

Annual accounts for the year ended 31 March 2024

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Public benefit

Trustees have referred to guidance issued by the Charity Commission concerning public benefit. They are satisfied that the information given in this report, in particular how planned activities contribute to the charity's aims and objectives, demonstrate that requirements to identify public benefit have been met.

Financial review for the year to 31 March 2024

The total income for the year was £1,090,144. In 2022/23, it was £852,018. In 2023/24, our expenditure was £1,454,833 This compares to £1,232,202 in 2022/23. The deficit for this year before gains/losses on investments and transfers between funds, was (£364,689). Last year, this figure was (£380,184).

Principal funding sources

This year, we had a planned operational deficit, partly funded through our restricted funds and former 'endowment funds' (which are now treated as restricted funds). We used funds to invest in staff and infrastructure so we can recover and deliver our organisational strategy. This approach aligns with our reserves policy.

In 2023/24, we continued to deliver and progress our fundraising strategy. It lays out how we recover and diversify our income. As part of this, and in our 75th anniversary year, we focused on engaging our existing regular supporters and acquiring new donors and funders.

Next year, as part of our strategy, we will continue to diversify funds by focusing on generating more contributions from health boards, hospitals and social care. Alongside seeking funding from trusts and foundations to fund other areas of the organisation, such as our work to support musicians' development and our core costs.

The charity is not dependent on any one donor or group of donors and receives support from a substantial number of separate sources. This includes individuals, companies, statutory authorities and charitable trusts. Some of our principal supporters are shown at Note 17. But it is not possible to list all individual supporters across the UK who give generously to Music in Hospitals & Care. Without them, we simply could not share live music with so many adults and children in health and care.

Investments

The charity's investment policy is to produce a reasonable long-term overall return by means of a balanced portfolio. The policy is regularly reviewed by trustees in conjunction with the charity's independent investment managers.

We continue to monitor our investment portfolio on a regular basis at Trustee and Finance and Audit Committee meetings and through regular contact with our investment managers.

This year we have made investment gains of £53,585. The portfolio has decreased to £1,120,367. Trustees are grateful to the investment managers for minimising the investment losses during this difficult year.

Reserves

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

Reserves policy

The organisation takes a strategic approach to managing our reserves policy. In assessing the appropriate level of reserves the charity requires, we weigh up potential changes in income and expenditure and the level of potential substitute reserves the charity holds.

Potential changes in income and expenditure assess the probability and impact of a number of different scenarios. This could include: unexpected falls in different income sources, additional unexpected expenditure and potential costs in the event of closing the charity or needing to launch new initiatives.

Examples of our potential substitute reserves, that the charity may hold are: restricted income, designated funds or fixed assets, such as property.

The Finance and Audit committee monitor the charity's management accounts, which include notification of the reserves, before submission to all trustees.

Full and detailed forecasts have been prepared. These are constantly updated to make sure sufficient free reserves are available to the charity.

The current strategic assessment, weighing up risks in terms of probability and impact, indicates that the current level of unrestricted reserves held at 31 March 2024 of £647,401 (2022/23 £990,159 re-stated) is considered in excess of our agreed minimum level of reserves and within the appropriate range of reserves required.

We will be spending more of our reserves in the next two years to invest in the future of the organisation and support our long-term ambition – to make sure people in hospitals and care enjoy a better quality of life and improved health outcomes.

Reserves at 31 March 2024

The free unrestricted reserves available to the trustees to be used for the purposes of the Charity at 31 March 2024 amounted to £647,401. (2022/23 £990,159 re-stated). Refer to note 16 for a full breakdown of unrestricted funds.

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

The Development Fund is being used to fund the infrastructure we need to operate effectively, from laptops to software, like a customer relationship management system. In 2023/24, the Development Fund was partly used with £23,267 of expenditure (2022/23 £21,349). At the end of the year, there was £16,479 still in fund (2022/23 balance was £39,476). This is due to be spent during 2024/25 to support our digital transformation.

Funds

There were three different types of funds held by the charity:

(a) Restricted funds

These funds come from donations with express wishes attached. They can be restricted to a specific area or, most commonly, our live music. Trustees have no discretion in the use of these funds.

(b) Designated funds

These funds cover the net book value of tangible and intangible assets and fund the development and expansion of the charity, including offices and IT infrastructure.

(c) Unrestricted funds

This fund is available to be used for any of the charity's purposes. A summary of the funds at 31 March 2024 was (see overleaf):

	2024 £	Re-Styled 2023 £
a) Restricted funds	706,253	697,404
b) Designated funds	96,320	73,520
	802,573	770,924
c) Unrestricted funds: available to the trustees to be used for the purposes of the charity	647,401	990,159
Total funds	1,449,974	1,761,083

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 registered in England no. 3138683. 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.

The charity is 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 registered 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.

Trustees (Board of Directors)

Our Board of Trustees, who are also Directors of the Charity for the purposes of the charity law, have overall responsibility for the strategy, management, and control of Music in Hospitals & Care. The trustees are listed on page 43. Our Chief Executive, working with the Senior Leadership team, is responsible for delivering the vision and strategy and for the day-to-day operations.

The charity regularly reviews the board of trustees to ensure it aligns with our strategic aims of equality, diversity and inclusion, through ensuring we have a diverse and representative board. 60% of board members have lived experience of dementia, mental health problems or serious illness (whether personally or through caring responsibilities) and 80% have experienced live music while in a health or care setting.

Trustees are appointed for a three-year term of office, with the option of renewal for two further terms to a maximum of nine years. Trustees are required to disclose all relevant interests and register them with the Chair and abstain from voting where a conflict of interest arises.

Trustees have all received the Charity Commission Guidelines on Trustees' Responsibilities. All trustees have sufficient understanding of the charity's activities and resources to allow them to properly fulfil their responsibilities. Job descriptions are in place for the Chair, Honorary Treasurer and trustees.

As part of their induction, new trustees receive full details of the charity and its operations, including information on governance and finances. New trustees also undergo a briefing with the Chair and appropriate senior management staff across the charity. All trustees are encouraged to attend appropriate external training where this will help them in their role, as well as attending live music. In carrying out their responsibilities for governance and setting the strategic direction of the organisation, the Board is supported by a number of committees. There are terms of reference for each of these sub-committees which guide how they operate. All Committees are accountable to, and report to, the Board:



All trustees have the benefit of a qualifying third-party indemnity provision as defined by the Companies Act 2006.

Key management

Key management personnel are the trustees, the Chief Executive and the Senior Leadership team. All Trustees carry out their roles on a voluntary basis and received no benefits from the charity. They are unpaid but may claim legitimate expenses incurred. Details of trustees' expenses are disclosed in note eight to the accounts.

Chief Executive Officer pay and benefits, as well as the payment and benefits of the remaining Senior Leadership Team and all other staff members are approved by the Trustee Board, based on review and recommendations by the People Committee. In considering pay and benefits, the People Committee is provided with information on the sector and similar-sized charities, to inform decisions.

Fundraising regulation and management

Fundraising is managed by the Head of Fundraising and Communications and is carried out in-house by the fundraising team, where possible. We also

work with fundraising consultants when we don't have capacity or specialist knowledge in-house. This helps us to deliver fundraising of a high standard.

We also have a number of volunteers who fundraise on behalf of the organisation. They follow the same policies and best practice as staff and liaise with the in-house fundraising team on all activities.

All our fundraising is carried out in accordance with the Fundraising Regulator's Code of Practice and our Fundraising Policy. We are committed to ensuring all fundraising activities are carried out in a legal, open, honest and respectful manner.

Music in Hospitals & Care is registered with the Fundraising Regulator and is committed to following its standards. 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.

We continue to be responsible in our fundraising practice and will never exploit vulnerability. We have a Safeguarding Children and Vulnerable Adults policy to ensure best practice is embedded throughout our work, including fundraising. Music in Hospitals & Care does not accept donations where it has reason to believe the donor may be experiencing vulnerable circumstances and accepting the donation would be harmful to the donor or morally wrong.

Risk management and assurance

Trustees have overall responsibility for the management of risk within Music in Hospitals & Care. Trustees view this as an essential discipline to support the Charity in achieving its strategy and aims. This includes setting the risk appetite for the charity, ensuring that there are reasonable procedures in place for the prevention and detection of major risks, including fraud risk and other irregularities.

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

- an ongoing review of the risks the charity may face
- establishing systems and procedures to mitigate identified risks
- putting procedures into place that are designed to minimise the negative impact on the charity of any risks that happen.

The terms of reference for the subcommittees were reviewed recently with agreement from the Trustees for the Risk and Assurance committee to support the Board and the Senior Leadership Team in their responsibilities for ensuring the adequacy of risk management arrangements, internal controls, and compliance with the organisation's regulatory obligations.

Trustees continue to develop an approach to risk management to make sure that management of risk is embedded within the day-to-day running of the charity.

The subcommittee reviews the risks that have been highlighted from all levels of the organisation, and monitors our strategic risk register. This register is then reviewed by the full Board of Trustees annually.

The strategic risk register is informed by departmental risk registers, which have been developed by staff within each department (Operations, Finance, Fundraising and Communications, and Music Delivery) to highlight specific risks within each area of our work.

Below, we have shared what we consider are our greatest challenges to achieving our strategy and the context and mitigations around them.

- Risks: Destabilisation of organisation due to failure of effective management of the programme of change (leading to negative impact on staff motivation and reduced engagement).
- Mitigations: Appropriate secondments and training in place to support organisational change. Project plans and milestones with project leads for each function; and associated communications plan offering opportunities for feedback. Review of People & Operations roles.

- Risks: Reduction of or inability to deliver due to capacity issues within the staff team.
- Mitigations: Implementation of findings from Fair Work survey. Continue to back fill secondments and vacancies.
- Risks: Failure to comply with data protection law. Caused by vulnerabilities in systems or processes resulting in personal data breaches, fraud or cyber-attack.
- Mitigations: Updating policies and processes, complying with relevant regulations and legislations. Implementation of new systems to add additional security. Staff training on data protection through a new e-learning platform.
- Risks: Failure to comply with legislation and regulations as applicable to the charity's activities.
- Mitigations: Staff training and guidance on relevant legislation and regulations specific to their roles. Trustee handbook and induction programme for all new trustees. Employment law retainer in place with dedicated advisor to support with legislation changes. Relevant H&S risk assessments in place across all functions for activities and offices. Mandatory training on new e-learning platform for staff and trustees. Internal review of policies and procedures.
- Risks: Safeguarding risk to musician and or vulnerable person, which could result in harm, investigation by statutory authorities and legal action.
- Mitigations: Safeguarding training for all staff and musicians. Risk assessment required by all health and care partners. Setting staff required to stay with musicians. Clear safeguarding procedures in place. Implement new e-learning training.
- Risks: Misrepresentation of our brand or voice in public.

- Mitigations: All volunteers and musicians receive inductions and resources. All communications reflect our voice and key messages.
- Risks: Lack of sufficient funds due to not achieving required income targets and underperformance of investment portfolio.

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 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 Statement of Recommended Practice (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

Trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy, at any time the financial position of the charitable company and allow them to make sure the financial statements comply with the Companies Act 2006, 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 to prevent and detect fraud and other irregularities.

- Mitigations: Monthly review of management accounts and forecasting. Live forecast tracker to monitor income. Treasurer regularly meets with Investment managers. Investment managers appraised of our strategy and the planned reduction of funds.

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
- they 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

The Board approved the appointment of SB Audit LLP on 26 January 2024. SB Audit LLP merged with Sumer Auditco Limited and their audit registration ceased with effect from that date. Therefore, the Company is audited by Sumer Auditco Limited, United Kingdom in 2023. In accordance with Section 485 of the Companies Act 2026, the auditor has been appointed for the financial year 2024 for the first time.

Signed:



Maureen Hall, Chair

Date: 21 August 2024

Administrative information

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

Registered Charity in England and Wales No. 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

President: Sir Thomas Allen CBE

Vice Presidents: Dame Evelyn Glennie CH DBE, Julian Lloyd Webber, Dame Felicity Lott DBE, Sir Richard Stilgoe OBE, Toby Spence, Katie Derham, Sir Andrew Parmley, Christopher Glynn

Presidents Emeriti: Nella Kerr MBE

Chair: Maureen Hall

Vice Chair: Dr Jeremy Huw Williams

Hon Treasurer: Andrew Ling

Trustees (Directors): The following trustees served to 31 March 2024 and up to the date covered by this report: Maureen Hall, Dr Jeremy Huw Williams, Andrew Ling, Sarah Mallock, Charmian May, Dimple Keen, Angharad Thomas, Atheer Al-Salim, Silvia Denaro, Dr Alasdair Dow, Dr Jennifer MacRitchie, Thomas Parker (from 28 September 2023).

The following trustees also served during the period: Fiona McIntosh (to 3 November 2023) and Helen Dutta (to 3 November 2023).

Solicitors:

Turcan Connell
Princes Exchange

1 Earl Grey Street
Edinburgh
EH3 9EE

Auditors:

Sumer Auditco Limited
Fitzroy House
Crown Street
Ipswich
Suffolk
IP1 3LG

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

Evelyn Partners
Glasgow
G2 5SG

Chief Executive: Barbara Osborne

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 2024 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 2024 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 and the Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

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 course of 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the 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 specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees' were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Report 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 41, 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 auditor under Section 44 (1) C of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, the Charities Statement of Recommended Practice, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with

Independent auditor's report to the trustees of Music in Hospitals and Care (continued)

implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to use of restricted funds, income recognition (which we consider to be pinpointed to the cut-off assertion) and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-

detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at frc.org.uk/auditors responsibilities. 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, section 44 (1) C of the Charities and Trustee Investment (Scotland) Act 2005, regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and with Part 4 of the Charities (Accounts and Reports) Regulations 2008.

Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:



John Perry (Senior Statutory Auditor)
for and on behalf of Sumer Auditco Limited

Statutory Auditor
Fitzroy House, Crown Street, Ipswich, Suffolk IP1 3LG

Date: 27 August 2024

Statement of financial activities for the year ended 31 March 2024

	Notes	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total funds 2024 £	Unrestricted Funds 2023 Re-Stated £	Restricted Funds 2023 Re-Stated £	Total funds 2023 Re-stated £
Income & Endowments							
Donations and legacies	2	487,272	341,152	828,424	437,936	193,079	631,015
Charitable activities	3	161,560	-	161,560	140,283	-	140,283
Events		56,682	-	56,682	44,245	-	44,245
Income from investments	4	43,477	-	43,477	36,455	-	36,455
Other income			-		20	-	20
Total operating income		748,991	341,152	1,090,144	658,939	193,079	852,018
Expenditure on raising funds							
Fundraising costs	5	281,940	-	281,940	254,932	-	254,932
Investment management costs	5	10,296	-	10,296	9,318	-	9,318
Total cost of raising funds		292,236	-	292,236	264,250	-	264,250
Expenditure on charitable activities							
Musicians' fees and expenses for live music		-	242,987	242,987	-	202,657	202,657
Other expenditure		830,299	89,311	919,610	393,803	371,492	765,295
Total charitable expenditure	5	830,299	332,298	1,162,597	393,803	574,149	967,952
Total operating expenditure		1,122,535	332,298	1,454,833	658,053	574,149	1,232,202

Statement of financial activities for the year ended 31 March 2024 (continued)

Net operating (expenditure)/income		(373,544)	8,854	(364,689)	886	(381,070)	(380,184)
Gains/(losses) on investment assets		53,585	-	53,585	(93,199)	-	(93,199)
Net income/(expenditure) before transfers		(319,959)	8,854	(311,104)	(92,313)	(381,070)	(473,383)
Transfers between funds				-			-
Net movement in funds		(319,959)	8,854	(311,104)	(92,313)	(381,070)	(473,383)
Total funds brought forward		1,063,679	697,404	1,761,083	997,137	1,237,329	2,234,466
Total funds carried forward		743,721	706,253	1,449,974	1,063,679	697,404	1,761,083

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

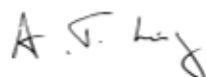
Balance sheet as at 31 March 2024

	Notes	2024 £	2023 Re-stated £
Fixed assets			
Intangible fixed assets	9	45,758	0
Tangible assets	10	34,352	34,044
Investments	11	1,120,367	1,437,662
		1,200,477	1,471,706
Current Assets			
Debtors	12	95,214	149,775
Cash at bank and in hand		466,149	449,196
		561,363	598,971
Creditors: amounts falling due within one year	13	(311,867)	(309,594)
Net current assets		249,496	289,377
Net assets	15	1,449,974	1,761,083
Represented by:			
Unrestricted funds	16	743,721	1,063,679
Restricted funds	17	706,253	697,404
		1,449,974	1,761,083

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 and signed on their behalf by:



Maureen Hall
Chair of Trustees



Andrew Ling
Hon. Treasurer

Date: 21 August 2024

Statement of cash flows for the year ended 31 March 2024

	2024 £	2023 £
Cash flows from operating activities		
Net (expenditure)/income	(311,104)	(473,383)
Adjustments for:		
Amortisation	-	539
Depreciation	10,368	13,702
(Gain)/loss on investments	(53,585)	93,199
Investment income	(43,477)	(36,455)
Trade and other debtors	54,561	129,637
Trade and other creditors	2,273	239,331
Cash flows (used in)/generated from operating activities	(340,964)	(33,430)
Purchase of investments	(263,011)	(106,532)
Proceeds on disposal of investments	633,832	71,114
Investment income	43,477	36,455
Movement in investment cash	-	21,406
Purchase of tangible fixed assets	(10,676)	-
Purchase of intangible fixed assets	(45,758)	-
Cash flows (used in)/generated from investing activities	357,864	22,443
Net (decrease) in cash and cash equivalents	16,900	(10,987)
Cash and cash equivalents at 1 April	449,196	460,183
Cash and cash equivalents at 31 March	466,096	449,196

Notes to the financial statements for the year ended 31 March 2024

Note 1 - Accounting policies

Music in Hospitals & Care is a company limited by guarantee no. 3138683 and a registered charity in England and Wales 1051659 and in Scotland SC038864. It does not have share capital.

Every member of the company undertakes to contribute to its assets in the event that it is wound up during the time that they are a member or within one year after they cease to be a member. This is for the payment of the debts and liabilities of the company contracted before they ceased to be a member. It is for an amount as may be required, not exceeding £10.

(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. Therefore, the charity also prepared its 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 by having adequate cash resources to meet liabilities.

We are forecasting a three-year budget with regular reforecasting and review points for our trustees and senior leadership team.

They have maintained constantly updated and detailed cash flow forecasts that anticipate expected changes of income and expenditure going forward to March 2025.

The risk committee meets regularly to consider and report on key risks. This allows trustees and the senior leadership team to regularly monitor and manage these risks.

The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

(c) Intangible fixed assets and amortisation

Amortisation is not charged on assets in the course of construction. Amortisation will be charged from the date implementation is complete.

(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.

(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.

All grants and donations, whether received specifically for live music or to contribute to the shortfall in income from live music, or for any other purpose, are treated as donation income. Costs attributable to live music 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 accrual's 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 employees. The schemes are defined contribution schemes and contributions are charged against income as they are paid. All employees have the opportunity to join the schemes.

(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'.

(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 are calculated as the difference between the sale proceeds and the opening market value, or cost, if purchased during the year. Unrealised gains and losses are calculated as the difference between the market value at the end of the year and the opening market value, or cost, if purchased during the year.

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, judgement determining useful economic lives has been applied. The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic value of the assets. The useful economic lives are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Note 2 – Voluntary income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Total Funds 2023 £
Donations from individuals	102,625	-	102,625	51,481
Grants and donations	257,644	309,302	566,947	393,106
Legacies	127,003	31,850	158,853	186,429
	487,272	341,152	828,424	631,015

Note 3 - Income from charitable activities

	Total funds 2024 £	Total funds 2023 £
Contributions from healthcare partners	158,662	140,283
Products and merchandising	2,898	3,742
Other income	-	20
	161,560	144,045

Note 4 - Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Bank Interest	2,269	-	2,269
Investment income	41,209	-	41,209
	43,477	-	43,477

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Bank Interest	787	-	787
Investment income	35,668	-	35,668
	36,455	-	36,455

Note 5 – Expenditure

	Fundraising costs 2024 £	Charitable activities 2024 £	Total 2024 £	Fundraising costs 2023 £	Charitable activities 2023 £	Total 2023 £
Expenditure directly allocated to activities						
Musicians' fees and expenses	-	242,987	242,987	-	203,789	203,789
Staff costs	198,787	718,032	916,819	194,189	573,612	767,801
Advertising	12,192	-	12,192	5,142	-	5,142
Travelling	-	20,912	20,912	-	15,823	15,823
Cost of fundraising	37,158	-	37,158	44,414	-	44,414
Cost of Communications	23,294	-	23,294	-	-	-
	271,431	981,932	1,253,363	243,745	793,224	1,036,969
Support costs allocated to activities						
Premises and equipment expenses	10,508	59,547	70,056	11,187	63,393	74,580
General office costs	-	91,850	91,850	-	81,674	81,674
Depreciation & Amortisation	-	10,368	10,368	-	14,241	14,241
	281,939	1,143,697	1,425,637	254,932	952,532	1,207,464
Investment management costs	10,296	-	10,296	9,318	-	9,318
Audit fees	-	18,900	18,900	-	15,420	15,420
	292,236	1,162,597	1,454,833	264,250	967,953	1,232,202

Support costs have been allocated on the following basis:

Staff costs – time spent

Depreciation and amortisation – usage

Other expenses – usage

This year, we spent £332,298 on restricted funds (2023: £574,149)

Note 6 – Net operating income

	Total 2024 £	Total 2023 £
This is stated after charging:		
Auditors' remuneration	18,900	15,420
Fees paid to audit firm for other services	-	4,194
Depreciation of intangible fixed assets	-	539
Depreciation of tangible fixed assets	10,368	13,702
Operating lease rentals – land and buildings	21,427	20,138
Operating lease rentals – other	4,092	4,560

Note 7 – Employees

	Total 2024 £	Total 2023 £
Wages and salaries	779,054	663,999
Social security costs	68,844	64,687
Pension costs	47,551	27,626
Other staff costs	8,550	3,382
Staff costs	904,000	759,694

	Total 2024	Total 2023
The average number of staff employed by the charity was:		
Chief Executive	1	1
Fundraising and publicity	9	8
Live music organisation and support	18	15
	28	24

Employees earning £60,000 to £70,000 Nil (2023 – Nil)

Employees earning £70,000 to £80,000 1 (2023 – 1)

Note 8 - Trustees and key management personnel

No trustees received emoluments in the year (2023: none)

There was £865 of travel expenses paid to trustees in 2023/24 for three trustees. In 2022/23 £33 of travel expenses was paid to one trustee.

The total employee emoluments of the charity's key management personnel were £94,058. Last year this was £93,776.

The charity spent nil on Board meetings in 2023/24. In 2022/23, the figure was £2,658.

This year, four trustees donated £886 to unrestricted funds. Last year, six trustees donated £2,298 to unrestricted funds.

Note 9 - Intangible fixed assets

	Website Development /CRM Development £
Cost	
At 1 April 2023	28,041
Additions	45,758
	-
At 31st March 2024	73,799

Depreciation	
At 1 April 2023	28,041
Charge for the year	0
At 31st March 2024	28,041
Net Book Value	
At 31st March 2024	45,758
At 31st March 2023	0

Note 10 - Tangible fixed assets

Our freehold premises, which are in Edinburgh, are occupied by Music in Hospitals & Care for charitable purposes.

	Freehold Premises	Office Equipment	Musical Equipment	Computer Equipment	Total
Cost					
At 1 April 2023	42,253	11,886	15,505	114,706	184,350
Additions	-	153	-	10,523	10,676
Disposals	-	-	-	-	-
At 31st March 2024	42,253	12,039	15,505	125,229	195,026
Depreciation					
At 1 April 2023	23,660	11,438	14,471	100,737	150,306
Charge for the year	845	414	181	8,928	10,368
At 31st March 2024	24,505	11,852	14,652	109,665	160,674
Net Book Value					
At 31st March 2024	17,748	187	853	15,564	34,352
At 1 April 2023	18,593	448	1,034	13,969	34,044

Note 11 – Investments

	Total 2024 £	Total 2023 £
Quoted shares and securities		
Market value at 1 April	1,437,603	1,516,849
Additions at cost	263,011	106,532
Disposals at opening market value	(633,832)	(71,114)
Movement in investment cash	-	(21,406)
Gains/(Losses) on revaluation	53,585	(93,199)
Market value at 31 March	1,120,367	1,437,662
Historic cost at 31 March	1,019,779	1,357,294

The Portfolio included the following individual shareholdings in excess of 5% of the total at 31 March 2024:

	£	%
Liontrust Fund 12,260		5.36%
WS Liddell TR UK 17,000		5.25%
Artemis Fd Mgrs 55,000		5.46%

Note 12 – Debtors

	Total 2024 £	Total 2023 £
Sundry debtors	17,825	16,712
Accrued Income	59,111	126,094
Prepayments and other debtors	18,278	6,969
	95,214	149,775

Note 13 – Creditors

	Total 2024 £	Re-Stated Total 2023 £
Musicians' fees and expenses	20,457	16,338
Taxation and social security	20,026	18,118
Deferred Postcode Lottery grant	200,000	200,000
Deferred Income – others	14,193	17,417
Other creditors	57,191	57,721
	311,867	309,594

Deferred Income:

At 1 April 2023	217,417
Income deferred in current year	214,193
Amounts released from previous year	(217,417)
Deferred income at 31 March 2024	214,193

Deferred income comprises grants received in advance of the conditions having been met and fees received in advance for which entitlement has not been met.

2023 creditors figures have been restated to correct the analysis previously reported. There is no change to the overall 2023 creditors total.

Note 14 - Financial commitments

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

	Total 2024 £	Total 2023 £
Land and buildings		
Within one year	13,696	-
Between one and five years	-	-
Other		
Within one year	-	-
Between one and five years	-	-
	13,696	-

Note 15 - Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Tangible and intangible assets	80,110	-	80,110
Investments	414,114	706,253	1,120,367
Current assets	561,363	-	561,363
Current liabilities	(311,867)	-	(311,867)
	743,721	706,253	1,449,974

Note 15 – Analysis of net assets between funds (continued)

	Re-Statement Unrestricted Funds £	Re-Statement Restricted Funds £	Re-Statement Total Funds 2023 £
Tangible and intangible assets	34,044	-	34,044
Investments	740,258	697,404	1,437,662
Current assets	598,971	0	598,971
Current liabilities	(309,594)	-	(309,594)
	1,063,679	697,404	1,761,083

Note 16 - Unrestricted funds

	At 1 April 2023 £	Income £	Expenditure £	Transfers £	(Losses)/Gains £	At 31 March 2024 £
Designated Unrestricted Funds						
Fixed asset funds:						
Scotland	22,025	-	-	(2,904)	-	19,121
England and Wales	12,020	-	-	3,212	-	15,232
Development Fund	39,476	-	-	(23,267)	-	16,209
Intangible Fixed Assets	-	-	-	45,758	-	45,758
Total designated funds	73,520	-	-	22,799	-	96,319
General Unrestricted Funds	990,159	748,991	(1,122,535)	(22,799)	53,585	647,401
Total	1,063,679	748,991	(1,122,535)	-	53,585	743,720

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

In 2023/24, the Development Fund was partly used with £23,267 of expenditure. At the end of the year, there was £16,209 still in the fund to support our digital transformation.

Note 17 - Restricted funds

Donors	As previously stated at 31 March 2023	Prior Year Adjustment (see note 20)	Re-Stated at 31 March 2023	Income	Expenditure		At 31 March 2024
Aileen Young Legacy	374,851		374,851	-	-		374,851
Gibson Graham Charitable Trust	27,332		27,332	-	(27,332)		-
Margaret J Stephen's Charitable Trust	145,230		145,230	-	(48,676)		96,554
Peter Sowerby Foundation	23,135		23,135	25,000	(48,135)		-
William Roy Legacy	158,855	(158,855)	-	-	-		-
Iain McGlashan Legacy	-			31,850	-		31,850
Live music in specific areas of the UK	82,865		82,865	147,555	(119,301)		111,119
Live music in specific categories of healthcare environment	43,990		43,990	136,747	(88,860)		91,877
	856,258	(158,855)	697,404	341,152	(332,304)		706,251

Funder	Restrictions
Aileen Young Legacy	For live music in Scotland
Gibson Graham Charitable Trust	For live music in Strathclyde (preference for Kintyre)
Margaret J Stephen's Charitable Trust	For live music in Dundee and Angus
Peter Sowerby Foundation	Final instalment of £100k Music for Mental Health & Wellbeing UK-wide project grant
William Roy Legacy	Prior Year adjustment - transferred from restricted to unrestricted funds 2022/23
Iain McGlashan Legacy	For any use in Scotland

Note 18 - Commitments

There were capital commitments at 31 March 2024 of £24,000 (2023: nil). This relates to the continuing design implementation phase of our new CRM.

Note 19 - 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 £47,551. Last year, it was £27,807. Contributions of £6,693 were payable to the scheme at the end of the year and are included as creditors. In 2022/23, the figure was £15,510.

Note 20 – Prior year adjustment

During the period, information was provided to the Charity that made it clear that funds in the amount of £158,855 should have been classified as unrestricted rather than restricted funds. Given the amount involved, the Trustees consider it appropriate to update the financial statements to reflect the correct position. Accordingly, the comparatives have been restated which has resulted in an increase in the opening restricted reserves of £158,855 with a corresponding decrease in the opening restricted reserves for the same amount.