives for 12 month period 1 April 2019 to 31 March 2020

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.

## Music in Hospitals & Care



### Noteable numbers 2019/20



**4,424** live music sessions with **438** musicians



**88,480** people experienced the healing power of live music\*

\*Estimate based on 20 children & adults reached with each live music session



**1,326** different healthcare settings visited



Care homes



Hospitals



Day centres



Special schools



Hospices



Community settings



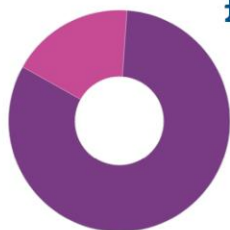
**623** healthcare settings had regular live music



**2,155** live music sessions fully funded by grants

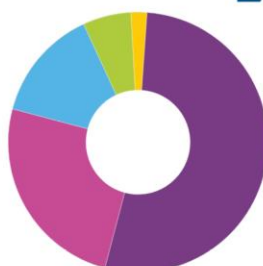
Almost half of live music sessions were shared at no cost to healthcare settings

**£1,429,386** total expenditure



- Charitable expenditure: 83%
- Fundraising expenditure: 17%

**£1,792,726** total income



- Grants and donations: 53%
- Legacies: 25%
- Contributions from healthcare settings: 14%
- Other fundraising: 6%
- Investment and other income: 2%

# Music in Hospitals & Care

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## Our live music and musicians

Our musicians go to people in a variety of places across the UK, including care homes, hospitals, hospices, day centres and community settings.

- Our dedicated music team handpicks professional musicians through auditions. They are chosen for their blend of musical talent, sensitivity and people skills. They know how to read a room and adapt to individual needs.
- The music team provides our musicians with tailored support to craft specially-created live music experiences.
- Our musicians go to places others don't, like critical care units.
- Interacting with our musicians can mean anything from tapping a finger to getting up to dance, from a simple smile to singing a song.

We receive direct insight from our live music sessions through feedback forms and postcards, which are completed by those who experience the live music in person – including our musicians.

The feedback we receive is personal and unique to each person who experiences the live music. We actively seek to engage feedback to help us ensure that the live music is personalised for those children and adults we reach.

## Impact – Live Music

- Research shows that we all have a physiological and psychological reaction to music.
- Live music helps people feel relaxed and connected. It can relieve frustration, stress and isolation, and reduce the perception of pain.
- Music brings back memories and helps create new ones.
- When you move your body to music – even just tapping a finger – it's natural physiotherapy.
- Live music improves people's mental, physical and emotional health.



From lullabies for premature babies to old favourites for those living with dementia, Music in Hospitals & Care shares joy through live music across the length and breadth of the UK, from the Shetland Isles and the Highlands of Scotland to Northern Ireland, the Valleys of Wales and down to the south coast of England.

## Music in Hospitals & Care

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### **Music & Memories: supporting those living with dementia in care homes, specialist units and in the community**

Thanks to funding from Electricity distributor Western Power Distribution (WPD), hundreds of vulnerable people living across South West Wales have been coming together to enjoy the shared experience of live music at their local day centres.

One visitor at the Day Centre in Tenby Cottage Hospital experienced a particularly moving response to the music. Senior Carer, Sing Taylor, told us her story:

“Mair lives with her husband in Pembrokeshire and is originally from North Wales. Her first language is Welsh and she is living with Dementia, which at times causes her to experience great depths of anxiety and confusion, which can be very upsetting and distressing for her. Tenby Day Centre was fortunate to have a wonderful young woman, Joy Cornock, who came to sing and play the harp. It was a joy to see Mair taking part and she joined in singing in Welsh to every song and listened intently to it all.

This brought a tear to my eye, as usually Mair can struggle to join in and even make conversation. This live music session was wonderful and it certainly improved and helped reduce Mair’s anxieties and agitation. It lifted her spirits and enabled Mair in that moment to connect with the music, sing in Welsh and fully participate. Mair looked so happy.”



### **Critical Care: ICU Hear® and Lullaby Hour**

Musician Jenny Dyson has been working with us in North England since 2013:

“Every time I step onto the ICU wards I have the privilege of meeting the incredible staff, patients and families. Each visit gifts me with a special moment, so I thought I would share one from my last visit to Manchester Royal Infirmary before lockdown. I was playing relaxing and calming music on the High Dependency Unit with some patients and family members humming along under their breath, except for one family member who was singing along quite clearly. As I moved closer, I asked if there was anything in particular I could play for her and her husband who was a patient. Her husband was unable to speak but mouthed the word ‘Elvis’ and so I began playing ‘Can’t Help Falling in Love’. His wife sang beautifully and he joined in mouthing the lyrics. As they continued singing together, they held hands, looked at each other and both began to get a little tearful. They thanked me so kindly and as I walked away I realised I had shared a very special moment with them; their emotions released and a memory created, connecting to each other through music.”



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- Our specially-created live music experiences unlock all kinds of emotions – from joy to loss, pleasure to nostalgia.
- Live music helps people express themselves in whatever way they can.
- Live music connects people and can help develop relationships. When people share a music experience, they can feel closer to each other.
- Live music transforms relationships between patients, families and healthcare professionals, and residents and carers. When people enjoy music together, they feel more connected to each other, which leads to more personalised care.
- Live music can break down the barriers between patients and doctors, and those giving and receiving care. Through listening together, you connect, creating trust and deepening relationships.

### Musicians

In 2019, Music in Hospitals & Care embarked on a programme of consultation with our musicians to seek increased engagement and input to our strategy. Through a combination of focus groups involving our staff from the Music Teams and representation from our musicians across the UK, we then sent a survey to 550 musicians to seek their views on a number of areas around their association and engagement with Music in Hospitals & Care.

As part of this process, we had discussions with both the Musicians Union and the Incorporated Society of Musicians to inform our plans going forward.

We were pleased that around a third took the time to complete our online survey, helping to give us an understanding into some of the key aspects of their engagement with the Charity.

We asked about a range of topics including remuneration and expenses, training and development, specifics relating to live music delivery, and administration related matters.

Musicians responded positively to the consultation process and we communicated the key headlines of their feedback via e-mail and at the subsequent Musicians Days held across the UK.

Although many of our musicians were not interested in formal training, our Musicians Days are popular and we acknowledge that the main value is the opportunity to network with other musicians, learn from peers, receive guidance on working with specific audiences, and to share experiences.

Our thanks to all of the musicians who participated in this process. We feel very privileged to work with such an amazing group of musicians who are passionate and committed to sharing the healing power of live music with those receiving care or treatment in healthcare settings across the UK.

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### Music Every Day Live Stream Programme in response to Coronavirus/COVID-19

Coronavirus had an immediate impact on our live music delivery and in March 2020 we paused all of our in person live music sessions across the UK.

We were heartened to see music continuing to offer shared experiences and connection, and the team were determined to find new ways to bring live music to as many people as possible in hospitals, care homes and those isolated in the community.

Our online programme began with the Music Delivery Team looking at the available platforms and technologies and learning the most effective way to work in the new online 'space'. We knew we wanted to provide the feel and impact of our in person live music sessions. This meant that the music should be live (wherever possible), should include opportunities to engage and converse, there should be requests and musical conversation and an ability to interact and react to the individuals in each setting. We also had to understand what was happening in healthcare settings and what their needs and challenges were.

Alongside this work, the Music Delivery Team were also looking at the wider Arts and Healthcare sector speaking to colleagues, fellow organisations and attending webinars, talk and focus groups to better understand what the sector needs were and what challenges were faced.

In May 2020, Dr Daisy Fancourt, Associate Professor at UCL; whose research focuses on the effects of social and cultural participation on health, hosted an online webinar discussing the impact of the pandemic on Mental Health and Social Engagement. During the presentation she shared 5 key thoughts, or areas that were important to everyone's continued resilience and wellbeing.

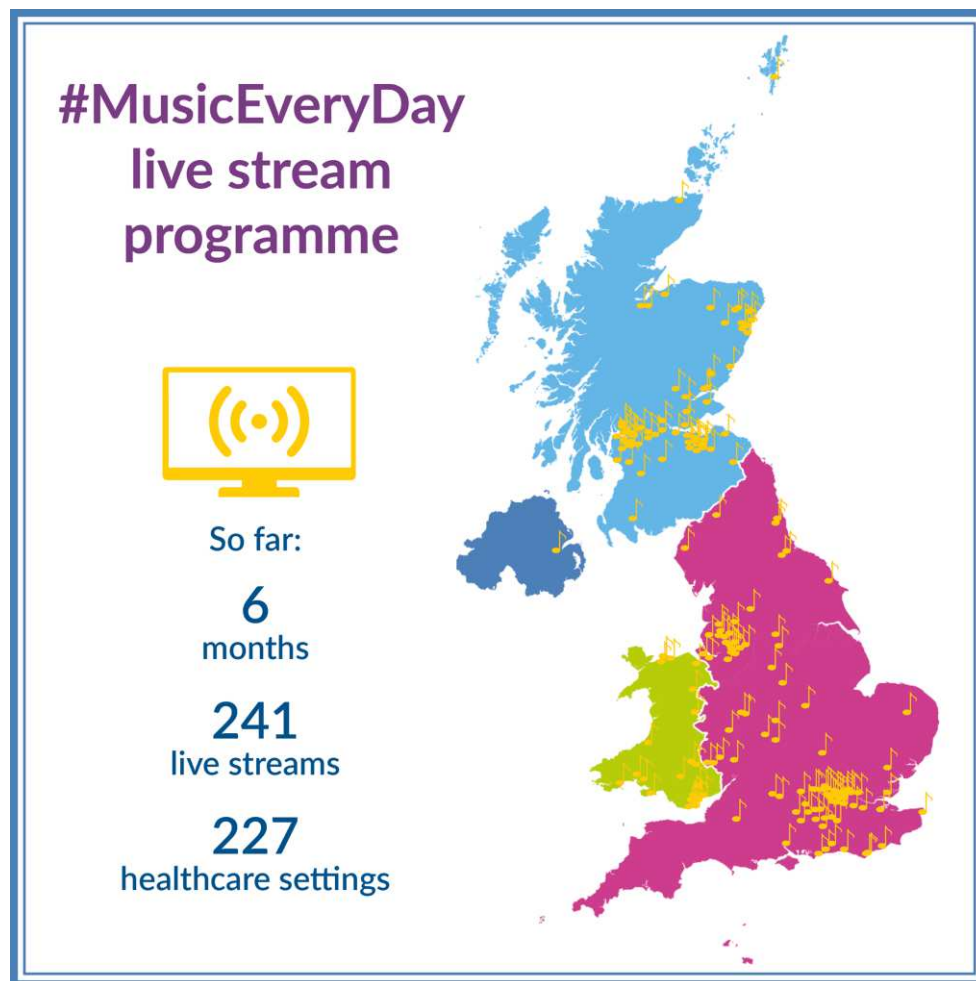
These were: Daily Routine, Staying Connected, A Sense of Purpose (self care), Exercise and Healthy Eating.

We applied these key thoughts to music, thinking around how the use of our music sessions could help in each of these areas. We know music can help manage insomnia, anxiety, depressed mood, confusion and help improve memory. We understood that any online music programme we created could support these key areas. We could reach our regular care settings and partners, in a recognisable and comforting way but also speak to wider communities, as more and more individuals found themselves experiencing loneliness and isolation at home. We wanted to encourage all our care teams and communities to use #MusicEveryDay as part of their regular wellbeing routine

Thanks to funding received, we created a programme of live stream music sessions, including open concerts for everyone to access on our Facebook page and personalised sessions for specific groups of people on our YouTube channel.

We recognised this was a rare opportunity to bring musicians from across the UK to connect with people they couldn't usually reach. Thanks to a cohort of musicians who have supported our aims for the live stream music programme, developed their technological capacity and online engagement skills with support from the Music Delivery staff team, we have connected with 227 settings from across the UK.

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6 month infographic as at end November 2020 relating to the live stream #MusicEveryDay programme

We have collaborated and engaged with other organisations, consortiums, communities and people that recognise the benefits live music brings to health and wellbeing. Our thanks to those partners who have generously supported the development of our plans and helped to connect us with those people we seek to reach.

As soon as it is safe to do so, we look forward to the return of live music in person to improve the health and wellbeing of children and adults across the UK.

### Mary's Story

Mary is 79 and has been a resident at Grange Care Home in Kilmarnock for two years. She takes part in all of the activities organised by Derek, the Lifestyle Coordinator, but she has a particular fondness for music.

Mary: "I've always loved music. My mother loved music too, she played the accordion. Then I got one and had lessons, then my sister... we were like a three-piece band, it was marvellous."



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We spoke to Derek and Mary about their recent live music session with Music in Hospitals & Care musician Neil Sturgeon over Zoom.

Mary: "It was fabulous, he came on with the guitar and oh it was wonderful. Singing and dancing, brilliant... [Afterwards] I felt happy, because it just made you feel a wee bit more alive at the end. We all went to bed happy. Even Sheila and Margaret were singing, and they're about 90 odd! It was marvellous, I couldn't say enough about it."

Mary and the other residents haven't seen friends and family or been able to leave the care home for a number of months during the pandemic.

Derek: "We haven't had live music for months. Everything we have been doing is just on the TV or videos, that type of thing. So to have someone who was actually interacting directly, asking them what songs they would like to hear, I think it was almost like a wee touch to the outside world again. And that just made you feel a bit more hopeful afterwards."

Watch our interview with Mary and Derek on our website at [mihc.org.uk/our-stories](https://mihc.org.uk/our-stories).

### **Innovation**

Due to the increasing demand for music in critical care, we successfully sought funding from Arts Council England to equip our musicians through a structured peer-to-peer programme to support them with requisite skills for expansion of our innovative ICU-Hear® and Lullaby Hour programmes.

Music in Hospitals & Care Cymru were proud to be shortlisted for the Welsh Charity Awards. We were delighted to be joined by some of our Welsh volunteers, supporters and musicians to celebrate being highly commended for Organisation of the Year at the event held at the National Museum in Cardiff.

### **Research and evaluation of our live music**

The Salford Institute for Dementia at the University of Salford undertook an evaluation of a 12-month project with Music in Hospitals & Care. Monthly music cafes were hosted in the Dementia Hub at the University facilitated by musicians working with Music in Hospitals & Care. The evaluation took place between February 2018 and August 2019. The aim of the evaluation was to explore to what extent the Music Café benefitted those participating in the sessions.

Overall the evaluation demonstrated that music is a powerful medium to promote wellbeing for people living with dementia and care partners (current and former). Regular opportunities to participate and interact with others in a shared joy of music in safe, familiar and friendly environments, and that enhancing meaningful connectivity between performers and audience members was achieved through flexible repertoires but most importantly, through the interpersonal skills of the musicians.

The paper is due to be published in Spring 2021. Our thanks go to Booth Charities who kindly funded a proportion of the musicians' time, and to the Dowager Countess Eleanor Peel Trust who funded the researchers time for the evaluation.

### **Working with Research Scotland**

We wanted to work with an external evaluator to independently evaluate our Play it Again SAV! (Scottish Aged Veterans) project. The Play it Again SAV! project aims to support older veterans in healthcare settings through access to live music, inspired by their own personal choices.

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## Evaluation purpose

The aim of this research and evaluation undertaken with Research Scotland was to explore the overall health and wellbeing, quality of life and impact for veterans accessing Play it Again SAV! live music sessions.

The evaluation focused on exploring the immediate and attributable impact of the live music sessions, as well as longer term impact on the wider challenges that are experienced by veterans around mental health, social isolation, loneliness, self-care, negative behaviours, loss and transition.

In total, the programme delivered **208 sessions** in **29 locations** across **17 local authority areas**. There were **over 3,600 engagements with veterans** and over **1,000 engagements with staff and family members**.

The programme achieved successful outcomes for veterans in terms of increased opportunities for reminiscence and social interaction. The activity also supported improvements in mental wellbeing, with participants reporting their change in mood as a result of the sessions. In particular, the song-writing project had a lasting positive impact on the staff, musicians and veterans who took part.

There was some evidence of wider outcomes for veterans, including:

- increased access to support services;
- increased exchange of information between veterans; and
- increased sense of self-worth and value.

Staff and musicians noted that they enjoyed being part of the project and that it was a rewarding part of their work. In two areas (geographical) staff felt the activity was extremely valuable and were seeking out further music making opportunities.

Staff and veterans enjoyed the sessions and most did not have any suggestions for improvement. The main, and often repeated request was for longer or more frequent sessions.

## Areas for consideration

The keys areas we would suggest examining going forward are:

- assess monitoring and evaluation requirements, including expectations of staff at delivery locations;
- developing the format of the sessions to allow more creative opportunities for individuals;
- further developing focus of sessions; and
- consider the length and frequency of sessions and the value of resident musicians, allowing deepening of relationships with participants through familiarity and trust but also the impact of introducing new musical experiences to broaden horizons and build confidence.

Short term outcomes	Medium term outcomes	Long term outcomes
As part of the project, we expect to see:	Soon after the project, we hope to see:	Over time, this will contribute towards:
Increased reminiscence	Improved communication	Improved quality of life
Increased social interaction	Reduced social isolation and loneliness	
Improved mood and raised spirits	Improved mental health – reduced depression, stress and anxiety	Improved health and wellbeing

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Through achieving these outcomes, the project may also contribute to wider outcomes, including:

- increased access to support services;
- increased positive life decisions; and
- improved physical health.

The learning from Play it Again SAV! and the evaluation has enabled us to reflect absorb and apply it to our overall Live Music Programme.

We can consider longevity and sustainability, regularity of music sessions and deeper relationships with individuals and staff built by musicians over time. Participation and interaction adds value and is key to engagement, enjoyment and impact. Creating together is something we will carry forward into our future musical interactions with our care team, patients and residents in our partner settings.

### **Fundraising**

The fundraising is managed by the Head of Fundraising & Communications and is carried out in-house by the Fundraising team. As part of the business planning process, the Head of Fundraising & Communications works alongside the senior management team to devise a fundraising strategy that accounts for the level of organisational resources, the planned activities of the year and the various internal and external factors that affect the business. This forms an integral part of the business plan and financial budgetary plans that are approved by the Board of Trustees.

The charity is a member of the Fundraising Regulator and is committed to following its standards and during the financial year there have not been any recorded breaches of these standards nor have there been any complaints received by the charity with regards to its fundraising activities.

The charity takes GDPR very seriously and is careful to protect any data internally and externally especially any information held relating to vulnerable people including its beneficiaries. Furthermore, donor information is kept securely and training is given to any new fundraisers during their induction to keep it protected. The charity works closely with its IT support function who manage the charity's IT security. Data and documentation is held on our internal servers which are protected by firewalls. The charity does not hold confidential data related to vulnerable people and beneficiaries of the organisation. Only essential data from stakeholders are held and permission is requested for any data held. There have been no reported incidents of any breaches to GDPR during the 2019/20 financial year.

Our aspiration is to make Music in Hospitals & Care the charity of choice for those people who want to support a music charity. In 2019/20 the primary objective of the fundraising strategy was to build a sustainable income base, both increasing fundraised income in the short term but to also achieve lasting development of the charity in the long term, and for those live music sessions to have the biggest impact possible for people.

Along with the three year business plan one of the aims is to develop a three year Fundraising strategy. However, since the onset of COVID-19 in March 2020 the fundraising focus has had to evolve to work alongside the new business environment in which fundraising for live music on site has been curtailed due to the restrictions on delivery of live music in person. Since April 2020 the revised fundraising strategy has centered around finding emergency and resilience funding to ensure that the organisation remains financially healthy in the long term as well as raising funds to deliver a new service developed to connect people with live streamed music. This revised focus has been successful

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to date with several emergency and resilience grants to fund activities and operations in the following financial year.

As well as the grants that we have successfully applied for during the year, the organisation is reliant on its loyal supporters who donate very generously to any Fundraising events that take place, from Friends of Music in Hospitals & Care who donate regularly, other individuals and from people who have kindly remembered Music in Hospitals & Care in their Wills. The breakdown of donations has been graphically displayed in Noteable Numbers on page 4.

The Charity received a small number of gifts in Wills and notifications of bequests in the financial year, including a significant legacy to be applied in Scotland. We are very grateful to those who have pledged to leave a legacy of live music by remembering the Charity in their Will.

The Charity benefits 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 include People's Postcode Lottery, The Gannochy Trust, Ernest Hecht Charitable Foundation, National Lottery Community Fund, National Lottery Awards for All England, Arts Council England amongst others.

### Plans for the Future

- Board of Trustees skills audit and recruitment to vacancies on the Board
- Review our vision
- Review our business model
- Further develop our live music programme to achieve personalised live music sessions and maximise the impact of our reach
- Further improve our internal processes
- Design a CRM system that helps us to co-ordinate the fundraising, music delivery and financial functions
- Develop our Strategic Plan for the next 3-5 years
- Safe return to in person on site live music delivery
- Develop our Musician package
- Determine and develop our reach to seek inclusion and diversity of beneficiaries

### Coronavirus/Covid-19

The very nature of our charitable activities meant that the Coronavirus global pandemic had a significant impact on the Charity.

We had to pause all in person live music sessions with almost immediate effect. Across the UK, we had 389 live music sessions scheduled for March and April, all of which were postponed.

Our Music Delivery Team made personal contact with each of those musicians and healthcare settings directly affected. With no clear indication of when we might be able to return, and an understanding of the financial impact on our musicians, we quickly launched our Pause Play: COVID-19 emergency appeal. Thanks to the generosity of the Trustees and our supporters, we were able to offer financial support totalling £15,341 to our musicians scheduled to play in March and April.

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### Quotes from musicians

The Finance & Audit committee started a process of regular meetings, mainly weekly in the first few months, to consider the effect of the virus on the activities, the principal risks and uncertainties facing the Charity; and to consider the steps to be undertaken to address these. Together with the Chief Executive and the Senior Leadership Team, consideration was given to the overall financial sustainability of Music in Hospitals & Care.

Various cash flow scenarios were prepared, and these continue to be revised constantly, alongside our Covid-19 action plan. The Trustees remain conscious of the need to provide a public benefit and to retain the long-term future and stability of the Charity.

A specific Covid-19 Risk Register was established, and a Trustee Risk Working Group formed to consider in detail the risks identified. It continues to meet regularly to review the risks for the Charity with the Chief Executive and Senior Leadership Team.

Through a combination of minimising costs, placing 60% of the staff team on furlough, and the focus on resilience and emergency funding bids, the Trustees are confident that the charity is a going concern thanks to the hard work of the staff team over the period concerned.

The Trustees wish to record their thanks to all of the staff, musicians, funders and care teams.



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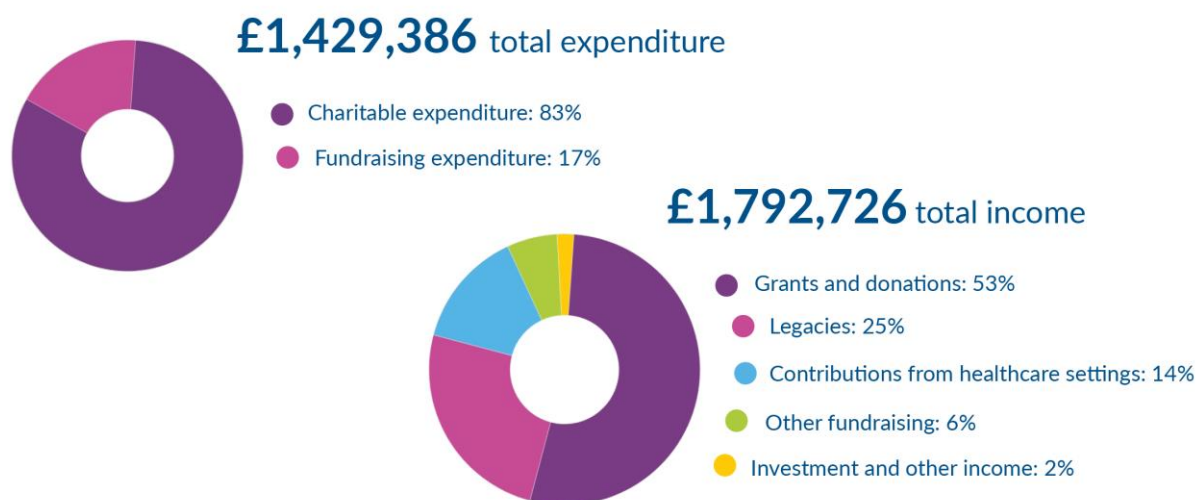
### **PUBLIC BENEFIT**

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.

# Music in Hospitals & Care

## FINANCIAL REVIEW



The total income for the year was £1,792,726 (2019: £1,233,619) with expenditure of £1,429,386 (2019: £1,274,311). The surplus for the year before gains/losses on investments and transfers between funds was £363,340 (2019: Deficit (£40,692)).

### How Music in Hospitals & Care spent its funds in 2019/20

In 2019/20 a higher proportion of resources was spent on charitable expenditure increasing from 81% in 2019 to 83% in 2020.

### Musicians Remuneration and Expenses

Musicians are integral to the objectives and activities of Music in Hospitals & Care. In 2019/2020 £429,940 was paid out to Musicians in fees and expenses for their live music performances.

The Charity continues to invest in developing the website and IT systems to ensure sustainability of the systems infrastructure. This will continue into the following year, using funds from the charity's designated funds to underwrite this investment.

### Principal Funding Sources

The charity continues to review its funding model to ensure continuity of the services it provides for the public benefit. In 2019/20, a number of healthcare establishments<sup>1</sup> made a contribution towards their live music sessions, 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 supporters, almost half of the live music sessions were shared at no cost to the healthcare setting or community groups.

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

<sup>1</sup> 491 establishments (37% of those visited)

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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 18 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 reach so many children and adults who are living with health and wellbeing challenges.

### 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. In 2020 due to economic forces and following the impact of COVID-19 on the stock markets, there was an overall realised/unrealised loss on investments of £135,501 compared to a gain in 2019 of £43,337. 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

Free 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 monitors the management accounts, which includes notification of the reserves figure, before submission to all Trustees each month.

In 2019, the Trustees reduced the required level of reserves to £700,000 based on their assessment of risks at the time and the same level was deemed sufficient going forward into the new financial year. At the end of the 2020 financial year free unrestricted reserves amount to £673,556. With the onset of COVID-19 in March, the Trustees are monitoring this level of unrestricted reserves closely to maintain the financial health of Music in Hospitals & Care, and to be able to deal with the challenges presented by the COVID-19 pandemic including the expected difficulty of returning to on-site music delivery in the 2020/21 financial year.

To help with the monitoring of these reserves a revised cash flow and funds forecast has been devised to help Trustees and management of the organisation to plan ahead with a revised financial,

## Music in Hospitals & Care

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fundraising strategy and music delivery strategy that will ensure that the level of reserves is maintained at healthy level.

### Reserves at 31 March 2020

The free unrestricted reserves available to the Trustees to be used for the purposes of the Charity at 31 March 2020 amounted to £673,556 and this is made up of:

	£	£
Unrestricted Funds per accounts		800,051
Less: Designated Funds		
Fixed Assets Fund - Scotland	39,645	
Fixed Assets Fund - England	20,663	
Development Fund	66,187	
		<u>126,495</u>
Reserves at 31 March 2020		<u>673,556</u>
Reserves at 31 March 2019		<u>609,771</u>

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

The Development fund (formally 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.

## Music in Hospitals & Care

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### 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.
- 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 2020 was;

	2020 £	2019 £
a) Endowment Funds	218,382	257,044
b) Restricted Funds	770,426	521,906
c) Designated Funds	126,495	172,299
	<hr/>	<hr/>
	1,115,303	951,249
d) Unrestricted funds available to the Trustees to be used for the purposes of the Charity	673,556	609,771
	<hr/>	<hr/>
TOTAL FUNDS	1,788,859	1,561,020

# Music in Hospitals & Care

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## 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 24. 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 8 to the accounts. Trustees are required to disclose all relevant interests and register them with the Chair 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 Chair, 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 Chair or Vice Chair 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.

### Organisational Structure

The Board of Trustees administers the Charity. The Board meets at least four times a year and there are sub-committees for finance & audit 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. The Chief Executive has overall management responsibility and oversight, and overall strategic responsibility for the organisation, as approved by the Board of Trustees.

In 2019, the Board of Trustees considered an identified need to make a change to the organisational structure of the charity to help build a strong basis for the future growth and development of the Charity.

## Music in Hospitals & Care

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A Senior Leadership Team (SLT) was created consisting of the Chief Executive and three functional leads to support and facilitate collaboration and efficiency on a UK wide basis, and to recognise the value added by specialisms.

The successful recruitment to the following roles of Head of Finance & Resources and Head of Music Delivery, in addition to the existing post holder of Head of Fundraising & Communications facilitated the implementation of the Senior Leadership Team at the start of 2020.

This structure will enable the Charity to utilise geographically based teams to focus on music development and local relationships, while at the same time building a strong and consistent strategic approach.

Key Management. The key management personnel are the Trustees and the Chief Executive. They are supported by the Head of Fundraising & Communications, Head of Music Delivery and the Head of Finance & Resources. 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 and access to an Employee Assistance Programme. 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.

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.

### Covid-19 Pandemic

Since the onset of Covid-19 an additional risk register has been implemented to ensure that all the relevant internal and external factors affecting the organisation and its stakeholders are accounted for. These risk factors are monitored and measures are put into place to minimise their impact on Music in Hospitals and Care and its stakeholders. Going forward, these risks will be reviewed regularly by a risk working group consisting of various designated Trustees and the Senior Leadership Team.

## Music in Hospitals & Care

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### Brexit and the US elections

With the withdrawal of United Kingdom from the European Union, (Brexit), 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.

Investment managers have been approached to discuss the best investment policy to deal with fluctuations in the investment sector due to Brexit and the US elections and investment portfolios are well diversified and balanced. Trustees and the Finance and Audit Committee are closely monitoring the performance of the investment portfolios.

### 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.



## Music in Hospitals & Care

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### 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 \_ 1 February 2021 and signed on their behalf



**Peter Fairlie**  
Chair

# Music in Hospitals & Care

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## Administrative Information

Music in Hospitals & 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 Vera Lynn CH DBE (1917-2020), Dame Evelyn Glennie CH DBE, Julian Lloyd Webber, Dame Felicity Lott DBE, Sir Richard Stilgoe OBE, Toby Spence, Katie Derham, Andrew Parmley, Christopher Glynn

**Presidents Emeriti:** Nella Kerr MBE

Sylvia Lindsay MBE

**Chair:** Peter Fairlie

**Vice Chair:** John Middleton (to 4 November 2020)  
Maureen Hall (from 4 November 2020)

**Hon Treasurer:** Anne O'Hagan

**Trustees (Directors):** The following Trustees served during the year to 31 March 2020 and up to the date of this report: Peter Fairlie, Dr Alan Jacques, Roger Luxmoore-Styles, Fiona McIntosh, Sarah Mallock, Dr Jeremy Huw Williams, Helen Ashley Taylor, Anne O'Hagan, Helen Dutta, Maureen Hall, Charmian May.

The following Trustees also served during the period: Lorimer MacKenzie (to 12 March 2020), John Middleton (to 4 November 2020), Sian Carter (to 4 November 2020) and Dr Andrew Kelso (to 4 November 2020).

**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

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

# Music in Hospitals & Care

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## 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 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and 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 2020 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.

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

# Music in Hospitals & Care

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## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MUSIC IN HOSPITALS AND CARE (continued)

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 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 page 1, 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

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

## Music in Hospitals & Care

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### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MUSIC IN HOSPITALS AND CARE (continued)

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.

  
Nicola Wakefield (Feb 2, 2021 21:38 GMT)

**Nicola Wakefield (Senior Statutory Auditor)**

**For and on behalf of Mazars LLP**

**Chartered Accountants and Statutory Auditor**

**6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS**

**Date: Feb 2, 2021**

## Music in Hospitals & Care

### Statement of financial activities for the year ended 31 March 2020

	Notes	Unrestricted funds	Restricted funds	Expendable endowment funds	Total funds 2020	Total funds 2019
		£	£	£	£	£
<b>Income &amp; Endowments</b>						
Donations and legacies	2	383,852	1,014,136	-	1,397,988	903,895
Charitable activities	3	249,682	-	-	249,682	236,541
Events		106,242	-	-	106,242	56,447
Income from investments	4	28,253	-	10,561	38,814	36,736
<b>Total operating income</b>		<b>768,029</b>	<b>1,014,136</b>	<b>10,561</b>	<b>1,792,726</b>	<b>1,233,619</b>
<b>Expenditure</b>						
<b>Expenditure on raising funds</b>						
Fundraising costs		234,964	-	-	234,964	223,684
Investment management costs		6,901	-	1,861	8,762	12,208
<b>Total cost of raising funds</b>	5	<b>241,865</b>	<b>-</b>	<b>1,861</b>	<b>243,726</b>	<b>235,892</b>
<b>Expenditure on charitable activities</b>						
Artists' fees and expenses for concerts		68,263	359,277	2,400	429,940	438,988
Other expenditure		346,981	406,339	2,400	755,720	599,431
<b>Total charitable expenditure</b>	5	<b>415,244</b>	<b>765,616</b>	<b>4,800</b>	<b>1,185,660</b>	<b>1,038,419</b>
<b>Total operating expenditure</b>		<b>657,109</b>	<b>765,616</b>	<b>6,661</b>	<b>1,429,386</b>	<b>1,274,311</b>
<b>Net operating</b>						
<b>Income/(expenditure)</b>		<b>110,920</b>	<b>248,520</b>	<b>3,900</b>	<b>363,340</b>	<b>(40,692)</b>
<b>(Losses)/Gains on investment assets</b>						
		<b>(92,939)</b>	<b>-</b>	<b>(42,562)</b>	<b>(135,501)</b>	<b>43,337</b>
<b>Net income/(expenditure) before transfers</b>		<b>17,981</b>	<b>248,520</b>	<b>(38,662)</b>	<b>227,839</b>	<b>2,645</b>
<b>Transfers between funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>17,981</b>	<b>248,520</b>	<b>(38,662)</b>	<b>227,839</b>	<b>2,645</b>
Total funds brought forward		782,070	521,906	257,044	1,561,020	1,558,375
<b>Total funds carried forward</b>		<b>800,051</b>	<b>770,426</b>	<b>218,382</b>	<b>1,788,859</b>	<b>1,561,020</b>

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

## Music in Hospitals & Care

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### Balance Sheet as at 31<sup>st</sup> March 2020

		2020	2019
		£	£
<b>Fixed assets</b>	<b>Notes</b>		
Intangible fixed assets	9	9,804	13,140
Tangible assets	10	60,308	57,638
Investments	11	1,000,735	1,178,996
		<u>1,070,847</u>	<u>1,249,774</u>
<b>Current Assets</b>			
Debtors	12	100,698	51,318
Cash at bank and in hand		<u>743,902</u>	<u>337,204</u>
		844,600	388,522
<b>Creditors: amounts falling due within one year</b>	13	(126,588)	(77,276)
		<u></u>	<u></u>
<b>Net current assets</b>		718,012	311,246
<b>Net assets</b>	15	<u>1,788,859</u>	<u>1,561,020</u>
<b>Represented by:</b>			
Unrestricted funds	16	800,051	782,070
Restricted funds	18	770,426	521,906
Expendable endowment funds	17	218,382	257,044
		<u>1,788,859</u>	<u>1,561,020</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 1 February 2021 and signed on their behalf by



Peter Fairlie  
Chair of Trustees



Anne O'Hagan  
Hon. Treasurer

## Music in Hospitals & Care

### Statement of Cash Flows for the year ended 31 March 2020

	2020		2019	
	£	£	£	£
<b>Cash flows from operating activities</b>				
<b>Net income / (expenditure)</b>	227,839		2,645	
Adjustments for:				
Amortisation	8,808		5,208	
Depreciation	14,174		9,564	
Loss/(gain) on investments	135,501		(43,337)	
Investment income	(38,814)		(36,736)	
Trade and other debtors	(49,380)		8,518	
Trade and other creditors	49,312		(16,725)	
<b>Cash flows (used in) operating activities</b>		347,440		(70,863)
Purchase of investments	(180,541)		(313,071)	
Proceeds on disposal of investments	175,152		322,666	
Investment income	38,814		36,736	
Movement in investment cash	48,149		3,060	
Purchase of intangible fixed assets	(5,472)		(5,328)	
Purchase of tangible fixed assets	(16,844)		(30,356)	
<b>Cash flows generated from investing activities</b>		59,258		13,707
<b>Net increase/(decrease) in cash and cash equivalents</b>		406,698		(57,156)
<b>Cash and cash equivalents at 1 April 2019</b>		337,204		394,360
<b>Cash and cash equivalents at 31 March 2020</b>		743,902		337,204



# Music in Hospitals & Care

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## Notes to the financial statements for the year ended 31 March 2020

### Note 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 Trustees and the senior leadership team have revised the business plan to account for the effects of COVID and developed a detailed cash flow forecast that anticipates expected changes of income and expenditure going forward into 2020/21. Furthermore, the risks related to COVID-19 are being regularly monitored and managed by the Trustees and the management of the charity. 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

Tangible fixed assets 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 & Care

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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 5.

### (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. 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.

### (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.

## Music in Hospitals & Care

### Note 2 Voluntary Income

	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£
Donations from individuals	58,785	-	58,785
Grants and donations for concerts	236,060	654,136	890,196
Legacies	89,007	360,000	449,007
	<b>383,852</b>	<b>1,014,136</b>	<b>1,397,988</b>

	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
	<b>281,491</b>	<b>622,404</b>	<b>903,895</b>

### Note 3 Income from Charitable Activities

	Total Funds 2020	Total Funds 2019
	£	£
Contributions from Healthcare Establishments	249,682	236,541

### Note 4 Investment Income

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2020
	£	£	£	£
Deposit Interest	486	-	-	486
Investment income from quoted investments	27,767	-	10,561	38,328
	<b>28,253</b>	<b>-</b>	<b>10,561</b>	<b>38,814</b>

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2019
	£	£	£	£
Deposit Interest	393	-	-	393
Investment income from quoted investments	25,756	-	10,587	36,343
	<b>26,149</b>	<b>-</b>	<b>10,587</b>	<b>36,736</b>

## Music in Hospitals & Care

### Note 5 Expenditure

	Fundraising costs	Charitable activities	Total 2020
	£	£	£
<b>Expenditure directly allocated to activities</b>			
Artists' fees and expenses	-	429,940	429,940
Staff costs	195,382	520,946	716,328
Advertising	15,879	-	15,879
Travelling	7,393	31,201	38,594
Cost of fundraising events	11,609	-	11,609
	230,263	982,087	1,212,350
<b>Support costs allocated to activities</b>			
Premises and equipment expenses	4,701	26,637	31,338
General office costs	-	141,236	141,236
Depreciation & Amortisation	-	22,982	22,982
	234,964	1,172,942	1,407,906
Investment management costs	8,762	-	8,762
Audit fees	-	12,718	12,718
	243,726	1,185,660	1,429,386

	Fundraising costs	Charitable activities	Total 2019
	£	£	£
<b>Expenditure directly allocated to activities</b>			
Artists' fees and expenses	-	438,988 <sup>2</sup>	438,988
Staff costs	104,423	-	104,423
Advertising	6,832	-	6,832
Travelling	13,405	9,707	23,112
Cost of fundraising events	15,701	-	15,701
General office costs	8,366	7,561 <sup>2</sup>	15,927
Audit fees	-	13,084	13,084
Investment management costs	12,208	-	12,208
<b>Support costs allocated to activities</b>			
Staff costs	61,387	467,054	528,441
Depreciation & Amortisation	-	14,772	14,772
General office costs	8,123	56,387 <sup>2</sup>	64,510
Premises and equipment expenses	5,447	30,866	36,313
	235,892	1,038,419 <sup>2</sup>	1,274,311

## Music in Hospitals & Care

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### Note 5 Expenditure (continued)

Support costs have been allocated on the following basis:

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

In the year to 31 March 2020, £765,616 (2019: £657,560) of charitable costs were in respect of restricted expenditure. Provision of concerts costs of £4,800 (2019: £8,885) were in respect of the Expendable Endowment Funds. Investment management fees of £1,861 (2019: £2,800) were also incurred by the Expendable Endowment Funds.

### Note 6 Net operating income/(expenditure)

	Total 2020	Total 2019
	£	£
This is stated after charging:		
Auditors' remuneration	12,718	13,084
Fees paid to audit firm for other services	4,188	4,680
Amortisation of intangible fixed assets	8,808	5,208
Depreciation of tangible fixed assets	14,174	9,564
Operating lease rentals – land and buildings	25,516	25,368
Operating lease rentals – other	9,167	9,189

### Note 7 Employees

	Total 2020	Total 2019
	£	£
Wages and salaries	633,592	553,382
Social security costs	45,623	46,425
Pension costs	32,511	28,009
Other staff costs	4,602	5,048
<b>Staff costs</b>	<b>716,328</b>	<b>632,864</b>

The average number of staff employed by the charity was;	No.	No.
Chief Executive	1	1
Fundraising and publicity	7	5
Concert organisation and support	21	17
<b>Total</b>	<b>29</b>	<b>23</b>

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One employee earned between £70,000 and £80,000 (2019: None). No employees earned between £60,000 and £70,000 (2019: One).

### Note 8 Trustees and Key Management Personnel

No Trustees received emoluments in the year (2019: none).

Total travel expenses for Trustees of £2,161 were paid to 7 Trustees (2019: £6,411).

Key Management personnel include the Trustees and Chief Executive. The total employee emoluments of the charity's key management personnel were £83,632 (2019: £53,634). As stated above, the Trustees emoluments were nil (2019: nil).

During the year 3 Trustees donated £480 to unrestricted funds (2019: 7 Trustees donated £626 to unrestricted funds).

### Note 9 Intangible Fixed Assets

	Website Development £
<b>Cost</b>	
At 1 April 2019	20,952
Additions	5,472
At 31st March 2020	<u>26,424</u>
<b>Depreciation</b>	
At 1 April 2019	7,812
Charge for the year	8,808
At 31st March 2020	<u>16,620</u>
<b>Net Book Value</b>	
At 31st March 2020	<u>9,804</u>
At 31st March 2019	<u>13,140</u>

### Note 10 Tangible Fixed Assets

	Freehold Premises £	Office Equipment £	Musical Equipment £	Computer Equipment £	Total £
<b>Cost</b>					
At 1 April 2019	42,253	10,582	14,582	83,671	151,088
Additions	-	368	923	15,553	16,844
At 31st March 2020	<u>42,253</u>	<u>10,950</u>	<u>15,505</u>	<u>99,224</u>	<u>167,932</u>
<b>Depreciation</b>					
At 1 April 2019	20,282	8,355	13,271	51,542	93,450
Charge for the year	845	684	391	12,254	14,174
At 31st March 2020	<u>21,127</u>	<u>9,039</u>	<u>13,662</u>	<u>63,796</u>	<u>107,624</u>
<b>Net Book Value</b>					
At 31st March 2020	<u>21,126</u>	<u>1,911</u>	<u>1,843</u>	<u>35,428</u>	<u>60,308</u>
At 1 April 2019	<u>21,971</u>	<u>2,227</u>	<u>1,311</u>	<u>32,129</u>	<u>57,638</u>

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

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### Note 11 Investments

	Total 2020	Total 2019
	£	£
Quoted Shares and Securities		
Market Value at 1 April	1,178,996	1,148,314
Additions at Cost	180,541	313,071
Disposals at Opening Market Value	(175,152)	(322,666)
Movement in Investment Cash	(48,149)	(3,060)
(Losses)/Gains on Portfolio	(135,501)	43,337
Market Value at 31 March	<u>1,000,735</u>	<u>1,178,996</u>
Historic Cost at 31 March	<u>977,791</u>	<u>1,002,496</u>

The Portfolio included the following individual shareholdings in excess of 5% of the total at 31 March 2020

	£	%
Vanguard Funds Plc FTSE 100 Ucits Etf GBP Dis	<u>59,496</u>	<u>5.95%</u>

### Note 12 Debtors

	Total 2020	Total 2019
	£	£
Sundry Debtors	96,328	30,686
Prepayments & Other Debtors	<u>4,370</u>	<u>20,632</u>
	<u>100,698</u>	<u>51,318</u>

### Note 13 Creditors

	Total 2020	Total 2019
	£	£
Artists' fees and expenses	20,285	35,531
Taxation and social security	55,076	13,772
Other creditors	<u>51,227</u>	<u>27,973</u>
	<u>126,588</u>	<u>77,276</u>

### Note 14 Financial Commitments

	Land & Buildings		Other	
	Total 2020	Total 2019	Total 2020	Total 2019
	£	£	£	£
The charity's future minimum lease payments are as follows:				
Within one year	-	20,063	4,250	2,533
Between two and five years	-	-	<u>8,702</u>	<u>3,862</u>
	<u>0</u>	<u>20,063</u>	<u>12,952</u>	<u>6,395</u>

## Music in Hospitals & Care

### Note 15 Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Expendable Endowment	Total Funds 2020
	£	£	£	£
Tangible & intangible assets	70,112	-	-	70,112
Investments	71,927	710,426	218,382	1,000,735
Current assets	784,600	60,000	-	844,600
Current liabilities	(126,588)	-	-	(126,588)
	<b>800,051</b>	<b>770,426</b>	<b>218,382</b>	<b>1,788,859</b>

	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)
	<b>782,070</b>	<b>521,906</b>	<b>257,044</b>	<b>1,561,020</b>

### Note 16 Unrestricted Funds

	At 1 April 2019	Income	Expenditure	Transfers	(Losses) /Gains	At 31 March 2020
	£	£	£	£		£
<u>Designated Unrestricted Funds</u>						
<u>Fixed asset funds:</u>						
Scotland	57,571	-	-	(17,926)		39,645
England & Wales	13,207	-	-	7,456		20,663
Development Fund	101,521	-	-	(35,334)		66,187
<b>TOTAL DESIGNATED FUNDS</b>	<b>172,299</b>	<b>-</b>	<b>-</b>	<b>(45,804)</b>		<b>126,495</b>
Non-Designated Unrestricted Funds	609,771	768,029	(657,109)	45,804	(92,939)	673,556
<b>Total Unrestricted Funds</b>	<b>782,070</b>	<b>768,029</b>	<b>(657,109)</b>	<b>-</b>	<b>(92,939)</b>	<b>800,051</b>

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

The Development Fund (formerly named 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 2020, transfers of £35,334 were made from this fund to reflect the cost of website development, IT costs and property improvements at Walton-on-Thames and it is anticipated that further database development costs will be incurred in the forthcoming year. The



## Music in Hospitals & Care

transfers on the fixed assets funds are movements to reflect the changes in the net book value of tangible assets.

### Note 17 Expendable Endowment Funds

	At 1 April 2019	Income	Expenditure on Concert Provision	Expenditure on Investment Management	Investment Gains/ (Losses)	At 31 March 2020
	£	£	£	£	£	£
Concerts in Scotland – Fund A	171,607	7,041	(3,000)	(1,241)	(28,375)	146,032
Concerts in Scotland – Fund B	85,437	3,520	(1,800)	(620)	(14,187)	72,350
<b>Total</b>	<b>257,044</b>	<b>10,561</b>	<b>(4,800)</b>	<b>(1,861)</b>	<b>(42,562)</b>	<b>218,382</b>

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).

**At a meeting of the Trustees on 1 July 2020, it was agreed that the Expendable Endowment Funds be converted to Restricted Income Funds, to be spent on the provision of concerts in healthcare establishments in the areas as quoted above.**

**The financial statements for the year to 31 March 2021 will incorporate these changes and show the former Expendable Endowment Funds as Restricted Funds.**

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### Note 18 Restricted Funds

Donors	At 1 April 2019	Income	Expenditure	At 31 March 2020
ABF The Soldiers Charity	2,858	10,000	2,858	10,000
Aileen Young Legacy	-	360,000	-	360,000
Bank of Scotland Foundation	10,800	-	10,800	-
Big Lottery Fund	21,856	-	21,856	-
Civil Service Insurance Charity Fund	2,500	-	2,500	-
Co-op Local Community Fund	12,013	-	7,316	4,697
Dunard Fund	2,700	-	2,700	-
Greenwich Hospital	-	15,000	2,700	12,300
Lady Marion Gibson	7,326	10,000	11,659	5,667
Masonic Charitable Foundation	-	20,016	20,016	-
Oglesby Charitable Foundation	12,727	-	11,635	1,092
Plum Trust	9,900	10,000	9,900	10,000
Poppyscotland	22,840	39,256	48,806	13,290
Postcode Care Trust	90,863	100,000	151,412	39,451
Roger & Douglas Turner Charitable Trust	-	5,000	-	5,000
RS Macdonald Charitable Trust	11,960	-	11,960	-
RAF Benevolent Fund	-	4,000	4,000	-
Scottish Power Foundation	2,366	17,000	12,116	7,250
The Rowan Trust	-	2,000	2,000	-
Treblemakers fundraising concerts	-	3,000	3,000	-
Waterloo Foundation	-	12,500	12,500	-
William Roy Legacy	172,813	-	13,958	158,855
Worshipful Company of Insurers	3,000	3,000	3,000	3,000
Performing concerts in specific areas of the UK				
England, Wales, NI and CI	74,586	190,421	193,928	71,079
Scotland	20,958	64,842	75,287	10,513
Performing concerts at specific categories of healthcare establishments				
England, Wales, NI and CI	30,725	126,485	109,190	48,020
Scotland	9,115	21,616	20,519	10,212
	<b>521,906</b>	<b>1,014,136</b>	<b>765,616</b>	<b>770,426</b>

## Music in Hospitals & Care

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### Note 19      Restricted funds (continued)

Funder	Restriction
ABF The Soldiers Charity	Grant for the provision of concerts for ex-service personnel in care homes in England and Wales
Aileen Young Legacy	Legacy to be used for Scottish activities and expenditure
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 2018-20
Greenwich Hospital	50 concerts for Royal Naval personnel
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 Units for children
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
RS Macdonald Trust	Concerts in Neurological Units
RAF Benevolent Fund	Grant for the provision of concerts at Princess Marina House
Roger and Douglas Charitable Trust	16 concerts in Birmingham, Black Country & Worcestershire
Scottish Power Foundation	Grant to fund 'Open for Music' and 'ICU-Hear' projects
The Rowan Trust	Concerts in Birmingham
Treblemakers fundraising concerts	Donations for concerts and events
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.

### Note 20      Commitments

There were no capital commitments at 31 March 2020 or 31 March 2019.

### Note 21      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 £32,511 (2019: £28,009). Contributions of £4,740 were payable to the scheme at the end of the year and are included as creditors (2019: £169).