

THE PERFORMING RIGHT SOCIETY FOUNDATION

England & Wales · Charity number 1080837

Details

Other names	PRS FOR MUSIC FOUNDATION, PRSF
Status	Registered
Legal form	Charitable company
Company number	03901665
Registered	2000-05-23
Register	View on the Charity Commission register

Contact

Address	Tea Auction House (1st floor) Hays Galleria Counter Street London SE1 2HD
Phone	02037414233
Email	info@prsfoundation.com
Website	www.prsfoundation.com

Activities

Objects: THE ADVANCEMENT OF THE EDUCATION OF THE PUBLIC IN MUSIC AND THE APPRECIATION OF MUSIC BY SUCH MEANS AS THE TRUSTEES DECIDE INCLUDING:-(1) THE PROVISION OF FINANCIAL ASSISTANCE TO COMPOSERS AND SONGWRITERS, PARTICULARLY THOSE RESIDENT IN THE UNITED KINGDOM WITH A VIEW TO ENCOURAGING THE COMPOSITION AND PERFORMANCE OF NEW MUSIC OF HIGH QUALITY (2) THE FURTHERANCE OF EDUCATION AND TRAINING FOR PRACTITIONER OF MUSIC BY THE PROVISION OF GRANTS AND DONATIONS TO INDIVIDUALS AND EDUCATIONAL ESTABLISHMENTS BY ESTABLISHING EDUCATIONAL AWARDS AND SCHOLARSHIPS AND BY THE PROVISION OF EQUIPMENT AND FACILITIES (INCLUDING THE PROVISION OF MUSICAL INSTRUMENTS) (3) THE PROMOTION OF PUBLIC PERFORMANCE OF HIGH QUALITY BY THE HOLDING OF CONCERTS RECITALS FESTIVALS EXHIBITIONS COMPETITIONS MEETINGS LECTURES SEMINARS AND TRAINING COURSES AND ANY OTHER EVENT/PROJECT/ASSIGNMENT CONDUCIVE TO THE ATTAINMENT OF THE OBJECTS.

Activities: PRS Foundation is the UK's leading charitable funder of new music and talent development. Since 2000 it has given more than £50 million to over 9,000 new music initiatives by awarding grants and leading partnership programmes. PRS Foundation supports an exceptional range of new music activity, from showcases and commissions to a network of talent development partners www.prsfoundation.com

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** Arts/culture/heritage/science
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Ireland
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£5,067,548	£4,776,537	£1,009,774	14
2023-12-31	£4,150,166	£4,206,679	£718,763	11
2022-12-31	£4,007,624	£4,191,056	£1,038,075	11
2021-12-31	£4,184,850	£4,056,224	£1,221,507	10
2020-12-31	£3,911,558	£3,881,629	£1,092,881	9

Trustees

Name	Role	Appointed
Alexander Kassner		2024-02-29
Brahim Ait Ben Larbi		2024-12-03
Chris Butler		2017-07-13
Christine Geissmar		2020-02-18
Crispin Macmichael Sandys Hunt		2024-02-29
Grace Goodwin		2024-09-23
Jane Mary Dyball		2025-04-23
John Berchmans Minch		2024-02-29
Jonathan Aitken		2024-02-29
Jonathan Jackson		2024-12-03
Michelle Escoffery		2019-12-12
Susannah Catherine Simons		2018-02-23
Suzanne Claire Mierkalns		2025-09-12
Suzanne Hughes		2024-02-29
YolanDa Brown		2022-07-05

THE PERFORMING RIGHT SOCIETY FOUNDATION

England & Wales - Charity number 1080837

Accounts



THE PERFORMING RIGHT SOCIETY FOUNDATION
(A company limited by guarantee and not having a share capital)

Trustees' Report and Financial Statements

For the year ended 31 December 2024

Company number: 03901665
Charity number: 1080837

	Page
Trustees' Report	1 – 16
Independent Auditor's Report	17 – 19
Legal and administrative information	20
Statement of Financial Activities	21
Balance Sheet	22
Statement of Cash Flows	23
Notes to the accounts	24 - 39

ABOUT PRS FOUNDATION

PRS Foundation ("the Foundation") is the UK's leading charitable funder of new music and talent development.

We invest in the future of music and support careers - empowering and enabling songwriters and composers from all backgrounds to realise their potential, create exceptional new music and reach audiences across the world.

Widely respected as an inclusive, collaborative and proactive funding body, PRS Foundation supports an exceptional range of new music activity through direct grants to hundreds of music creators per year. Support for industry professionals and pioneering non-profit organisations helps us to reach thousands more creators per year, and our funding removes barriers to progression and provides timely investment in exciting, diverse and innovative talent.

Six out of the last seven Mercury Music Prize winners had received PRS Foundation support at pivotal career moments, including 2024 prize winners English Teacher and the charity has supported BRITs, RPS, MOBO, Jazz FM, AIM and Ivors Award-winners - perhaps more than anything, demonstrating how timely investment works to produce critically acclaimed new music and to sustain music creator careers in the UK and internationally.

Since 2000, PRS Foundation has given more than £50 million to over 9,000 new music initiatives, supporting outstanding talent from all backgrounds and covering the whole of the UK and all genres, with grantee success stories including Little Simz, Wolf Alice, Dave, Sam Fender, Anna Meredith, Years & Years, Ezra Collective, Yola, Glass Animals, Jordan Adetunji, English Teacher, Ghetts, Shiva Feshareki, AJ Tracey, Sarathy Korwar, Floating Points, Nadine Shah, The Fanatix, Imogen Heap, IDLES, Kae Tempest, Kojey Radical and corto.alto.

PRS Foundation founded the Women Make Music fund, co-founded global gender equality initiative, Keychange, and launched the POWER UP initiative in 2021 to tackle anti-Black racism in music.

PRS Foundation is a constantly evolving, dynamic organisation and its approach ensures that support reaches music creators from the grassroots up while responding to the changing environment in which the creators we support are working.

This is all made possible thanks to our main donation from Performing Right Society ("PRS"), match funding from various partners, and the expertise of independent advisors working in different music genres and UK regions. www.prsfoundation.com

OBJECTIVES AND ACTIVITIES

PRS Foundation's charitable objects are to support, sustain and further the creation and performance of new music in the UK and increase the public's appreciation of and education in new music.

Strategic Priorities include:

- investing in the development of exceptional, diverse music creators at crucial stages
- supporting pioneering organisations and talent development experts to enable those working in all genres across the UK to fulfil their potential
- spearheading new ways to connect music creators with organisations and partners to address talent pipeline gaps and fast-track career progression
- championing grantees and the way we work in order to add value, influence policy and attract increased external investment
- cementing our reputation as the UK's most accessible, inclusive and collaborative music funder

Major activities in 2024 which delivered on these objectives were:

- Supporting 513 projects and investing approximately £3.57 million in grants pledged (average grant: £69,661), which breaks down to grants pledged to:
 - 290 individual songwriters, composers and other music creators (57% of grants),
 - 103 organisations supporting talent development (20% of grants), and
 - 120 industry professionals and future industry professionals through programmes which impact music creators (23% of grants)
- Receiving 3,729 applications (vs. 3,585 in 2023)
Nb. The increase in grants to industry professionals and in the number of projects supported (up from 432 in 2023) is mostly down to the launch of the new Early Career Promoter Fund and means that the proportion of applicants receiving support was 13.7%
- Continuing our reputation as the most inclusive music funder in the UK
- Celebrating the long-term impact of the International Showcase Fund (ISF), we launched our 2019-2024 impact report at WOMEX in Manchester. The report showed that:
 - ISF helped grantees to generate over £6.7 million for the UK economy
 - For every £1 invested, supported music creators generated £5.40
 - And the fund has diversified to tackle barriers for underrepresented music creators, with 67% of grantees based outside London; 57% identifying as women, gender-diverse or in mixed gender groups; and 33% identifying as belonging to the Global Majority
- Restructuring our major funding schemes for organisations, merging our network of Talent Development Partner organisations and our Open Fund for Organisations. The new Talent Development Network programme was announced in late 2023, attracting 180 applications, with 73 non-profit organisations announced as the first grantees – covering all genres and many regions across the UK
- Launching a long-term Keychange impact report at Tallinn Music Week in Estonia, analysing the impact of the programme for women and gender-diverse artists and professionals. The 2018-2023 report showed that:
 - Over 300 participants were supported through 142 showcases, 150 speaking opportunities, 9 full network meetups and 29 Manifesto session
 - 100% of participants believe Keychange has contributed to encouraging role models, and 97% believe Keychange has greatly supported artistic and business development
 - Over 700 music companies and organisations have signed the Keychange Pledge, with 64% already achieving their gender equity targets
- Securing support from Arts Council England for 2025's New Music Biennial programme which will take place in Bradford City of Culture and at London's Southbank Centre
- Successfully bidding to manage the new Arts Council England and DCMS-supported programme, the Early Career Promoter Fund, PRS Foundation has been running monthly deadlines and has been supporting hundreds of emerging promoters, bolstering grassroots scenes and helping the wider live sector
- Ensuring that grant support is available when most needed, and that grants programmes adapt to help creators to tackle new challenges associated with the cost-of-living and cost-of-touring crises impacting music creators across the UK and abroad
- Celebrating grantee adaptability, resilience and commercial and critical success, including high-profile Award wins and nominations (see below)
- Securing partnership support from Amazon MGM Studios for a new programme called Prelude which has been supporting 4 composers from underrepresented backgrounds in its pilot year
- Further adaptation of international programmes including the International Showcase Fund (ISF) to tackle the complex needs of those expanding their career globally within a post-Brexit, post-Covid context.

Context

Our crucial and timely support removes barriers and is helping to build a strong, connected, inclusive community of collaboration and brilliance.

Since demand for funding peaked at over 5,900 applications received in 2021 during the pandemic, the Team and Board have been working strategically to address unsustainable levels of demand, particularly from music creators.

This work continued in 2024, with fewer deadlines held and steps being taken to help potential applicants to identify the most suitable funding opportunity while allowing the team to better evaluate the impact of programmes to future-proof our model.

During the year, we supported 513 new music projects, investing approximately £3.57m in grants pledged to 209 music creators (songwriters, composers, artists and bands), 103 organisations (e.g. festivals, venues, studios, orchestras and other talent development-focussed organisations), and 120 industry professionals whose work impacts music creator development.

A reduction in the number of deadlines available to organisations, and the planned lack of our major open call for Keychange applicants based in the UK and the EU contributed to making demand more manageable, and we received a total of 3,729 applications (vs. 3,585 in 2023, 3,817 in 2022 and 5,939 in 2021).

The overall percentage of applicants supported increased year-on-year (to 13.7 %). However, this factors in the higher 'success rate' for organisations applicants and we note that demand remains very high for music creator schemes where we were only able to support 9% of applicants and in some popular open calls for The Open Fund, Women Make Music and the PPL Momentum Music Fund, this figure fell below 6%. For example, demand for Women Make Music's first deadline of 2024 was so high we were only able to support 3.6% of applicants and the Board remains keen to bolster resources to increase music creator 'success rates'.

We continue to prioritise direct support for music creators. This is where needs are most complex and demand is highest, with creators facing complex barriers to progression domestically (e.g. a cost-of-touring crisis, the closure of venues and festivals and other inequities) and internationally (e.g. Brexit-related barriers and increased expenses and bureaucracy globally).

And where the new Early Career Promoter Fund and Talent Development Network programmes were launched, the charity has shown once again that by also supporting industry professionals and organisations, we can help to unearth talented creators while ensuring support is there at early career stages so that creators can sustain careers and thrive in the future.

Our interventions ensure the new music ecosystem can overcome complex challenges, and our work shaping the future of music is more vital than ever.

THE IMPACT OF OUR WORK

For over 24 years, PRS Foundation's investment has enabled songwriters and composers to develop and grow in ways which would not otherwise have been possible.

Our funding complements a changed investment landscape and reflects changing needs. Some music creators are likely to face bigger challenges than others and there is significant inequality between people of different socio-economic, ethnic and gender backgrounds.

Impact for music creators – direct investment in songwriters and composers

Our long-term approach enables music creators from all backgrounds to realise their potential, compose exceptional new music, and reach audiences across the world. Through financial support and more, we are breaking down barriers to empower outstanding and diverse talent, and we have proven that timely investment in creators and the creative ecosystem works.

Impact for music creators (continued)

The combination of open and accessible funds, and our 'Targeted Action' support is proving to be a successful model, best demonstrated through the hundreds of nominations received by grantees each year for major industry awards, with grantees being recognised with commercial and critical acclaim.

Six out of the last seven Mercury Music Prize winners have been creators who have received support through PRS Foundation programmes, and over half of all nominees within that period have been #FundedByPRSF. For the second year, after Ezra Collective's win in 2023, the Mercury Music Prize winning grantee (English Teacher) first received support via the organisations we fund, before receiving direct grant support. English Teacher's development milestones include:

- The Leeds-based band received early career support in 2020-2021 via two organisations we support – Launchpad/Music Leeds and Come Play With Me
- The band accessed our PPL Momentum Accelerator support to record and release the single 'R&B' in late 2020. Accelerator was set up to tackle specific infrastructure barriers outside London (e.g. in Liverpool City Region and across Yorkshire)
- This helped them as they built their audience and their team
- The band also received support when selected as runners up for the Glastonbury Emerging Talent Competition in 2022
- They soon signed singles deals with independent labels before signing to Island Records in 2023

This demonstrates how important it is to support non-profit talent development organisations working on the frontline to unearth and nurture talent, while our direct funding has a transformational impact on the careers of countless songwriters, composers, artists and bands.

In terms of celebrating grantees' successes and industry recognition in 2024, other highlights include:

- Several grantees experienced commercial success, including Lostboy who was funded to attend a SXSW songwriting camp a few years ago and this year co-wrote hits for Ellie Goulding and Kylie (and in 2024 collected a Grammy Award for his Kylie collaboration)
- 2024 Welsh Music Prize Winner – LEMFRECK – is a creator we supported via PPL Momentum Accelerator in Wales, then through our changemaking POWER UP programme
- Northern Irish Music Prize Winners, Problem Patterns are Women Make Music grantees
- At the Ivors Classical Awards a huge 80% of winners are composers we have funded over the years
- Other grantees were nominated for and/or won major awards including at 2024 MOBOs, AIM Awards, Jazz FM Awards, and the RPS Awards

Other common outcomes for grantees include publishing and record deals, income generation, audience growth, developing teams, and securing media attention and critical acclaim.

Selecting music creators at the most opportune and pivotal point(s) in their development is something PRS Foundation is uniquely placed to do, thanks to our strategic priorities and the expertise of our external advisor network. No other funder can boast our rate of success in empowering music creators to develop and thrive.

Our investment is designed to reach songwriters and composers anywhere in the UK, working in any genre and at different career stages in order to support the talent pipeline from the grassroots up.

We know that timely investment makes a huge difference to:

- Career development – our grants help to transform careers
- Creative development and collaboration with other songwriters, composers, producers and creators
- Securing follow-on investment and levered funds
- Strengthen industry networks and to generate new opportunities (including helping creators to build communities and scenes)
- Skills development and capacity-building for music creators and their representatives such as managers, labels and publishers

Impact for organisations we fund

Funding for organisations - including venues, festivals, promoters, orchestras, studios and other talent development organisations – helps to reach thousands of emerging and early career music creators each year.

Having reflected on strategic priorities as a Board and Team, PRS Foundation announced in late 2023 that our models of funding for organisations would merge to create the new Talent Development Network – offering up to £25,000 per year for up to three years to c. 70 organisations. This streamlined approach had an early 2024 deadline which attracted over 180 applications, with advisors recommending support to 73 organisations.

Talent Development Network support – alongside other funding for organisations – enables PRS Foundation and partners to ensure that investment reaches thousands of music creators in all genres UK-wide. This ensures that songwriters and composers access transformative development and vital 'lifeline' support, which ranges from commissions to creative development support, performance opportunities, career development, and access to free advice and guidance for music creators.

Organisations' funding helps to build ecosystems which enable songwriters and composers to thrive, and investment opens access to creators who will otherwise be out of reach.

Support helps organisation grantees to secure additional funding – an average of £62,000 has been levered by organisation grantees. And our network fosters shared learning, better signposting, and ensures transformational support is on offer.

Organisations we fund implement best inclusivity practice, with the majority signing up to the Keychange Pledge, working closely on POWER UP and ensuring that funding reaches a broad range of emerging and talented creators.

In addition, organisation grantees develop talented PRS members and future members, significantly boosting the UK's cultural and economic success.

Industry collaboration and the impact for the wider sector

We continued to build strong connections within the commercial sector, with key partnerships including ongoing support from PPL, sponsorship and partnership support from Beggars Group, YouTube Music, the BMC, and several trade associations.

New partnerships developed and announced in 2024 include the pioneering Prelude programme which is piloting funding and wraparound support for underrepresented media composers in partnership with Amazon MGM Studios, and we attracted new support for POWER UP from the likes of Universal Music Group, Warner Music Group and Amazon Music.

A major partnership was also launched in 2024 as we secured funding from Arts Council England and DCMS for the Early Career Promoter Fund will have supported over 180 live music promoters across England in its first pilot year.

We partner with dozens of organisations and companies to deliver results on programmes including Keychange and POWER UP, and big and small companies continue to consult with our team in relation to gender equity and active anti-racism. Colleagues sit on the UK Music Skills and Communications committees and the wider LIVE group meetings, and we remain actively involved in the DCMS and Creative UK-led Bullying, Harassment and Discrimination working groups which resulted in the formation of CIISA. Senior Grants & Programmes Manager, Becci Scotcher was elected to the board of the European Music Exporters Exchange (EMEE), and CEO Joe Frankland is on the boards of Keychange U.S. and Keychange asbl, while meeting regularly with 'sister' trade bodies, Arts Councils, and other arts Trusts and Foundations.

In 2024, we decided to relaunch the 'Music Exporters & Exchange Stakeholder Group' which was co-hosted by PRS Foundation, UK Music, British Council and the Department for Business & Trade during the pandemic. The revitalised group meets quarterly and brings together over 60 organisations with a stake in music export and exchange and allows for better sharing of information, lobbying efforts and opportunities for music creators and professionals.

Industry collaboration and the Impact for the wider sector (continued)

We know that the impact of our support for emerging music creators and the non-profit sector has a huge impact for the wider UK music sector.

- The annual donation from PRS generates over £10m per year for the UK music sector, including funds raised by PRS Foundation from other sources, income generated, and funds levered by grantees as a result of our investment
- PRS Foundation feeds the talent pipeline and intervenes when and where it is most important, benefiting individual creators, publishers, record labels, the live sector, managers, and others
- PRS Foundation only supports creators in need of funding, prioritising early career talent, DIY creators and those working with independent companies (which benefits companies, team members and in some cases larger labels and publishers who take over investment at a later stage)
- The wider music sector acknowledges PRS Foundation's contribution
- PRS Foundation shapes a fairer, stronger, more connected and more diverse sector
- 2023's long-term PPL Momentum Music Fund impact report demonstrated the huge financial impact for the music industry, with over £22m generated for the UK music industry through this fund alone since it was launched in 2013
- And the 2024 International Showcase Fund report showed that from 2019-2023, ISF helped grantees to generate over £6.7m for the UK economy

Investing in music creator development across the UK

Statistics for 2024 grantees showed that:

- Over 60% of music creator and industry professional grantees are based outside London, with strong representation in Scotland, Wales and Northern Ireland
- Our ISF 2019-2023 report showed that 67% of grantees were based outside London, including 16% in Scotland, 13% in Wales, and 8% in Northern Ireland
- 74% of the organisations selected for Year 1 Talent Development Network funding were based outside London (including 8% in Scotland, 5% in Wales and 4% in Northern Ireland), and 100% of London based organisations in the network work to support creators nationally or internationally

The PPL Momentum Accelerator programme was launched in 2019 to address inequities outside London, with strategic partnerships to tackle talent development pipeline and infrastructure gaps. Partnerships in Liverpool City Region and Yorkshire have been getting strong results for years, and our pan-Wales partnership celebrated supporting LEMFRECK who went on to receive the 2024 Welsh Music Prize. Partnerships in new regions will be announced in 2025.

The Early Career Promoter Fund's criteria specify a preference to support live music promoters across English regions, with 65% of grantees in 2024 based outside London.

Addressing barriers facing music creators

Our funding and talent development programmes help to remove barriers and build a strong, connected, diverse and inclusive community, enabling the creation of exciting new music.

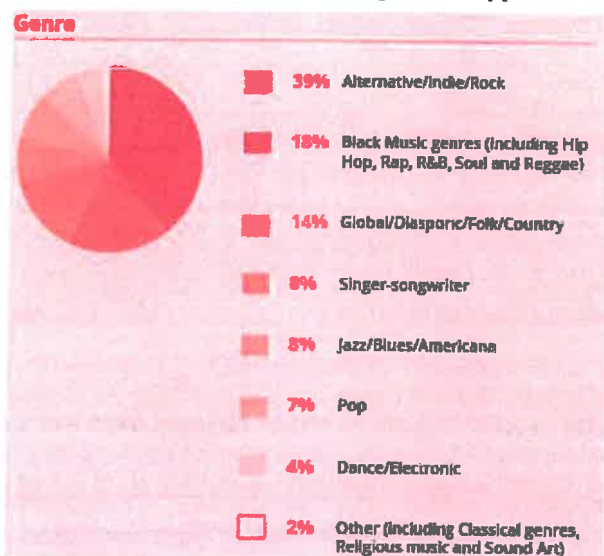
But aforementioned barriers including underrepresentation, discrimination, the increased cost of touring, Brexit-related barriers, and mental health crises impact on creators cannot be underestimated. PRS Foundation is in tune with the needs of songwriters and composers, consulting regularly with applicants, grantees and expert advisors to ensure that our programmes and projects adapt to tackle new challenges.

Meeting changing music creator needs in 2024 included sustaining creativity through project funding, including supporting songwriting, composition, commissions, recording and releases; supporting the costs of touring across the UK during the grassroots music crisis; and helping creators to overcome barriers to exporting their music.

Supporting a wide range of genres

We continue to support a broad range of genres and sub-genres through all of our programmes, with roughly one fifth of grants being pledged to creators and professionals working in Contemporary Classical Music; over a third of grantees working in Alternative/Indie/Rock and Pop genres; over a quarter working in Black Music genres, Dance and Electronic Music; and a strong proportion of grantees working in Jazz, Folk, Global Music and Roots Music genres. Although the International Showcase Fund (ISF) is not representative of open programmes – relying instead on applicants being invited by showcase events to perform before they can apply, we were encouraged to see a diversification of genres within ISF grants for 2019-2024:

International Showcase Fund – genres supported



DIVERSITY AND INCLUSION

PRS Foundation is well known for its pioneering approach to empowering exceptional and diverse music creators. We believe that the success of the music we fund is driven by the diversity of the people who create it.

In recognising the range of structural and social barriers that obstruct talent development, and we take responsibility to embrace inclusivity. We reach a broad range of creators directly while also funding organisations – including diverse-led organisations – who reach thousands of songwriters and composers from all backgrounds every year.

This 'Targeted Action' approach works, and 2024 milestones include:

- Over 60% of music creator and industry professional grantees supported were women, mixed- gender groups or gender-diverse (since 2021, representation has consistently been over 60%)
- Global gender-equity initiative, Keychange (co-founded by PRS Foundation in 2016) reached the milestone of having 700 Keychange Pledge signatory organisations
- Keychange in Europe and Canada secured medium-scale funding from Creative Europe and announced the new 'Keychange Leaders' project at Oslo World in November
- Over half of the creators and professionals supported across PRS Foundation programmes were from the Global Majority (i.e. Black, Asian and ethnically diverse heritage), with consistently high representation since 2022 and an increase in representation of Asian heritage creators
- We are supporting more diverse-led organisations and talent development programmes
- 18% of music creator and industry professional grantees identified as disabled. The proportion of applicants with disabilities (visible and invisible) and long-term health conditions which impact their lives and music careers is consistently higher, and we continue to tackle barriers for disabled and neurodiverse creators
- Almost a third of music creator and industry professional grantees identified as LGBTQIA+

Power Up Successes So Far

Currently in its fourth cohort year, Power Up has attracted over 1,400 Black music creator and professional applicants. With partnerships forged across the industry to tackle anti-Black racism, the participant programme has been powering up 160 individuals and key successes so far include:

- Significant music creator career development includes UK and international tours for several participants, label and publishing deals, agency deals, chart success, high profile media and DSP coverage, and the completion and release of dozens of singles, EPs and albums – Power Up artists are dominating playlists and festivals across the world
- Participants have been recognised with multiple award wins and nominations, including for the Mercury Prize, MOBOs, AIM Awards, Young Music Boss Awards, Jazz FM Awards, Heavy Music Awards, and Music Week and Women in Music Awards
- Industry professionals continue to launch businesses, secure Board positions and gain promotions into senior positions
- PRS Foundation received the DE&I Initiative of the Year award at the 2023 Women in Music Awards following 2022's IMPALA Changemaker Award

SIGNIFICANT OUTCOMES

PRS Foundation's grantees continued to receive many Award wins and nominations in 2024, building on critical acclaim which recognise the high quality of PRS Foundation-funded output.

Other Grantee Awards and Nominations:

- **Daniel Casimir** (International Showcase Fund) was awarded for Jazz Composition Award at the Arts Foundation Futures Awards 2024
- PPL Momentum Accelerator Yorkshire supported, **Dilettante** was joint winner for the annual songwriting and performing competition, Casio Sessions 2024.
- PRS Foundation grantees picked up 5 nominations and 2 winners at the Americana Music Association Awards, **Elles Bailey** (International Showcase Fund) winning UK Live Act of the Year and **Lauren Housley & The Northern Cowboys** (PPL Momentum Music Fund) winning Song of the Year.
- **POWER UP** Participant **Nick Ezlefula** was included in Billboard's annual list of "Top Music Lawyers" list.
- **Keychange US** was recognised with the Agent of Change Award at Music Business Association Awards in Nashville, US.
- More than 80 music creators that have received PRS Foundation support performed at 2024's Glastonbury Festival including **Little Simz** (PPL Momentum Music Fund, International Showcase Fund and BBC Music Introducing and PRS Foundation showcase support) who performed on the Pyramid Stage and **Idles** (International Showcase Fund) on the Other Stage.
- 29 performances at 2024's BBC Proms feature PRS Foundation grantees. 2024 also saw performances at two Talent Development Network organisation venues, **The Glasshouse International Centre for Music**, in Gateshead and the **Bristol Beacon**. Additionally, **Hannah Peel** (PPL Momentum Music Fund, New Music Biennial) will be presenting her Night Tracks radio show from the festival

Other Tangible Outcomes

Common tangible outcomes for PRS members who receive our support include creation of new works, signing publishing and record deals, securing future commissions, recording and releasing hundreds of albums, Eps and singles each year, live bookings which allow for increased performance of members' work, significant income generation, audience growth, developing teams around music creators, attracting sync attention, and securing media coverage and DSP support.

In classical music, composers are sustaining and developing their careers, creating high quality, critically acclaimed work through our support for orchestral performances, recordings, commissions and composer development programmes. Successes include:

- **Manchester Collective** (Talent Development Partner) – 4/5**** review in The Times for their performance at St George's in Bristol

Other Tangible Outcomes (continued)

- Daniel Kidane (Composers' Fund) – 5***** review for the London Symphony Orchestra's performance of his piece "Sun Poem"
- Dani Howard (Composers Fund) – 4/5***** review in The Financial Times for her opera "Yellow Wallpaper"
- Abel Selaocoe (POWER UP) – 4/5 **** review The Scotsman for his performance in Glasgow

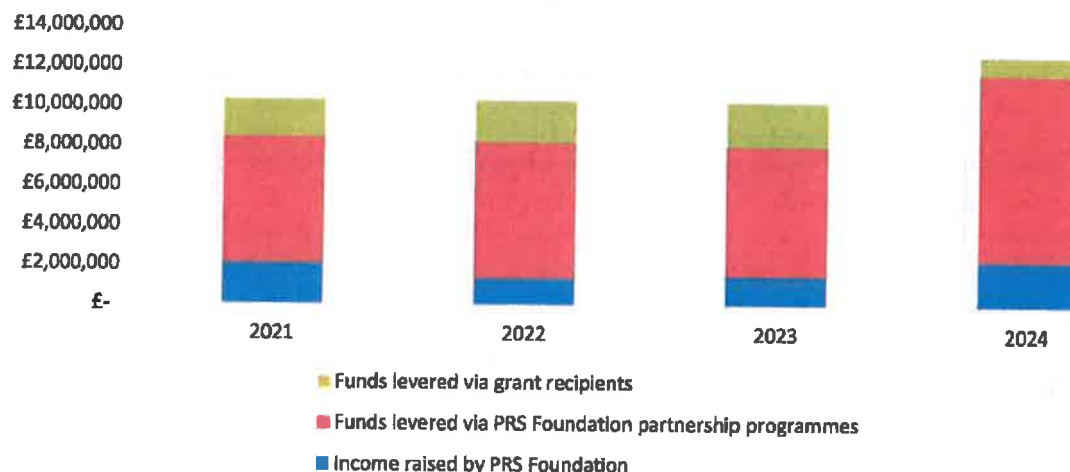
Economic value:

We continue to monitor the economic impact of PRS Foundation's support and although the pandemic and resulting economic downturn has had an impact on most grantees' ability to produce such strong results in the short-term, grantees are maintaining some common tangible outcomes, including:

- creation of new works
- securing publishing deals and deals with record labels
- classical composers securing future Commissions
- recording and release of hundreds of albums, EPs and singles each year
- significant media attention and DSP support
- securing future live bookings
- growing teams, which includes management, booking agents, lawyers and others to help sustain long-term careers
- attracting Sync attention.

Thanks to the quality of the music creators and organisations supported, every £1 invested by PRS generated an additional £4.74 (2023: £4.10) for the sector: £2,329,138 from fundraising undertaken by the Foundation (2023: £1,553,324), £9,380,048 (2023: £6,502,044) in match funding, cash and in-kind, levered through our leadership of partnership programmes and £930,000 (2023: £2,220,000) through funds grantees have been able to secure thanks to our seed-investment.

Funds raised and levered 2021-24

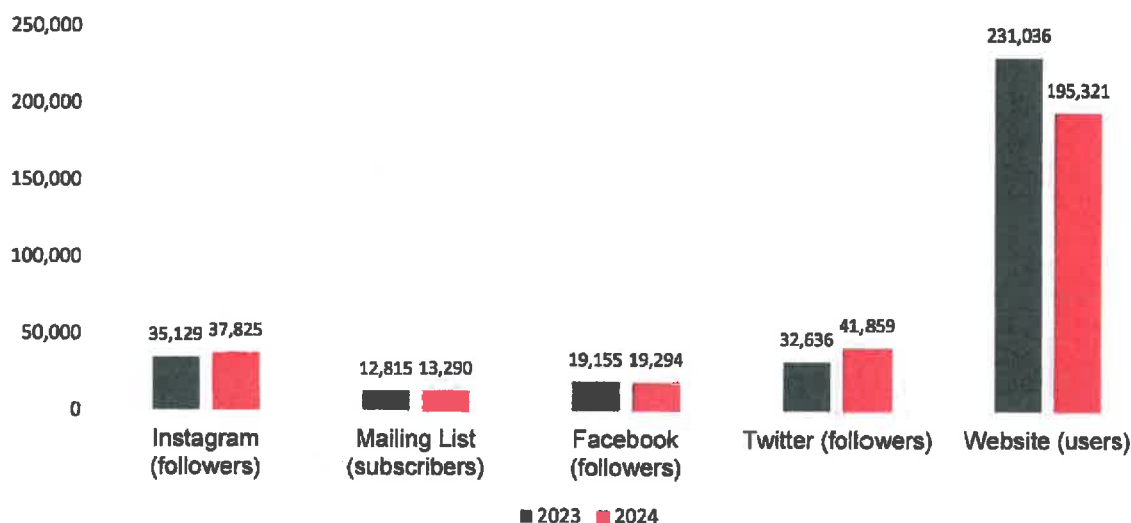


PR and Profile

Our reach and Advertising Value Equivalency (AVE) in 2024 reached £11,987,815.87 across over 500 pieces of coverage, continuing to generate high levels of PR and underlining PRS' commitment to the development of PRS members and others in the ecosystem. If we factor in coverage for the global Keychange initiative co-founded by PRS Foundation, AVE reached £27,568,353.61 across over 1,900 pieces in 2024.

PR and Profile (continued)

Digital Reach 2023 - 2024



Our reach across social media platforms continues to grow on a number of channels and users on the PRS Foundation websites and microsites remains relatively consistent, providing powerful ways for us to promote the achievements of current and future PRS members and the impact investment is having on the industry.

PUBLIC BENEFIT

We have referred to the Charity Commission's general guidance on public benefit (including the guidance 'public benefit: running a charity PB2'), when reviewing our aims and objectives and in setting our grant making policy for the year. Public benefit is implicit in the criteria we use to assess grants which focus on the extent to which the projects we support will benefit a broad range of music creators, result in high quality music and be enjoyed by a large and diverse audience.

The Foundation accepts funding applications from all kinds of music creators. Details of the Foundation's activities are easily available on www.prsfoundation.com, including grant-making policies, priorities for each funding programme and application forms.

Our emphasis on transparency and our staff's ability to give expert advice to potential applicants, is a crucial part of the grant-making process. We also work in partnership with other organisations to extend our reach and impact, particularly in relation to any music genres and UK regions which are under-represented in our funding portfolio.

Please see "Looking Ahead" (page 11) for details of our targets for 2025.

MONITORING, EVALUATION AND LEARNING

Our Flexi-Grant funding platform was built as a bespoke grant-making platform for PRS Foundation applicants and grantees. It allows us to monitor current grants projects and we constantly evolve our approach to evaluation reporting systems for individual grants programmes, consistently monitoring impacts against strategic priorities and criteria set for each fund. This allows us to gather consistent impact data across programmes which measuring and reporting to partners on the creative and career impacts for creators as well as the wider cultural, social and economic impacts of our funding.

We report to various partners and discuss results with Trustees and observe that the vast majority of grantees meet intended outcomes and achieve further unexpected positive outcomes.

MONITORING, EVALUATION AND LEARNING (continued)

We also produce long-term impact evaluation reports – generally releasing one report publicly per year. For such reports, we engage the services of external evaluation experts to assess and publicly report on the long-term impacts of our investment in talent. We share learning and outcomes through our website, social media and regular mailings as well as via panel discussions at relevant industry conferences in the UK and overseas.

PRS SUPPORT AND COLLABORATION

PRS has invested a significant amount of financial and other support since setting up PRS Foundation in 2000 – with in excess of £49m invested to support new music and the development of current and future members.

The main donation from PRS also enables the Foundation to raise match funding from various sources, including public funders, collection societies around the world, and commercial sponsors. For the last few years, we have secured between £1.5m-£2m of additional support per year to match the PRS donation. This helps us to reach thousands more creators and pioneering organisations who support talent development.

Donations from PRS to PRS Foundation are funded through income generated separately from royalties paid out to its members, including from interest earned on royalties awaiting distribution. A new multi-year funding agreement – announced in 2023 – enables an increase in year-on-year funding allocated to PRS Foundation, and PRS donated £2.65m for 2024. The agreement stated that 10% of the funding provided by PRS from 2024 onwards will be endowment income that should be invested, and this will be used to strengthen the Foundation's position to help ensure future financial security.

PRS Foundation is a constantly evolving, dynamic charity - working closely with PRS to support creators and to shape the future of new music.

We thank the PRS team and Council members for ongoing support.

LOOKING AHEAD

Long-term strategic priorities for the Foundation include:

- Investing in the development of exceptional, diverse music creators at crucial stages
- Supporting pioneering organisations and talent development experts to enable those working in all genres across the UK to fulfil their potential
- Spearheading new ways to connect creators, organisations and partners to address talent pipeline gaps and fast-track career progression
- Champion grantees and the way we work to add value, influence policy and attract increased external investment
- Maintaining our reputation as the UK's most accessible, inclusive and collaborative music funder
- Streamlining programmes for the benefit of music creators and the team
- Addressing talent pipeline gaps regionally, nationally and internationally
- Better address the international needs of creators beyond showcasing

In 2024, new 'joint' trustees (those also on the PRS Board, Members' Council or in the PRS ELT) were elected onto the Foundation's Board, while three 'external' trustees and a new Chair were also being recruited.

PRS Foundation's Chief Executive ("CEO") will work closely with the new Chair and full Board on a new Strategic Plan for 2025-2028 which will reflect on the needs of music creators and our continued drive to streamline programmes and focus on music creator development and the distinct way in which our funding transforms creative and career development. We will ensure recent changes to organisations funds are delivered successfully, and we wish to increase the scope of our international/music export strategies.

Priorities in 2025 include:

- **25th Anniversary**
 - PRS Foundation will celebrate with grantees, partners and supporters, 25 years of investing in the future of music and supporting careers
 - An early 2025 'PRS Presents' event will launch celebrations
 - We will 'badge' 25 events and publish case studies on 25 grantees to champion the strength and breadth of our support for new music
 - And towards the end of the year, a final event will be held to raise awareness of PRS Foundation across the sector and attract more investment
- **Ongoing Streamlining**
 - The streamlining of organisations funding was successful in 2024, and we will continue to monitor and fill any gaps following the merger of funds
 - We will further reduce the number of deadlines available to music creator applicants
 - And we will consult with the creator community regarding the streamlining, evolution and/or rebranding of a number of creator-specific programmes
- **External Fundraising, Programme Expansion & Potential New Partnerships**
 - Following the pilot year of the new fund, we intend to extend the Early Career Promoter Fund – applying learnings for 2025-2026
 - We would also like to extend the Prelude programme and explore other ways to address underrepresentation within media composition and production music
 - We seek partnerships with a wider range of commercial industry partners and despite a challenging context of partnership budget cuts within the music and tech sectors, wish to build strong relationships with major and large companies
 - Our role in supporting the expansion of Keychange in the U.S. has been crucial, while our priority in 2025 involves ensuring the separate entity is in a strong position for the future
 - Similarly, we aim to support Keychange asbl (in Belgium) and Keychange partners as they seek large-scale funding from the Creative Europe programme
 - And we aim to secure significant funding for our New Music Biennial festival events in Bradford and London, with selection processes and support launching later this year
- **New Music Biennial**
 - The award-winning New Music Biennial programme returns in 2025, in partnership with Southbank Centre (July), Bradford City of Culture (June), BBC Radio 3 and NMC Recordings
 - We will select 20 pieces of music and will co-manage a successful edition of the festival, garnering critical acclaim for the creators and organisations supported through the programme
- **Board Developments**
 - PRS Foundation onboarded new Trustees over the last 12 months and announced our newly appointed Chair who was elected onto the Board in April 2025
 - The new Chair will ensure the Foundation's Board continues to evolve and they will work closely with Trustees and Management to shape new Strategic Priorities

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

PRS Foundation was established as a charity and company limited by guarantee in 2000. The organisation is governed by the Board of Trustees which comprises individuals who are both trustees of the charity and non-executive directors of the company. The Members of the PRS Foundation are its directors together with the Performing Right Society Limited.

The Foundation's partnerships with other public funders, charities and private sector companies are central to the way we work. These partnerships enable us to share or pool resources, grow our impact and initiate pioneering programmes which support sector development.

Governance

The Foundation monitors the terms of office of all trustees and carries out skills audits on a regular basis. Trustees serve for three-year terms and are eligible to be re-elected for a maximum of three terms. As of July 2015, the Members amended the Articles so that if a trustee is retiring after a period of continuous service exceeding nine years, the trustees may allow the retiring trustee to be re-elected for a maximum continuous period of 12 months, in order to help with induction and mentoring of successor trustee. At the end of the reappointed period the retiring trustee shall not be eligible for re-election.

In 2020 the Foundation made amendments to the Memorandum of Association, updating the wording better to reflect the charitable objectives.

The Foundation has provision for not more than 15 trustees of whom up to seven trustees (or no more than half of the total number of trustees if fewer than fifteen) shall be nominated by the board of the Performing Right Society Limited. Other trustees shall be independent individuals with relevant experience relating to the role of the Foundation. Jonathan Aitken, Michelle Escoffery, Suzanne Hughes, Crispin Hunt, Alexander Kassner, and John Minch are PRS-nominated trustees.

Trustee Susannah Simons was elected as Interim Chair in February 2024, alongside 5 new PRS-nominated trustees: Jonathan Aitken, Suzanne Hughes, Crispin Hunt, Alexander Kassner, and John Minch. Grace Goodwin joined the Board in September 2024 and two further independent trustees: Brahim Ait Ben Larbi and Jonathan Jackson were elected in December 2024.

In 2024, the nominations sub-committee chaired by Susannah Simons recruited a new permanent Chair for the charity, Jane Dyball, who was elected in April 2025.

The board's Finance and Personnel Committee reviews the organisational structure on at least an annual basis. Benchmarking of pay is carried out by management and reviewed with the Committee. The Chair of the Committee submits the Committee's recommendations for board approval in the same board meeting that the annual budget is approved.

Depending on trustee rotation, an audit of the Board of trustees is carried out every 2 – 3 years, to ensure that the Foundation has a diverse representation on the Board and that any identified skills gaps are addressed. The Nominations Committee, a sub-committee of the Board, then agree role descriptions, selection processes and the timetable. The Foundation advertises for new trustees to apply to become trustees and the Nominations Committee interview shortlisted candidates. The candidates selected to join the Board are then invited to observe a Board meeting and if both parties are satisfied, they are elected to the Board at the following Board meeting.

Grant-Making Process

Final decisions regarding grant-making resourced by unrestricted funds are made by the trustees, following recommendations and advice from the management team which is informed by the Advisory Council. The Foundation pays advisors a fee for specific services, which are set out in a letter or email confirming these services when required. As part of the grant-making process, link trustees take an active part in the Foundation's grant-making procedures. At board meetings, trustees have the opportunity to share an overview of decision-making processes or findings and confirming that due process was followed.

Trustees are required to ratify (rather than approve) grants made through partnership-funded schemes such as the International Showcase Fund. These funding decisions are recommended by specialist programme advisors and/or funding partners.

Management

Day-to-day management is the responsibility of an administrative team of eleven full time and seven part time staff (including consultants), led by Chief Executive, Joe Frankland who has authority, within terms of delegation approved by the directors, for all operational matters.

RISK MANAGEMENT

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

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

- a wide and appropriate level of professional skills and experience within the board of trustees
- the employment of professionally qualified staff and the engagement of professional services for legal, financial and human resource requirements
- the employment of an increasingly broad range of independent advisors who help to assess the Foundation's applications
- collaboration with relevant PRS departments to support our finance and personnel policies
- good internal communications and controls.

FINANCIAL REVIEW

Income

Total income for the year 2024 was £5,067,548 compared with £4,150,166 in 2023.

The Foundation is extremely grateful for the generosity and support from all of the funders listed in this report. This includes the membership and Board of PRS which has shown their continued commitment to the Foundation's charitable activities and the importance of our work to songwriters, composers, performance groups, bands, festivals, promoters and other organisations making new music across the UK. We also acknowledge the generous support of our other major donor, PPL, support from Creative Europe and Arts Councils across the UK. Where the Foundation sets ambitious external fundraising targets and performs well - raising between £1.5m-£2m per year to match our core donation from PRS - the management team and Trustees acknowledge that in the current climate it has been difficult to meet targets for some programmes. This is partially due to the competitive nature of public funding and a trend of music tech companies - including DSPs who make up a significant proportion of external investment - having to reduce budgets across the board. We will continue to diversify income sources and welcome collaboration with alternative larger music companies.

Expenditure

Total expenditure in the year was £4,776,537 compared with £4,206,679 in 2023. Expenditure incurred to generate income is minimal (2.1% of funds raised; 2023: 2.7%) as the fundraising function is integrated with the Chief Executive's responsibility to work strategically with a broad range of funding partners who share our objectives. PRS Foundation does not engage external professional fundraisers or commercial participators to carry out fundraising activity and does not engage in face-to-face or telephone fundraising.

As part of its preparation for the General Data Protection Regulation that came into force in May 2018, PRS Foundation has reviewed and updated its Privacy Notices. These notices, published on our website, clearly states what personal data the Foundation holds in relation to supporters and how this data will be used. It sets out how individuals can raise concerns or complaints. The Foundation has received no complaints about its fundraising activities either during the financial year or subsequently.

RESERVES

The total year end funds are £1,009,774 compared with £718,763 in 2023. This amount is split between £421,873 of unrestricted funds, £322,651 of restricted funds and an endowment fund of £265,250. Within the unrestricted funds, there are designated funds of £272,223 which the trustees have earmarked for a particular fund. The net movement in funds for 2024 is a surplus of £291,011 (2023: deficit of £56,513), which is due to the timing of income recognition and grants expenditure between years.

The Foundation also has confirmed funding partnerships that will secure funding for future periods. The trustees intend that our free reserves, i.e. the unrestricted reserves of the Foundation, excluding those designated or tied up in fixed assets, will cover the operating costs of the charity for the first quarter of the following year. In 2024, as part of the new funding agreement with PRS, 10% of the annual donation is recognised as endowment income, to be invested. The free reserves at 31 December 2024 stand at £149,131. For these purposes, the charity's operating costs cover salaries and support costs, but not grant payments and are estimated at approximately £135,845 for the first quarter of 2025. The reason for holding reserves is as a buffer in case of adverse events and/or loss of income.

TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of The Performing Right Society Foundation 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).

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including 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 the going concern basis unless it is appropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, and for the maintenance and integrity of the corporate and financial information included on the charity's website.

Each of the persons who are trustees at the time when this trustees' annual report is approved has confirmed that:

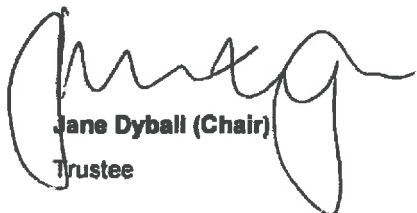
- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- that each Trustee has taken all the steps that ought to have taken as a trustee in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Lindeyer Francis Ferguson Limited, were formally re-appointed at the Annual General Meeting on 23 September 2024

This report has been prepared in accordance with the special provisions of Part 16 of the Companies Act 2006 relating to small companies.

On behalf of the Board


Jane Dyball (Chair)
Trustee

Date: 12 September 2025

Opinion

We have audited the financial statements of The Performing Right Society Foundation ('the charitable company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities (incorporating the Summary Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including 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 charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company's ability to continue as a going concern for a period of at least 12 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, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 the light of the knowledge and understanding of the charitable company 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 require(s) 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' exemptions 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 15, 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We obtained an understanding of the legal and regulatory framework applicable to the preparation of the financial statements of the charitable company, and the procedures that management adopt to ensure compliance. We have considered the extent to which non-compliance might have a material effect on the financial statements, and in particular we identified: the Companies Act 2006, the Charities Act 2011 and the Charities SORP (FRS 102).

We have also identified other laws and regulations that do not have a direct effect on the amounts or disclosures within the financial statements, but for which compliance is fundamental to the charitable company's operations and to avoid material penalties, including the General Data Protection Regulation and employment law.

Having reviewed the laws and regulations applicable to the charitable company, we designed and performed audit procedures to obtain sufficient appropriate audit evidence. Specifically, we:

- Selected a team with sector-specific experience to perform the audit;
- Obtained an understanding of the charitable company's procedures for ensuring compliance with laws and regulations;

Independent Auditor's Report
For the year ended 31st December 2024



- Obtained and reviewed internal policy and procedure documents;
- Made enquiries of management and the trustees regarding whether they were aware of any actual or suspected incidences of non-compliance with laws and regulations;
- Obtained and reviewed meeting minutes;
- Reviewed legal expenses accounts for indications of any possible non-compliance; and
- Reviewed the completeness and accuracy of any disclosures made in the financial statements.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including considering how fraud might occur. This was performed by:

- Making an assessment of the charitable company's control environment, systems and controls including identifying any weaknesses and considering the risk of management override of controls;
- Considering whether there are any incentives or opportunities for management to manipulate financial results;
- Obtaining and evaluating the trustees' assessment of the risk of fraud, and enquiring as to whether they are aware of any actual or suspected incidences of fraud;
- Reviewing the accounting policies and accounting estimates for signs of management bias; and
- Identifying key risks relating to irregularities as relating to management override of controls, revenue recognition, the completeness of grant commitments and the identification and application of restricted funds.

We then designed audit procedures in response to the risks identified, including performing substantive testing on all material income streams, including reviewing journal entries and key accounting estimates, reviewing all performance material grants, testing grant commitments for completeness on a sample basis, and vouching movements on restricted funds with an emphasis on those funds with restrictions more specific than a grant programme or project as a whole.

The audit has been planned and performed in accordance with auditing standards, however, because of the inherent limitations of audit procedures there remains a risk that we will not detect all irregularities, including those that may lead to material misstatements in the financial statements. There are inherent difficulties in detecting irregularities, and irregularities that result from fraud may be more difficult to detect than irregularities that result from error, for example due to concealment, override of controls, collusion or misrepresentations. In addition, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less audit procedures are able to identify it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lindeyer Francis Ferguson Ltd
J Mathieson FCA (Senior Statutory Auditor)

Date: 26/09/2025

For and on behalf of Lindeyer Francis Ferguson Limited, Statutory Auditor
North House
198 High Street
Tonbridge
Kent TN9 1BE

Legal and administrative information
For the year ended 31st December 2024



Name and status:	The Performing Right Society Foundation ("PRS Foundation") is a company limited by guarantee, being governed by its memorandum and articles of association and has no share capital.
Incorporated:	England and Wales
Company number:	03901665
Charity number:	1080837
Principal and registered office:	Tea Auction House Counter Street London SE1 2HD
Trustees:	Brahim Ait Ben Larbi - appointed 3 December 2024 Jonathan Aitken YolanDa Brown Chris Butler Jane Dyball - appointed 23 April 2025 Michelle Escoffery Christine Geissmar Grace Goodwin - appointed 23 September 2024 Suzanne Hughes Crispin Hunt Jonathan Jackson - appointed 3 December 2024 Alexander Kassner John Minch Caroline Norbury - resigned 15 July 2025 Mark Poole - resigned 3 December 2024 Susannah Simons
Principal staff:	Joe Frankland, Chief Executive Fiona Harvey, Senior Manager, Operations Becci Scotcher, Senior Grants and Programmes Manager Liam McMahon, Senior Communications Manager Yaw Owusu, Senior Power Up Programme Manager
Secretary:	Fiona Harvey
Auditors:	Lindeyer Francis Ferguson Limited North House 198 High Street Tonbridge Kent TN9 1BE
Bankers:	Santander UK plc Bridle Road Bootle L30 4GB

Statement of Financial Activities
(Incorporating the Summary Income and Expenditure account)
For the year ended 31st December 2024



**PRS
Foundation**

	Note	Unrestricted Funds	Designated Funds	Endowment Funds	Restricted Funds	Total 2024	Total 2023
		£	£	£	£	£	£
INCOME:							
Income and endowments from:							
Donations and legacies	3	2,510,453	-	265,250	1,972,877	4,748,580	3,684,653
Charitable activities: Performance-related grants		-	-	-	273,500	273,500	227,225
Other trading activities: Corporate sponsorship		17,917	-	-	-	17,917	238,288
Investment income: Bank interest		27,551	-	-	-	27,551	-
Total income		2,555,921	-	265,250	2,246,377	5,067,548	4,150,166
EXPENDITURE:							
Raising funds	5	(106,083)	-	-	-	(106,083)	(112,443)
Charitable activities	6	(465,023)	(2,247,808)	-	(1,957,623)	(4,670,454)	(4,094,236)
Total expenditure		(571,106)	(2,247,808)	-	(1,957,623)	(4,776,537)	(4,206,679)
Net income / (expenditure)		1,984,815	(2,247,808)	265,250	288,754	291,011	(56,513)
Transfers between funds		(1,963,814)	1,963,814	-	-	-	-
Net movement in funds		21,001	(283,994)	265,250	288,754	291,011	(56,513)
Reconciliation of funds							
Total funds brought forward		128,649	556,217	-	33,897	718,763	775,276
Total funds carried forward		149,650	272,223	265,250	322,651	1,009,774	718,763

The notes on pages 24 to 39 form an integral part of these accounts.

Balance Sheet
For the year ended 31st December 2024

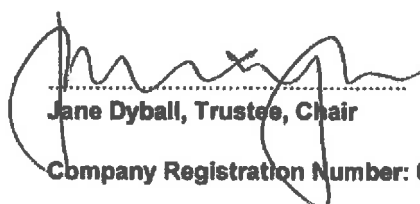


	Notes	2024	2024	2023	2023
		£	£	£	£
Fixed Assets					
Tangible fixed assets	12		519		885
Current Assets					
Debtors: amounts due after more than one year	13	203,169		77,384	
Debtors: amounts due within one year	13	617,028		657,390	
Cash on deposit		638,394		-	
Cash at bank and in hand		2,867,585		2,970,085	
		<u>4,326,176</u>		<u>3,704,859</u>	
Creditors: Amounts falling due within one year	14	(3,316,921)		(2,986,981)	
Net Current Assets			1,009,255		717,878
Total Net Assets			<u>1,009,774</u>		<u>718,763</u>
The funds of the charity	16				
General funds			149,650		128,649
Designated funds			272,223		556,217
Endowment funds			265,250		-
Restricted funds			322,651		33,897
Total charity funds			<u>1,009,774</u>		<u>718,763</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The notes on pages 24 to 39 form an integral part of these accounts.

Approved by the Board of Trustees, authorised for distribution, on 12 September 2025
and signed on their behalf by:


Jane Dyball, Trustee, Chair
Company Registration Number: 03901665

Statement of Cash Flows
For the year ended 31st December 2024



		2024	2023
	Note	£	£
Net cash provided by / (used in) operating activities	17	243,093	(922,779)
Cash flows from investing activities:			
Dividends, interest and rent from investments		27,551	-
Funds (invested in) / redeemed from deposit accounts held > 3 months		(638,394)	-
Purchase of tangible fixed assets		-	(1,099)
Net cash provided by / (used in) investing activities		(610,843)	(1,099)
Cash flows from financing activities:			
Endowment income		265,250	-
Net cash provided by financing activities		265,250	-
Change in cash and cash equivalents in the reporting period		(102,500)	(923,878)
Cash and cash equivalents at the beginning of the reporting period		2,970,085	3,893,963
Cash and cash equivalents at the end of the reporting period		2,867,585	2,970,085

1 Accounting Policies

Statement of compliance

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The Charities SORP (FRS102)) effective 1 January 2019. PRS Foundation meets the definition of a public benefit entity under FRS 102.

Basis of Preparation of the Financial Statements

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound. The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted, which have been consistently applied to all the years presented, are set out below.

Going Concern

The financial statements are prepared on a going concern basis which assumes that the charitable company will continue in operational existence for a period of at least twelve months from the date of approval of these financial statements.

We have been scenario planning for most programmes and trustees have reviewed reforecast budgets for 2025 and 2026 which include assessments of the probability of reaching fundraising targets, using percentage indicators, and information from discussions with funders, particularly in the context of the impact of the cost-of-living crisis on the charitable company's priorities.

Trustees are assured that income is confirmed from PRS in 2025 (£2,750,280) and 2026 (£2,805,286) and that expenditure on programmes is not begun until funds have been confirmed.

Senior management is in constant communication with funders and funding partners with regard to future funding which has helped our scenario planning. The Foundation is very experienced at adapting to changing needs and trustees accept that expenditure on programmes needs to be adjusted where necessary. The trustees will work with management to look for new fundraising opportunities.

The trustees believe that the charitable company is well placed to manage its business risks and has considerable financial resources including cash balances. It is therefore appropriate to prepare these accounts on the going concern basis.

Income

(i) Donations and grants

Income from donations and grants is recognised when the charity has entitlement to the funds (usually when a formal offer of funding has been communicated or, for donations, on receipt), it is probable (more likely than not) than the funds will be received, and the amount can be measured reliably.

Such income is deferred only in the following circumstances:

- Where the donor specifies that the income may only be spent in a future accounting period, or where funds are given in response to an application including a budgeted timescale showing expenditure taking place in a future accounting period;

1 Accounting Policies - Income (continued)

- Where the funding agreement places obligations on PRS Foundation to make its grant programmes available to beneficiaries at defined intervals or on a rolling basis over a defined period - often such agreements involve the funders becoming partners of the relevant programmes and having involvement in the selection process. Such collaborative grants are treated as performance-related grants and are recognised in income from charitable activities in accordance with the charity's delivery of the grant programmes to its beneficiaries over the agreed intervals or defined period; and

- Where the donor has imposed other conditions, not wholly within the control of the charity, the income is deferred until it is probable that the conditions imposed can be met.

(ii) Donated services and facilities

In-kind support is recognised when the charity is entitled to the donated goods / services, the amount can be measured reliably, and the receipt is probable. Donated goods are measured at market value, and donated services and facilities are measured based on the amount that the charity would have had to pay in the open market to obtain the services and facilities.

(iii) Investment income

Investment income is recognised on a receivable basis.

(iv) Sponsorship income

Income from corporate sponsorship arrangements is recognised evenly over the period in which the sponsorship benefits are provided.

(v) Endowment income

According to the agreement, 10% of the Performing Right Society's donation is recognised as endowment income, to be invested in accordance with the direction of the Trustees.

Income earned on the endowment fund is recognised as unrestricted investment income and can be used to fund the charity's operations.

Expenditure

Expenditure, which is charged in the Statement of Financial Activities on an accrual basis, has been classified under headings that aggregate all costs related to the type of activity. Where costs cannot be directly attributed to a particular activity (i.e. support costs) they have been allocated to them on a basis consistent with use of the resources. Support costs have been allocated on the basis of staff time spent on the various activities as this is felt to be a measure of the relative proportion of resources consumed. Grant obligations are recognised on an accruals basis once the grant offer has been communicated to the recipient.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets, acquired at a cost of more than £1,000, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Computer equipment 3 years

The useful economic lives and residual values of all tangible assets are re-assessed annually. Impairment reviews are also carried out annually.

1 Accounting Policies (continued)

Value Added Tax

The charity is registered for value added tax.

Pensions

Contributions to personal pension schemes are charged to the Statement of Financial Activities as they become payable in accordance with the individual schemes.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Other deposits held for greater than three months are classed as cash on deposit.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Recognition basis

Basic financial assets are initially measured at transition price and subsequently carried at amortised cost. Basic financial liabilities are initially recognised at transition price and subsequently measured at amortised cost.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received, where this is material to the accounts.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In the opinion of the trustees there are no sources of estimation uncertainty as at the reporting date that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the next reporting period.

Notes to the accounts
For the year ended 31st December 2024



3 Income from donations and legacies

	2024 £	2023 £
Donations 2024		
Performing Right Society Limited	2,652,500	2,500,000
Performing Right Society Limited - in kind	96,509	94,877
Public funding	1,074,441	129,799
Trusts and Foundations	33,697	79,971
Other	891,433	880,006
	<u>4,748,580</u>	<u>3,684,653</u>

The in kind support relates to the use of accommodation and facilities.

The donation from Performing Right Society includes an expendable endowment of 10% of the total donation.

Public funding' comprises donations from Arts Council England, Arts Council Wales, Department of International Trade, Arts Council Northern Ireland, Creative Scotland, Creative Wales (Welsh Government), Wales Arts International, Liverpool City Council, British Council and Arts Council Ireland.

Other' includes donations from PPL, Creative Europe, British Underground, Universal Music, Musicians' Union, Warner Music and Amazon.

4 Government grants

During the year the following income was recognised: £45,000 (2023: £44,725) from Creative Wales (Welsh Government) relating to PPL Momentum Music Fund and £160,000 (2023: £0) was received from Department for International Trade, relating to the International Showcase Fund.

No unfulfilled conditions or contingencies attached to the grant have been recognised as income.

5 Expenditure on raising funds

	2024 £	2023 £
Staff costs (see note 11)	52,015	50,169
Direct costs	12,274	25,215
Support costs (see note 8)	41,794	37,059
	<u>106,083</u>	<u>112,443</u>

6 Expenditure on charitable activities

Project / activity 2024	Staff costs	Other direct costs	Grants	Support costs	Total 2024
	£	£	(See note 7) £	(See note 8) £	£
Talent Development	265,296	160,394	2,524,201	213,161	3,163,052
Open Funds	49,651	1,409	347,877	39,894	438,831
International	98,335	121,618	341,999	79,011	640,963
UK Collaboration	24,549	1	309,346	19,725	353,621
Other Partnerships	24,479	4,840	25,000	19,668	73,987
	462,310	288,262	3,548,423	371,459	4,670,454

Staff costs are allocated on the basis of staff time spent on the various activities as this is felt to be a measure of the relative proportion of resources consumed.

Support costs, which cannot be directly attributed to a particular activity, have been allocated on the same basis.

Included within the above are grants to 184 institutions (2023: 192 institutions), which include bands, orchestras, festivals and promoters totalling £1,932,520 (2023: £1,762,918).

Included within the above are grants to 329 individuals (2023: 249 individuals) totalling £1,641,252 (2023: £1,415,982).

Also included within the above are deductions for 13 grant reclaims (2023: 80) totalling £25,349 (2023: £170,291).

Further details about these programmes can be found at www.prsfoundation.com

Project / activity 2023	Staff costs	Other direct costs	Grants	Support costs	Total 2023
	£	£	(See note 7) £	(See note 8) £	£
Talent Development	190,587	171,212	1,818,591	140,784	2,321,174
Open Funds	80,152	5,097	733,003	59,207	877,459
International	68,832	263,941	346,222	50,845	729,840
UK Collaboration	8,983	721	75,793	6,636	92,133
Other Partnerships	18,200	10,463	35,000	11,967	73,630
	364,754	451,434	3,008,609	269,439	4,094,236

Notes to the accounts
For the year ended 31st December 2024



7 Grants awarded

	2024 £	2023 £
Commitments brought forward	2,856,948	2,936,437
Grants pledged in year	3,573,772	3,178,900
Grant commitments reclaimed	(25,349)	(170,291)
Grantee debtors	125,052	128,862
Grant payments made	(3,387,153)	(3,216,960)
Commitments carried forward (note 14)	<u>3,143,270</u>	<u>2,856,948</u>

8 Support costs

	2024 £	2023 £
Fundraising and activities to generate funds	41,794	37,059
Charitable activities	371,459	269,439
	<u>413,253</u>	<u>306,498</u>

Support costs, included in the above, are detailed below

Accommodation - in kind	96,509	94,877
Staff costs	49,478	43,775
Travel & subsistence	39,300	25,645
Computer & licences	30,296	23,931
Advisory expenses	28,040	23,288
Consultancy	26,411	23,117
Web design and hosting	19,933	14,497
Staff training	9,219	5,445
Personnel services	1,220	1,707
Other office running costs	90,784	35,671
Governance costs:		
Audit	21,013	12,745
Legal services	1,050	1,800
	<u>413,253</u>	<u>306,498</u>

9 Net movement in funds

	2024 £	2023 £
Net resources are stated after charging:		
Depreciation- owned assets	366	214
Auditors' remuneration- current auditor	17,500	9,500
Auditors' remuneration- predecessor auditor	-	860

10 Trustees' remuneration and benefits

The trustees did not receive any remuneration as statutory directors of the company.

During the year, two trustees (2023: one) were reimbursed £608 for travel and subsistence expenses (2023: £110).

No expenses were incurred during the year (2023: £216) on trustee / staff entertaining.

11 Staff costs

	2024 £	2023 £
Salaries	495,774	405,969
Social security costs	42,954	34,034
Pension costs	25,075	18,695
	<u>563,803</u>	<u>458,698</u>

Included in the above costs are £93,421 of salaries (2023: £62,008) and £7,019 of social security costs (2023: £4,350) that are funded by restricted income.

During the period, the charity paid no termination payments (2023: £21,371).

The average number of monthly employees during the year was as follows:

	2024	2023
Fundraising and activities to generate funds	0.6	0.6
Charitable activities	11.0	10.4
Support	2.9	0.0
Total	<u>14.5</u>	<u>11.0</u>

One employee received emoluments, excluding pension contributions, of between £70,000 - £80,000 (2023: one employee between £70,000 - £80,000).

Employer pension contributions for this employee totalled £4,631 (2023: £4,431).

In addition to remuneration, including pension contributions, for three key management personnel of £208,737 (2023: £203,059), there are two additional members of key management personnel who were paid £26,265 (2023: £22,102) and £38,143 (2023: £37,037) on a consultancy basis.

Notes to the accounts
For the year ended 31st December 2024



12 Tangible fixed assets

	Computer equipment £
Cost	
At 1st January 2024	3,816
Additions	-
Disposals	-
At 31st December 2024	<u>3,816</u>
Depreciation	
At 1st January 2024	2,931
Charge for year	366
Eliminated on disposal	-
At 31st December 2024	<u>3,297</u>
Net book value	
At 31st December 2024	<u>519</u>
At 31st December 2023	<u>885</u>

13 Debtors: Amounts due within one year

	2024 £	2023 £
Prepayments and accrued income	446,566	285,503
Keychange US (see note 20)	41,503	40,794
Trade debtors	97,142	280,493
Grantee debtors	125,052	128,860
Bad debt provision	(93,234)	(78,260)
	<u>617,028</u>	<u>657,390</u>

Debtors: Amounts due after one year

	2024 £	2023 £
Keychange US (see note 20)	203,169	77,384
	<u>203,169</u>	<u>77,384</u>

14 Creditors: Amounts falling due

	2024 £	2023 £
Taxation and Social Security	11,623	11,843
VAT payable	10,000	6,400
Grants payable	3,143,270	2,856,948
Accruals	62,755	37,478
Deferred income	89,273	74,312
	<u>3,316,921</u>	<u>2,986,981</u>
Deferred income (see note 1)		
At 1st January 2024	74,312	
Income deferred	89,273	
Income released	(74,312)	
	<u>89,273</u>	
At 31st December 2024	<u>89,273</u>	

15 Analysis of net assets between funds

	Unrestricted funds 2024 £	Designated funds 2024 £	Endowment funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Fixed assets	519	-	-	-	519
Net current assets	149,131	272,223	265,250	322,651	1,009,255
	<u>149,650</u>	<u>272,223</u>	<u>265,250</u>	<u>322,651</u>	<u>1,009,774</u>
	Unrestricted funds 2023 £	Designated funds 2023 £	Endowment funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Fixed assets	885	-	-	-	885
Net current assets	127,764	556,217	-	33,897	717,878
	<u>128,649</u>	<u>556,217</u>	<u>-</u>	<u>33,897</u>	<u>718,763</u>

Notes to the accounts
For the year ended 31st December 2024



16 Movement in funds

	At 1 January 2024 £	Income £	Expenditure £	Transfers £	At 31 December 2024 £
Unrestricted funds 2024					
General funds	128,649	2,555,921	(571,106)	(1,963,814)	149,650
Endowment funds 2024					
	-	265,250	-	-	265,250
Restricted funds 2024					
(b) Beyond Borders	-	73,941	(73,941)	-	-
(d) ESNS Exchange	-	1,687	(1,687)	-	-
(e) Early Career Promotor Fund	-	615,000	(385,576)	-	229,424
(g) International Showcase Fund	6,443	407,617	(398,128)	-	15,932
(h) Keychange	-	140,718	(140,718)	-	-
(i) Keychange US	-	2,206	(2,206)	-	-
(j) New Music Biennial	-	146,000	(146,000)	-	-
(l) POWER UP	21,000	144,563	(109,563)	-	56,000
(m) PPL Momentum Accelerator	6,454	71,000	(69,850)	-	7,604
(n) PPL Momentum Music Fund	-	515,000	(515,000)	-	-
(o) Prelude	-	18,645	(10,325)	-	8,320
(r) Talent Development Partners	-	-	3,160	-	3,160
(s) Talent Development Network	-	100,000	(100,000)	-	-
(t) UK Sounds	-	10,000	(7,789)	-	2,211
Total restricted funds	33,897	2,246,377	(1,957,623)	-	322,651
Designated funds 2024					
(a) BBC Introducing	117,717	-	(64,973)	-	52,744
(b) Beyond Borders	24,835	-	(5,808)	25,000	44,027
(c) The Composers' Fund	21,994	-	(94,115)	72,121	-
(d) ESNS Exchange	-	-	(12,195)	13,533	1,338
(f) The Hitmaker Fund	-	-	(122,226)	122,226	-
(g) International Showcase Fund	119,274	-	(40,385)	(35,000)	43,889
(i) Keychange US	-	-	(5,761)	5,761	-
(j) New Music Biennial	36,496	-	(144,411)	107,915	-
(k) NFTS	-	-	(2,227)	2,227	-
(l) POWER UP	-	-	(436,371)	436,371	-
(m) PPL Momentum Accelerator	-	-	(47,274)	47,274	-
(o) PPL Momentum Music Fund	111,717	-	(109,942)	119,766	121,541
(p) Rebalance	11,269	-	-	(11,269)	-
(q) Resonate	35,163	-	(71,034)	35,871	-
(r) Talent Development Partners	75,842	-	-	(75,842)	-
(s) Talent Development Network	-	-	(1,091,086)	1,099,770	8,684
(u) Sustaining Creativity Fund	1,910	-	-	(1,910)	-
Total designated funds	556,217	-	(2,247,808)	1,963,814	272,223

Designated funds

The cost of running the various charitable programmes described above is not covered by the restricted income generated alone, and so the Trustees designate amounts out of the charity's unrestricted funds (e.g. from the core donation from PRS) to cover planned expenditure on grant programmes as well as towards the relevant staff and overhead costs.

Endowment funds

According to the agreement, 10% of the Performing Right Society's donation is recognised as endowment income, to be invested in accordance with the direction of the Trustees.

Notes to the accounts
For the year ended 31st December 2024



16 Movement in funds

	At 1 January 2023 £	Income £	Expenditure £	Transfers £	At 31 December 2023 £
Unrestricted funds 2023					
General funds	61,510	3,035,585	(1,048,562)	(1,919,884)	128,649
Restricted funds 2023					
Beyond Borders	-	74,799	(74,799)	-	-
ESNS Exchange	-	3,466	(3,466)	-	-
The Hitmaker Fund	-	-	-	-	-
International Showcase Fund	10,701	201,250	(205,508)	-	6,443
Keychange	-	33,654	(33,654)	-	-
POWER UP	-	100,437	(79,437)	-	21,000
PPL Momentum Accelerator	(13,000)	85,000	(65,546)	-	6,454
PPL Momentum Music Fund	51,255	515,975	(567,230)	-	-
Talent Development Partners	-	100,000	(100,000)	-	-
Total restricted funds	48,956	1,114,581	(1,129,640)	-	33,897
Designated funds 2023					
BBC Introducing	99,203	-	(16,094)	34,608	117,717
Beyond Borders	6,940	-	(16,263)	34,158	24,835
The Composers' Fund	107,536	-	(95,801)	10,259	21,994
ESNS Exchange	-	-	(10,513)	10,513	-
The Hitmaker Fund	-	-	(151,577)	151,577	-
International Showcase Fund	244,907	-	(239,581)	113,948	119,274
Keychange	47,071	-	(139,133)	92,062	-
Keychange US	-	-	(109,831)	109,831	-
New Music Biennial	28,057	-	(7,613)	16,052	36,496
POWER UP	-	-	(428,503)	428,503	-
UNION BLACK	-	-	(12,000)	12,000	-
PPL Momentum Accelerator	-	-	(48,140)	48,140	-
PPL Momentum Music Fund	106,458	-	(82,607)	87,866	111,717
Rebalance	11,808	-	(2,455)	1,916	11,269
Resonate	802	-	(35,246)	69,607	35,163
Talent Development Partners	10,118	-	(633,120)	698,844	75,842
Sustaining Creativity Fund	1,910	-	-	-	1,910
Total designated funds	664,810	-	(2,028,477)	1,919,884	556,217

16 Movement in funds (continued)

(a) BBC Introducing and PRS Foundation partnership

A partnership between PRS Foundation and BBC Introducing since 2014, which brings emerging talent to showcases worldwide. Selected through the Introducing Uploader network and curated and presented by BBC DJs, artists are supported international events including Eurosonic, Winter Jazzfest, SXSW, Reeperbahn Festival and Montreal Jazz Festival, or through domestic interventions to bolster export-readiness.

(b) Beyond Borders

As a flagship programme, Beyond Borders stimulates and strengthens cross-border collaborations between music creators, performers and presenters. It supports the creation, touring and promotion of innovative and high-quality new music across all genres and encourages engagement with audiences across England, Scotland, Wales, Northern Ireland, and since 2014, the Republic of Ireland through multiple performances and digital activities. Support is given to up to 8-10 projects per year with funding of up to £15,000 available for projects that include new commissions, recordings and repeat performances of music written in the past five years. It is managed and funded by PRS Foundation with funds also from Creative Scotland, Arts Council Wales, Arts Council Northern Ireland and Arts Council Ireland/An Chomhairle Ealaíon.

(c) The Composers' Fund

The Composers' Fund is an opportunity for composers with a strong track record to gain direct access to funding at pivotal stages in their career. Grants of up to £8,000 - £15,000 are available to no more than 15 composers per year who are already making a significant cultural contribution in the UK and have the potential for greater impact in the UK and overseas. Previous projects have included recordings, the promotion and performance of existing works, international co-commissions and development, performer collaboration, residencies, sabbaticals or childcare costs and project or promotional support. It is managed and funded by PRS Foundation.

(d) ESNS Exchange (Eurosonic Noorderslag)

ESNS Exchange is an initiative of the Eurosonic Noorderslag Foundation to stimulate the circulation of European repertoire on festivals, radio, and in the media in Europe. PRS Foundation is the UK partner on the programme, making it possible for UK acts to be included. The UK's financial contribution consists of money from PRS Foundation with additional funding from partners such as the Musicians' Union, Creative Scotland and Arts Council Northern Ireland.

(e) Early Career Promoter Fund

The Early Career Promoter Fund was established by PRS Foundation in 2024, with support from Arts Council England and DCMS. The Foundation responded to a brief and were selected to manage regular deadlines aimed at supporting emerging and early career music promoters across England, through grants of up to £3,500 and wraparound support which develops over 100 individual promoters per year while bolstering the grassroots music ecosystem, impacting artists, creators, venues, festivals, crew and other key players.

(f) The Hitmaker Fund

The Hitmaker Fund offers an opportunity for songwriters and producers working in popular music genres to further develop their careers and writing/production with grants of between £5,000 - £10,000. Launched in 2017 as a response to the long-term career needs of those working behind the scenes, The Hitmaker Fund was previously known as The Writer Producer Fund which was initiated by PRS Foundation with BASCA Trust.

(g) International Showcase Fund

The International Showcase Fund offers vital export support for UK-based artists, bands, songwriters and producers who have been invited to perform or create new music at international showcasing festivals or conferences. It is managed and funded by the Foundation with funds from partners: Department of Business and Trade (DBT), British Underground, Arts Council England, PPL, Creative Scotland, Wales Arts International, Arts Council Northern Ireland, British Council and the Musicians' Union. Grants and support from fund partners enable artists to perform at key showcasing events and conferences around the world such as Eurosonic (Europe), SXSW (North America), Reeperbahn Festival (Europe), Zandari Festival (Asia), Womex (Europe), Americana Fest (North America) and JazzAhead (Europe).

16 Movement in funds (continued)

(h) Keychange

Keychange is a pioneering international initiative which transforms the future of music whilst encouraging festivals and music organisations to include 50% women and gender diverse talents in programming, staffing and beyond. Launched in 2017, Keychange has since supported over 300 participants based in 27 countries, with participant programmes, talent development programmes and leadership networks in Europe, Canada and now in the U.S. since Keychange's expansion there in 2023. Keychange partners include festivals, conferences, networks and collection societies and the Keychange Pledge celebrated a milestone in 2024 when the 700th Pledge Signatory was announced. The Creative Europe-funded projects are now lead by RB-X, the non-profit arm of Reeperbahn Festival, and Keychange asbl was established in 2024 as a non-profit entity in Brussels while PRS Foundation's contribution enables UK creators and professionals to participate and the Foundation remains a core partner in all activities.

(i) Keychange USA

Keychange Core Partners, including PRS Foundation, were involved in securing a founding sponsor donation of \$250,000 from Believe and TuneCore and strategically steering the expansion of the global Keychange initiative into the United States. For an initial period, PRS Foundation – on behalf of core partners- were administering that donation and making payments while overseeing a small Keychange U.S. team of employees and consultants using Employer of Record, Multiplier. Keychange U.S. has now been incorporated as a standalone 501(c)(3) non-profit organization in the U.S., with its own Board of Directors (including PRS Foundation CEO, Joe Frankland) and Keychange U.S. is now run as a standalone entity.

(j) New Music Biennial

New Music Biennial is a PRS Foundation initiative, presented in partnership with Southbank Centre, BBC Radio 3 and NMC Recordings, with a model that involves partnership with the relevant UK City of Culture. It supports and provides a platform for talented organisations and music creators who are pushing the boundaries of new music in the UK. The project is funded and managed by the Foundation with funds also from Arts Council England.

(k) National Film and Television School Scholarships (NFTS)

We support two scholarships per year for emerging composers at the National Film and Television School. During the course, students compose music for fiction, documentary and animation films, commercials and television productions. This variety allows students to experiment musically and discover their strengths and individual styles.

(l) POWER UP

POWER UP is an ambitious, long-term initiative which supports Black music creators and industry professionals and executives, as well as addressing anti-Black racism and racial disparities in the music sector. Co-founded by PRS Foundation and Ben Wynter and managed by the Foundation in partnership with YouTube Music, Beggars Group, and the Black Music Coalition, the initiative brings together several music industry partners and goes beyond solidarity, with new approaches which foster meaningful change. Other supporters include Creative Scotland, Universal Music Group, Warner Music Group, Amazon Music, Arts Council Wales, Creative Wales and Paul Hamlyn Foundation.

(m) PPL Momentum Accelerator

PPL Momentum Accelerator is a targeted scheme to support the development of outstanding artists and bands who are writing their own music, and future Industry Professionals, outside London and who face regional/national barriers in reaching a crucial career tipping point based on their location. Through the evaluation of our PPL Momentum Music Fund and evidence from thousands of applications PRS Foundation receives each year, we identified talent pipeline gaps across the UK. Partners provide support for a number of future industry professionals such as managers, promoters, record labels, music publishers, and booking agents, to bolster regional scenes across the UK. Launched as a pilot in Liverpool in 2019, PPL Momentum Accelerator has been managed in Liverpool City Region partners, Yorkshire and Wales. In partnership with PPL, Music:Leeds, Liverpool City Region and Arts Council Wales.

16 Movement in funds (continued)

(n) **PPL Momentum Music Fund**

The PPL Momentum Music Fund offers grants of £5,000 to £15,000 for UK based artists/bands to break through to the next level of their careers. Activities eligible for support include recording, touring and marketing. The PPL Momentum Music Fund is run by PRS Foundation in partnership with PPL, Creative Wales, and Arts Council Northern Ireland. PRS Foundation and Arts Council England initiated The Momentum Music Fund in 2013.

(o) **Prelude**

Prelude was launched in 2024 as a pilot partnership between PRS Foundation and Amazon MGM Studios in recognition of the lack of opportunities and the complex barriers facing underrepresented music creators who want to forge careers as media composers. Small grants are available alongside mentoring, workshop and capacity building support from partners.

(p) **ReBalance**

In partnership with Festival Republic, ReBalance is a pioneering programme which provides five days' studio recording time to a core female-identified band or artist each month, as well as a slot at a Festival Republic or Live Nation festival and numerous live events throughout the year. ReBalance is managed and funded by PRS Foundation also with funds from Festival Republic. This fund has now closed.

(q) **Resonate**

Resonate is a fund and resource which encourages professional orchestras to programme into their repertoire the best pieces of British music from the past 25 years. PRS Foundation offers financial support with grants of up to £10,000 to orchestras who commit to exploring contemporary UK repertoire as part of a season / tour and longer-term audience development programme. The Resonate database is currently updated on an annual basis, following an open submission process. Resonate is managed and funded by PRS Foundation in partnership with the Association of British Orchestras and in association with broadcast partner BBC Radio 3.

(r) **Talent Development Partners**

Talent Development Partners (TDP), which include venues, festivals, rehearsal spaces, studios and other talent development experts, receive a grant from the Foundation for their year-round activity. They also work closely with PRS Foundation to address talent pipeline gaps through joint work and signposting. The TDP Network is managed and funded by PRS Foundation with funds also from PPL. This fund has been replaced by the Talent Development Network fund in 2024.

(s) **Talent Development Network**

The Talent Development Network (TDN) offers funding and wraparound support to over 70 non-profit organisations, including venues, festivals, promoters, studios, orchestras and other specialist organisations working at the forefront of talent development across the UK. TDN was launched in 2024 after a consultation period which resulted in the merger of our previously 'Talent Development Partner' programme and The Open Fund for Organisations. TDN is managed by PRS Foundation in partnership with PPL via their PPL Giving fund.

(t) **UK Sounds**

UK Sounds is a platform set up by PRS Foundation to support and champion the broad range of exciting music coming out of all four UK nations to empower artists, creators and businesses on the global stage while connecting international industry professionals with UK talent. With additional support from PRS for Music, UK Sounds was launched in 2024 and involves events at international conferences, a newsletter and sharing of information via digital channels to bolster music export and exchange.

(u) **Sustaining Creativity Fund**

Thanks to the Spotify COVID-19 Music Relief Fund and generous donations from members of the public, PRS Foundation launched the Sustaining Creativity Fund to support artists, songwriters and composers to create and develop when they need it most. For those experiencing significant impact on their work, income and ability to complete planned musical activities, we wanted to enable creativity and to help grantees to be in a good position to fulfil creative and career potential, breaking down the huge barriers presented by the Covid-19 pandemic. This fund has now closed.

17 Net cash outflow from operating activities

	2024 £	2023 £
Net income / (expenditure) as per Statement of Financial Activities	291,011	(56,513)
Adjustments for:		
Investment income	(27,551)	-
Endowment income	(265,250)	-
Depreciation of tangible fixed assets	366	214
Increase in debtors	(85,423)	(175,461)
Increase / (decrease) in creditors	329,940	(691,019)
Net cash provided by / (used in) operating activities	243,093	(922,779)

18 Related parties

During the year the charity received a donation of £2,652,500 (2023: £2,500,000) from a member, the Performing Right Society Limited (PRS), of which £2,652,500 was received by the end of December 2024 (2023: £2,500,000).

The Foundation has the use of PRS's premises and a range of associated services. This has been funded by PRS to the value of £96,509 (2023: £94,877).

During the year the charity made no grants to the institutions who share a common trustee or key management personnel with the Foundation (2023: 0).

Also, the charity made grants to individuals of £0 (2023: £23,100), who are represented by publishers who are trustees of the charity.

19 Legal status

The charity is a company limited by guarantee and has no share capital. The members of the company are the Performing Right Society Limited and the trustees. The liability of each member in the event of a winding up is £10. The registered office address is Tea Auction House, Counter Street, London, England, SE1 2HD.

20 Keychange US

In 2023, PRS Foundation incubated the activities of Keychange US while a separate US not-for-profit entity, Keychange U.S. Inc., was being established. PRS Foundation acted as principal for Keychange US transactions during the incubation period which ended on 30 June 2023 when the corporate sponsorship agreements terminated and new agreements were issued in the name of Keychange U.S. Inc. The activities of Keychange US are therefore included in the statement of financial activities of PRS Foundation up to the end of the incubation period.

The income and expenditure relating to Keychange US during the incubation period and included in the income and expenditure of PRS Foundation were as follows:

	2024 £	2023 £
Income:		
Corporate sponsorship	2,052	87,604
Expenditure:		
Direct activity costs	(2,052)	(104,662)
Surplus or (deficit)	(0)	(17,058)

Subsequent to the end of the incubation period, PRS Foundation paid costs on behalf of Keychange U.S. Inc. while the entity set up its financial systems and bank account. These costs totalled £166,879 (2023: £118,178), including grants for travel allowances disbursed to beneficiaries on behalf of Keychange U.S. Inc. of £8,970 (2023: £38,074).

In respect of the reimbursement due, Keychange U.S. Inc made a repayment of £40,385 (\$52,000) in December 2024 and confirmed a continuation of the repayment plan for 2025 onwards, to be reviewed regularly.

21 Contingent liability

As a registered charity, PRS Foundation is exempt from Corporation Tax on most of its income and gains to the extent that they are applied for charitable purposes. The charity is currently taking specialist tax advice in relation to its corporate sponsorship income to determine whether a tax liability may arise and if so, to what extent related costs should be apportioned to calculate any taxable profit. At the time of approval of the financial statements, this work is in progress and so the existence and amount of any liability is uncertain. In view of the uncertainties involved, it is considered impracticable to estimate the potential financial effect.

THE PERFORMING RIGHT SOCIETY FOUNDATION

England & Wales - Charity number 1080837

Accounts



THE PERFORMING RIGHT SOCIETY FOUNDATION
(A company limited by guarantee and not having a share capital)

Trustees' Report and Financial Statements

For the year ended 31 December 2023

Company number: 03901665
Charity number: 1080837

	Page
Trustees' Report	1 – 17
Independent Auditor's Report	18 – 21
Legal and administrative information	22
Statement of Financial Activities	23
Balance Sheet	24
Statement of Cash Flows	25
Notes to the accounts	26 - 42

ABOUT PRS FOUNDATION

PRS Foundation ("the Foundation") is the UK's leading charitable funder of new music and talent development. We empower and enable songwriters and composers of all backgrounds to realise their potential, create exceptional new music and reach audiences across the world. Through direct support for hundreds of Music Creators and funding for Organisations who reach thousands more each year, our funding removes barriers to progression and provides timely investment in exciting, diverse and innovative talent.

5 out of the last 6 Mercury Prize winners had received PRS Foundation support at pivotal career moments, including 2022 prize winners Ezra Collective. And music creators supported by PRS Foundation secure hundreds of high-profile nominations for major industry awards each year, with the charity supporting those who go on to win BRITS, Grammy, RPS, MOBO, AIM and Ivors Awards.

Since 2000 PRS Foundation has given more than £47 million to over 8,900 new music initiatives, supporting outstanding talent from all backgrounds and covering the whole of the UK and all genres, with grantee success stories including Little Simz, Wolf Alice, Dave, Sam Fender, Years & Years, AJ Tracey, Anna Meredith, Yola, Glass Animals, Ezra Collective, Jade Bird, Ghetts, Shiva Feshareki, Sarathy Korwar, Floating Points, Nadine Shah, The Fanatix, Imogen Heap, IDLES, Kae Tempest, Kojey Radical and Emily Burns.

Widely respected as an inclusive, collaborative and proactive funding body, PRS Foundation supports an exceptional range of new music activity through direct grants to music creators and through support for pioneering organisations, including venues, festivals, promoters and other talent development organisations. PRS Foundation founded the Women Make Music fund, co-founded global gender equality initiative, Keychange and most recently launched the POWER UP initiative to tackle anti-Black racism in music.

PRS Foundation is a constantly evolving, dynamic organisation and its approach ensures that support reaches music creators from the grassroots up while responding to the changing environment in which the creators we support are working.

This is all made possible thanks to our main donation from Performing Right Society ("PRS"), match funding from various partners, and the expertise of independent advisors working in different music genres and UK regions.
www.prsfoundation.com

OBJECTIVES AND ACTIVITIES

PRS Foundation's charitable objects are to support, sustain and further the creation and performance of new music in the UK and increase the public's appreciation of and education in new music.

Our 2020-23 Strategic Priorities were to:

- invest in the development of exceptional, diverse music creators at crucial stages
- support pioneering organisations and talent development experts to enable those working in all genres across the UK to fulfil their potential
- spearhead new ways to connect music creators with organisations and partners to address talent pipeline gaps and fast-track career progression
- champion grantees and the way we work to add value, influence policy and attract increased external investment
- cement our reputation as the UK's most accessible, inclusive and collaborative music funder

Major activities in 2023 which delivered on these objectives were:

- Supporting 432 projects (12% of applicants), investing approximately £3.13m in grants pledged (average £7,267 with easy-to-access grants pledged to:
 - 292 individual songwriters, composers and other music creators (67% of grants),
 - 112 organisations supporting talent development (26% of grants), and
 - 28 industry professionals/ future industry professionals through vital programmes which impact music creators (7% of grants)
- Receiving 3,585 applications (vs. 3,817 in 2022)
- Continuing our reputation as the most inclusive music funder in the UK – with:
 - 60% music creator and industry professional grantees supported being women (47%), mixed gender groups (5%) or gender diverse (8%) (vs. 63% in 2022 and in 2021),
 - 58% of music creator and industry professional grantees being Black, Asian or ethnically diverse heritage (vs. 58% in 2022),
 - 18% of music creator and industry professional grantees identifying as disabled (vs. 18 in 2022 and 15% in 2021)
- Celebrating our flagship Women Make Music fund at Abbey Road in March where we launched our 12-year impact evaluation report which showed that:
 - Over £1.46 million has now been invested in more than 380 women music creators since 2011
 - Over 5,000 music creators have now applied for this funding since it was announced
 - 94% of grantees agreed the fund impacted creative development, and 94% stated that Women Make Music instilled a sense of confidence and empowerment
 - 98% of surveyed grantees say the fund is still needed
- Marking 10 Years of the PPL Momentum Music Fund, with an impact report launched at The Great Escape showing:
 - This Fund has helped to generate over £22 million for the UK music industry
 - Over £5.2m has been invested, with over 500 artists supported
 - Over half of those supported have been based outside London and through the Momentum Accelerator fund we address infrastructure gaps in Yorkshire, Wales and Liverpool City Region
 - In the last 3 years, 55% of grantees identify as women, gender expansive or in mixed gender groups, and almost half of grantees have Black, Asian or other ethnically diverse heritage
- Completing and announcing a major restructure of our major funding schemes for organisations, with the new Talent Development Network programme merging our network of Talent Development Partner organisations and our Open Fund for Organisations
- Securing further recognition from the industry for the impact of changemaking initiatives including:
 - Keychange which won The LIVE Workforce Award at the UK LIVE Awards in December recognising the impact of the programme which has so far supported over 300 women and gender-diverse artists and professionals in 13 countries
 - POWER UP received the Women in Music Awards DE&I Initiative of the Year award in its third year, and has now supported 120 Black music creators and industry professionals through its ever-expanding and influential network
- Ensuring that grant support is available when most needed, and that grants programmes adapt to help creators to tackle new challenges associated with the cost-of-living and cost-of-touring crises impacting music creators across the UK and abroad
- Celebrating grantee adaptability, resilience and commercial and critical success, including high-profile Award wins and nominations (see below).
- Announcing the new multi-year funding agreement with main donor the Performing Right Society Limited ("PRS") which will increase year-on-year funding which can be allocated to PRS Foundation
- Securing renewed support from PPL for 2024-2027 relating to key programmes including the PPL Momentum Fund, International Showcase Fund and the Talent Development Network
- Supporting the development of Keychange U.S., including playing a crucial role as core partner of the global initiative in providing administrative support as the standalone non-profit entity was being set up
- Pitching (successfully) to become the grants partner for a new Early Career Promoter Fund, supported by Arts Council England and DCMS which launches in 2024
- Further adaptation of international programmes including the International Showcase Fund (ISF) to tackle the complex needs of those expanding their career globally within a post-Brexit, post-Covid context.

Context

Our crucial and timely support removes barriers and is helping to build a strong, connected, inclusive community of collaboration and brilliance.

Since demand for funding peaked at over 5,900 applications received in 2021 during the pandemic, the Team and Board have been working strategically to address unsustainable levels of demand, particularly from music creators.

This work continued in 2023 where the number of deadlines available to music creators was once again reduced, making it easier for applicants to identify the most suitable funding opportunity while allowing the team to better evaluate the impact of programmes to future-proof our model.

During the year, we supported 432 new music projects, investing approximately £3.13m in grants pledged to 292 music creators (songwriters, composers, artists and bands), 112 organisations (e.g. festivals, venues, studios, orchestras and other talent development-focussed organisations), and 28 industry professionals whose work impacts music creator development.

A reduction in the number of deadlines available to organisations, and the planned lack of our major open call for Keychange applicants based in the UK and the EU contributed to making demand more manageable, and we received a total of 3,585 applications (vs. 3,817 in 2022 and 5,939 in 2021). We received an average of 102 (vs 119 in 2022) applications per deadline.

The overall percentage of applicants supported increased year-on-year (to 12.1%). However, this factors in the higher 'success rate' for organisations applicants and we note that demand remains very high for music creator schemes where we were only able to support 9% of applicants and in some popular open calls for The Open Fund, Women Make Music and the PPL Momentum Music Fund, this figure fell below 6%. For example, demand for Women Make Music's second deadline in 2023 was so high we were only able to support 4% of applicants and the Board remains keen to bolster resources to increase music creator 'success rates'.

We prioritised direct support for music creators where demand is highest and the needs are most complex. The ongoing impacts of crises including Covid-19 and the cost-of-living crisis, combined with Brexit-related barriers have greatly impacted music creator development. And from a domestic touring perspective, the impact of the cost-of-touring increases and well publicised closures of grassroots music venues and challenges facing independent festivals are having a knock-on impact on the talent pipeline and on music creators.

The Foundation continues to play an important role in sustaining creativity and intervening to ensure the new music ecosystem can overcome these challenges.

Within this context, the inequities within the music sector are clearer for all to see. And our work supporting music creators, non-profit organisations and industry professionals is more vital than ever.

THE IMPACT OF OUR WORK

For over 23 years, PRS Foundation's investment has enabled songwriters and composers to develop and grow in ways which would not otherwise have been possible.

Our funding complements a changed investment landscape and reflects changing needs. Some music creators are likely to face bigger challenges than others and there is significant inequality between people of different socio-economic, ethnic and gender backgrounds.

Impact for music creators – direct investment in songwriters and composers

Our long-term approach enables music creators of all backgrounds to realise their potential, compose exceptional new music, and reach audiences across the world. Through financial support and more, we are breaking down barriers to empower outstanding and diverse talent, and we have proven that timely investment in the creators is working.

Impact for music creators (continued)

PRS Foundation's successful model is perhaps best demonstrated through the hundreds of nominations received by grantees each year for major industry awards, with grantees being recognised with commercial and critical acclaim.

2023 Mercury Prize Winners, Ezra Collective perhaps demonstrate the success of our model more than any creator:

- Drummer and lead creator, Femi Koleoso rightly used his platform to advocate for support for young musicians, and gave thanks to organisations including PRS Foundation talent development partner grantees Tomorrow's Warriors (where the band met aged 14) and Audio Active in Brighton
- Koleoso received direct support in 2016 our Steve Reid Innovation Award partnership with the Steve Reid Foundation which included a grant and mentoring
- Ezra Collective went on to receive support in 2017 through the PPL Momentum Music Fund before taking their sound to new audiences around the world with support through our international showcasing funds

5 out of the last 6 Mercury Prize winners have been creators who have received support through PRS Foundation programmes, and over half of all nominees within that 6-year period have been #FundedByPRSF.

In terms celebrating grantee successes and industry recognition in 2023, highlights include:

- Several grantees experienced commercial success, including **Lostboy** who was funded to attend a SXSW songwriting camp a few years ago and this year co-wrote hits for Ellie Goulding and Kylie (and in 2024 collected a Grammy Award for his Kylie collaboration)
- This year's Ivor's Composer Awards saw 22 nominations for PRS Foundation supported composers, with over half of the wins going to grantees
- And 7 funded composers had pieces performed during the King's Coronation Ceremony

This demonstrates how important it is to support non-profit talent development organisations working on the frontline to unearth and nurture talent, while our direct funding has a transformational impact on the careers of countless songwriters, composers, artists and bands.

Other common outcomes for grantees include publishing and record deals, income generation, audience growth, developing teams, and securing media attention and critical acclaim.

Selecting music creators at the most opportune and pivotal point(s) in their development is something PRS Foundation is uniquely placed to do, thanks to our strategic priorities and the expertise of our external advisor network. No other funder can boast our rate of success in empowering music creators to develop and thrive.

Our investment is designed to reach songwriters and composers at different career stages in order to support the talent pipeline from the grassroots up.

Many are able to move up the pipeline of career-level support and we are streamlining programmes to ensure that this is clearer and easier for applicants to understand so that they can access the right support at the right time. This reflects a longer-term strategic commitment to building sustainable careers.

We know that timely investment makes a huge difference to:

- Career development – our grants help to transform careers
- Creative development and collaboration with other songwriters, composers, producers and creators
- Securing follow-on investment and levered funds
- Strengthen industry networks and to generate new opportunities (including helping creators to build communities and scenes)
- And project funding facilitates skills development and capacity-building for music creators and their representatives such as managers, labels and publishers

Impact for organisations we fund

Funding for organisations - including through major schemes the Talent Development Partner network and The Open Fund for Organisations – helps to reach thousands of emerging and early career music creators each year.

This important project and programme funding reaches and supports venues, festivals, promoters, orchestras, commissioning experts and other talent development organisations across the UK, and this ensures that songwriters and composers working in any genre access transformative development and vital 'lifeline' support, which ranges from commissions to creative development support, performance opportunities, career development, and access to free advice and guidance for music creators.

- Grants for organisations enable PRS Foundation and partners to ensure that investment reaches thousands of music creators in all genres UK-wide
- It helps to build ecosystems which enable songwriters and composers to thrive
- Investment opens access to creators who will otherwise be out of reach
- Support helps organisation grantees to secure additional funding – an average of £62,000 has been levered by organisation grantees
- The pioneering Talent Development Partner network consists of 44 organisations in 2023-24, supporting a broad range of music creators working in all genres. The TDP network fosters shared learning, better signposting, and ensures transformational support is on offer
- Organisations we fund implement best inclusivity practice, with the majority signing up to the Keychange Pledge, working closely on POWER UP and ensuring that funding reaches a broad range of emerging and talented creators
- Organisation grantees develop talented PRS members and future members, significantly boosting the UK's cultural and economic success

Throughout 2023, PRS Foundation's Board and Team reflected on our models of funding for organisations and carried out thorough research and consultation before announcing an evolved approach which comes into force in 2024 – merging the Talent Development Partner scheme and our Open Fund for Organisations into a new Talent Development Network which offers up to £25,000 per year for up to three years to c. 70 organisations. This streamlined approach was announced in December 2023.

Industry collaboration and the impact for the wider sector

We continued to build strong connections within the commercial sector, with key partnerships including ongoing support from PPL, sponsorship and partnership support from Beggars Group, YouTube Music, the BMC, Believe and several trade associations.

We partner with dozens of organisations and companies to deliver results on programmes including Keychange and POWER UP, and big and small companies continue to consult with our team in relation to gender equity and active anti-racism. We remain actively involved in the DCMS and Creative UK-led Bullying, Harassment and Discrimination working groups which resulted in the formation of CIISA. Colleagues still sit on the UK Music Skills and Communications committees, and CEO Joe Frankland is part of the LIVE group and meets regularly with 'sister' trade bodies, Arts Councils, and other arts Trusts and Foundations.

Internationally our collaborative work includes European Music Export Exchange membership for the UK sector, and we also partner on ESNS Exchange and the On The Move network, and work closely with other export funders and agencies.

We know that the impact of our support for emerging music creators and the non-profit sector has a huge impact for the wider UK music sector.

- The annual donation from PRS generates over £10m per year for the UK music sector, including funds raised by PRS Foundation from other sources, income generated, and funds levered by grantees as a result of our investment
- PRS Foundation feeds the talent pipeline and intervenes when and where it is most important, benefiting individual creators, publishers, record labels, the live sector, managers, and others

Industry collaboration and the impact for the wider sector (continued)

- PRS Foundation only supports creators in need of funding, prioritising early career talent, DIY creators and those working with independent companies (which benefits companies, team members and in some cases larger labels and publishers who take over investment at a later stage)
- The wider music sector acknowledges PRS Foundation's contribution
- PRS Foundation shapes a fairer, stronger, more connected and more diverse sector
- 2023's long-term PPL Momentum Music Fund impact report demonstrated the huge financial impact for the music industry, with over £22m generated for the UK music industry through this fund alone since it was launched in 2013

Investing in music creator development across the UK

Statistics for 2023 grantees showed that:

- 62% of music creator and industry professional grantees were based outside London (vs. 62% in 2022), with 11% based in Scotland (vs. 11% in 2022), 10% based in Wales (vs. 10% in 2022) and 6% based in Northern Ireland (vs. 8% in 2022)
- 72% of organisations we funded were based outside London – a continued increase year-on-year (vs. 70% in 2022)
- 16% of organisation grantees were based in Scotland (vs. 23% in 2021), 8% in Wales (vs. 9% in 2022) and 7% in Northern Ireland (vs. 7% in 2022)
- And 95% of London based organisations reaching creators and audiences nationally or internationally (vs. 90% in 2022)

Some targeted action in this area includes our PPL Momentum Accelerator programme, which is available to those based in Yorkshire, Liverpool City Region and across Wales. And the Team is excited to launch the Early Career Promoter Fund in 2024 which will greatly impact the proportion of grantees based outside London and in towns and cities outside London.

Addressing barriers facing music creators

Our timely support helps to remove barriers and build a strong, connected, diverse and inclusive community, enabling the creation of exciting new music.

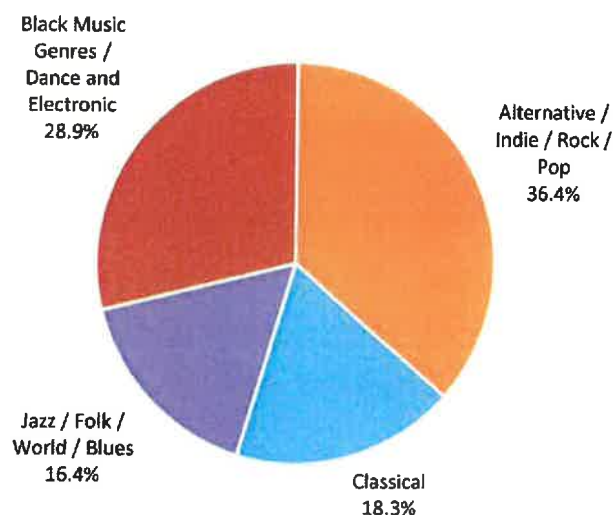
But aforementioned barriers including the increased cost of touring, Brexit-related barriers, bullying, harassment and discrimination and mental health impacts on creators cannot be underestimated. PRS Foundation truly understands the needs of songwriters and composers, consulting regularly with applicants, grantees and expert advisors to ensure that our programmes and projects adapt to tackle new challenges.

Meeting changing music creator needs in 2023 included:

- Sustaining creativity through project funding, including supporting songwriting, composition, commissions, recording and releases
- Encouraging those seeking to tour and perform across the UK to utilise available funding to make this more affordable and to reach and grow audiences for their music
- Helping creators to overcome barriers to exporting their music, developing new partnerships and new platforms.

Supporting a wide range of genres

We supported a broad range of genres and sub-genres, maintaining a similar split in genre groupings to last year, and reintroducing Organisations schemes specialising in supporting contemporary classical composers.



DIVERSITY AND INCLUSION

Of all our approaches to tackling barriers facing members, PRS Foundation is perhaps best known for its pioneering approach to empowering exceptional and diverse music creators.

We believe that the success of the music we fund is driven by the diversity of the people who create it. We recognise the range of structural and social barriers that obstruct talent development, and we take responsibility to embrace inclusivity. We reach a broad range of creators directly while also funding organisations – including diverse-led organisations – who reach thousands of songwriters and composers from all backgrounds every year.

2023 Developments

- The global gender equity initiative, Keychange now has over 650 Keychange Pledge Signatory organisations signed up based in over 40 countries, and launched its inaugural Keychange U.S. Talent Development Programme
- We continue to tackle economic inequality through all our funds while monitoring socio-economic background through all programmes
- The proportion of applicants with disabilities (visible and invisible) and long-term health conditions which impact their lives and music careers is consistently higher, and we continue to tackle barriers for disabled and neurodiverse creators
- We are supporting more diverse-led organisations and talent development programmes

Gender

- 60% music creator and industry professional grantees supported being women (47%), mixed gender groups (5%) or gender diverse (8%)
- 40% were men

We continue to meet gender representation targets across our programmes, and always seek to make improvements in representation in funds such as Hitmaker and The Composers' Fund where representation more closely reflects huge inequity within the music sector.

Gender (continued)

The proportion of gender diverse creator grantees (including non-binary, gender queer, agender and Trans creators) has increased year-on-year.

Sexual orientation

- 31% of music creator and industry professional grantees identified as LGBTQIA+ (vs. 29.2% in 2022).

Disability and Access

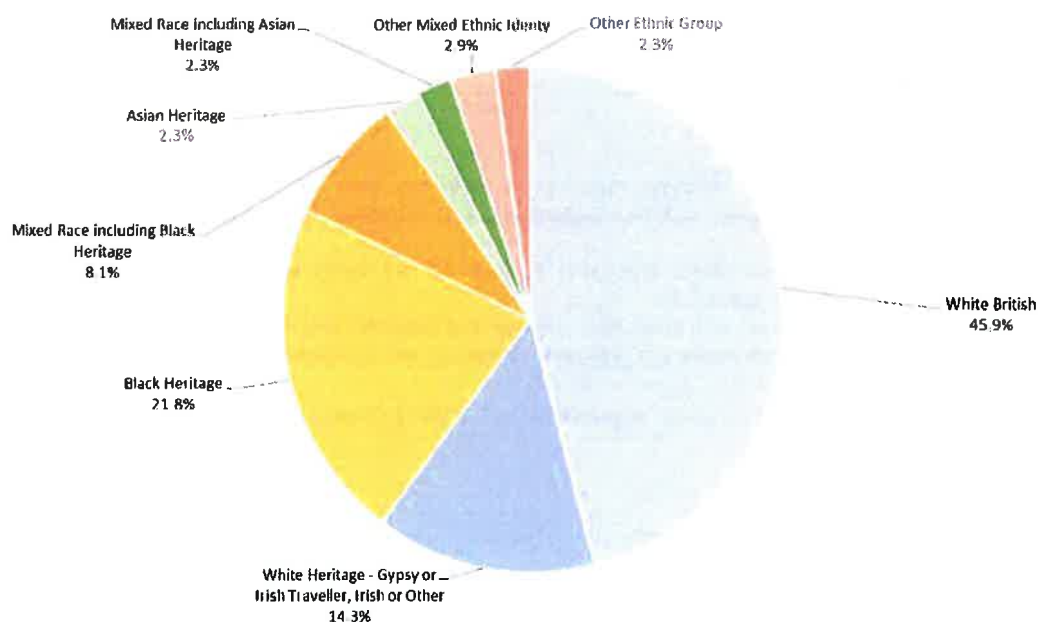
- 18% of music creator and industry professional grantees identifying as disabled or having a long-term health condition which affects their day-to-day life (vs. 18% in 2022, 15% in 2021 and 10% in 2020).

Ethnicity

The proportion of ethnic minority music creator and industry professional grantees remains consistently high.

54.1% of grants have been awarded to those with Black, Asian or other ethnically diverse heritage, and in 2023:

- 60.2% of Music Creator and Industry Professional grantees identified as White (vs. 53.3% in 2022)
45.9% were White British (vs. 42.1% in 2022); 14.3% were White – Other (vs. 11.2% in 2022)
- 29.9% of Music Creator and Industry Professional grantees identified as Black (21.8%) or have mixed heritage including Black (8.1%) (vs. 27% Black and 9.1% mixed heritage including Black in 2022)
- 4.6% of Music Creator and Industry Professional grantees identified as Asian (2.3%) or have mixed heritage including Asian (2.3%) (vs. 3.2% Asian and 1.8% mixed heritage including Asian in 2022)
- 2.9% of Music Creator and Industry Professional grantees identified as 'Mixed Heritage – Other' (vs. 5.3% in 2022)
- 2.3% identified as belonging to an 'Other Ethnic Group' (vs. 0.4% in 2022)



Power Up Successes So Far

Currently in its third cohort year, Power Up has attracted over 1,200 Black music creator and professional applicants. With partnerships forged across the industry to tackle anti-Black racism, the participant programme has been powering up 120 individuals and key successes so far include:

- PRS Foundation received the DE&I Initiative of the Year award at the 2023 Women in Music Awards
- Participants have been recognised with multiple award wins and nominations, including for the Mercury Prize, MOBOs, AIM Awards, Young Music Boss Awards, Jazz FM Awards, Heavy Music Awards, and Music Week and Women in Music Awards
- Significant music creator career development includes UK and international tours for several participants, label and publishing deals, agency deals, chart success, high profile media and DSP coverage, and the completion and release of dozens of singles, EPs and albums – Power Up artists are dominating playlists and festivals across the world
- Industry professionals have been launching businesses, securing Board positions and gaining promotions into senior positions

SIGNIFICANT OUTCOMES

PRS Foundation's grantees continued to receive many Award wins and nominations in 2022, building on critical acclaim which recognise the high quality of PRS Foundation-funded output.

Other Grantee Awards and Nominations:

- 2 PRS Foundation grantees picked up Ivor Novello awards: **Hannah Peel** received Best Television Soundtrack for "The Midwich Cuckoos" and **Cleopatra Nikolic** received the award for Best Album. In total there were 9 nominations for PRS Foundation supported music creators at the Awards were: Best Album – **Cleopatra Nikolic** (MOBO Unsung), **Little Simz** (whose album also features a co-write from **Cleopatra Nikolic**); Best Contemporary Song – **Wesley Joseph** and **Leon Vynehall** (who have both been funded through PPL Momentum Music Fund); Best Contemporary Song – **Knucks** received 2 nominations in this category (PPL Momentum Music Fund), **Kojoy Radical** (International Showcase Fund) and **Swindle** (PPL Momentum Music Fund); Best Song Musically And Lyrically – **Cleopatra Nikolic**; Best Television Soundtrack – **Hannah Peel** (PPL Momentum Music Fund and New Music Biennial); **Matthew Herbert** (Composers Fund and New Music Biennial); and PRS For Music Most Performed Work – **Dave Bayley** (International Showcase Fund).
- 12 of the longlisted SAY Award artists have received our funding, including Open Fund grantees **Young Fathers** who won Scottish Album of the Year for the third time
- In November, **Arborist** took home the NI Music Prize Album of the Year accolade for his PPL Momentum Funded sophomore album
- 2 nominations in the Welsh Music Prize shortlist: **Mace The Great** (International Showcase Fund, PPL Momentum Music Fund, Power UP) and **Swami** (PPL Momentum Music Fund).
- 2024's MOBO Awards saw 31 nominations for PRS Foundation supported artists in December 2023 when the nominations were announced

Other Tangible Outcomes

Common tangible outcomes for PRS members who receive our support include creation of new works, signing publishing and record deals, securing future commissions, recording and releasing hundreds of albums, EPs and singles each year, live bookings which allow for increased performance of members' work, significant income generation, audience growth, developing teams around music creators, attracting sync attention, and securing media coverage and DSP support.

A number of recently supported grantees signed deals in 2023 as a result of our support, including **Lemonade Shoelace**, (International Showcase Fund) signed to BDI Music, **Graft** (POWER UP) signed publishing deal with Universal Music, **Problem Patterns** (Women Make Music) signed to Alcopop, **Chiedu Oraka** (PPL Momentum Music Fund) signed to Launchpad+/EMI North and **Kecia Ellis** (POWER UP), received investment from Station 12 for her publishing company Rekodi Music.

Other Tangible Outcomes (continued)

In classical music, composers are sustaining and developing their careers, creating high quality, critically acclaimed work through our support for orchestral performances, recordings, commissions and composer development programmes. Successes include:

- **Manchester Collective** (Talent Development Partner) – 4/5**** review in The Times for their performance at St George's in Bristol
- **Daniel Kidane** (Composers' Fund) – 5***** review for the London Symphony Orchestra's performance of his piece "Sun Poem"
- **Dani Howard** (Composers Fund) – 4/5***** review in The Financial Times for her opera "Yellow Wallpaper"
- **Abel Selaocoe** (POWER UP) – 4/5 **** review The Scotsman for his performance in Glasgow

Chart and sales success for our grantees and continued positive reviews and recognition of releases in the media underline how our support is nurturing the creation of exceptional new music. Chart and sales highlights in 2023 include **UK Official Album Chart** placements by **Those Damn Crows** (PPL Momentum Music Fund) at No.3, **Black Honey** (PPL Momentum Music Fund) at No.6, **Frøya Ridings** (International Showcase Fund) at No.7, **Young Fathers** (Open Fund for Music Creators) at No.7, **Arlo Parks** (BBC Music Introducing & PRS Foundation showcase support) at No.9.

The profile of many of our grantees has transcended strictly music outlets into mainstream culture:

- **60 music creators at this year's Glastonbury Festival** have received PRS Foundation support for their careers.

Economic value:

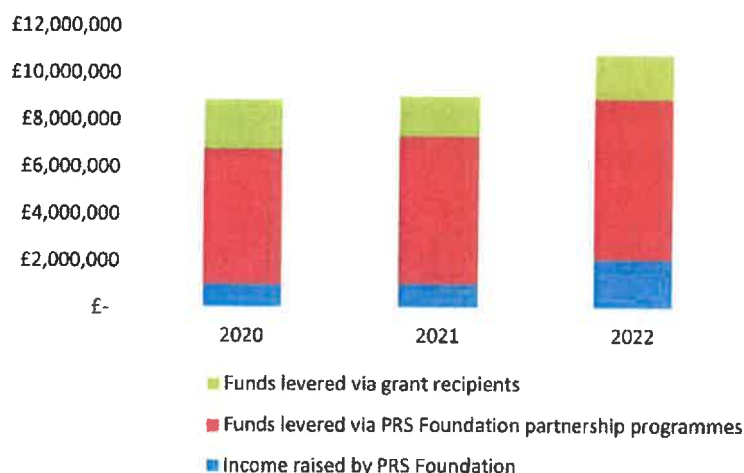
We continue to monitor the economic impact of PRS Foundation's support and although the pandemic and resulting economic downturn has had an impact on most grantees' ability to produce such strong results in the short-term, grantees are maintaining some common tangible outcomes, including:

- creation of new works
- securing publishing deals and deals with record labels
- classical composers securing future Commissions
- recording and release of hundreds of albums, EPs and singles each year
- significant media attention and DSP support
- securing future live bookings
- growing teams, which includes management, booking agents, lawyers and others to help sustain long-term careers
- attracting Sync attention.

Thanks to the quality of the music creators and organisations supported, every £1 invested by PRS generated an additional £4.10 (2022: £4.02) for the sector: £1,553,324 from fundraising undertaken by the Foundation (2022: £1,115,922), £6,502,044 (2022: £6,834,256) in match funding, cash and in-kind, levered through our leadership of partnership programmes and £2,220,000 (2022: £2,100,000) through funds grantees have been able to secure thanks to our seed-investment.

Economic value (continued)

Funds raised and levered 2020-23

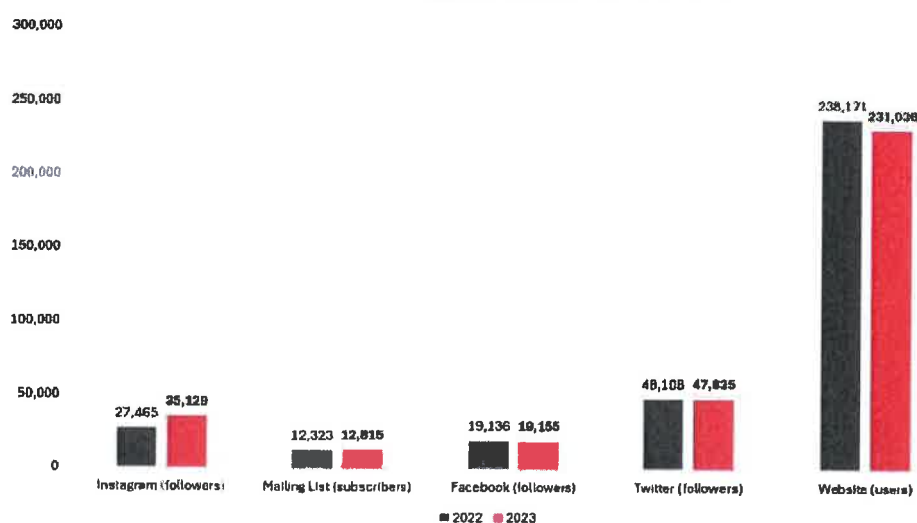


PR and Profile

Our reach and Advertising Value Equivalency (AVE) in 2023 reached £15,179,809.71 across over 700 pieces of coverage, continuing to generate high levels of PR and underlining PRS' commitment to the development of PRS members and others in the ecosystem. If we factor in coverage for the global Keychange initiative co-founded by PRS Foundation, AVE reached £34,183,644.70 across over 1,700 pieces in 2023.

PRS Foundation's flagship initiatives demonstrate that talented music creators, regardless of background, ethnicity or gender are recognised, valued and supported to succeed. For example, our PPL Momentum Music Fund initiative generated over 170 pieces of coverage with an AVE of over £2.2m.

Digital Reach 2022 - 2023



Our reach across social media platforms continues to grow on a number of channels and users on the PRS Foundation websites and microsites remains relatively consistent from 2022, providing powerful ways for us to promote the achievements of current and future PRS members and the impact investment is having on the industry.

PUBLIC BENEFIT

We have referred to the Charity Commission's general guidance on public benefit (including the guidance 'public benefit: running a charity PB2'), when reviewing our aims and objectives and in setting our grant making policy for the year. Public benefit is implicit in the criteria we use to assess grants which focus on the extent to which the projects we support will benefit a broad range of music creators, result in high quality music and be enjoyed by a large and diverse audience.

The Foundation accepts funding applications from all kinds of music creators. Details of the Foundation's activities are easily available on www.prsfoundation.com, including grant-making policies, priorities for each funding programme and application forms.

Our emphasis on transparency and our staff's ability to give expert advice to potential applicants, is a crucial part of the grant-making process. We also work in partnership with other organisations to extend our reach and impact, particularly in relation to any music genres and UK regions which are under-represented in our funding portfolio.

Please see "Looking Ahead" (page 13) for details of our targets for 2024.

MONITORING, EVALUATION AND LEARNING

Our Flexi-Grant funding platform was built as a bespoke grant-making platform for PRS Foundation applicants and grantees. It allows us to monitor current grants projects and we constantly evolve our approach to evaluation reporting systems for individual grants programmes, consistently monitoring impacts against strategic priorities and criteria set for each fund. This allows us to gather consistent impact data across programmes which measuring and reporting to partners on the creative and career impacts for creators as well as the wider cultural, social and economic impacts of our funding.

We report to various partners and discuss results with Trustees and observe that the vast majority of grantees meet intended outcomes and achieve further unexpected positive outcomes.

We also produce long-term impact evaluation reports – generally releasing one report publicly per year, but in 2023 we released two major impact reports (for Women Make Music and the PPL Momentum Fund). For such reports, we engage the services of external evaluation experts to assess and publicly report on the long-term impacts of our investment in talent.

We share learning and outcomes through our website, social media and regular mailings as well as via panel discussions at relevant industry conferences in the UK and overseas.

PRS SUPPORT AND COLLABORATION

PRS has invested a significant amount of financial and other support since setting up PRS Foundation in 2000 – with in excess of £44m invested to support new music and the development of current and future members.

The main donation from PRS also enables the Foundation to raise match funding from various sources, including public funders, collection societies around the world, and commercial sponsors. For the last few years, we have secured between £1m-£2m of additional support per year to match the PRS donation. This helps us to reach thousands more creators and pioneering organisations who support talent development.

Donations from PRS to PRS Foundation are funded through income generated separately from royalties paid out to its members, including from interest earned on royalties awaiting distribution. The PRS Members' Council reviewed the future funding of the Foundation and options to secure its ongoing activities, after interest rates below 1% and faster royalty payments led to a decrease in available funds. This review, alongside the increase in interest rates during 2022, led to the new funding model.

PRS SUPPORT AND COLLABORATION (continued)

In January 2023, PRS and PRS Foundation announced a new multi-year funding agreement, which enables an increase in year-on-year funding allocated to PRS Foundation from 2024. With £2.5 million already allocated for 2023, the new agreement will see funding determined annually, with the maximum which can be made available growing year-on-year. In addition, 10% of the funding provided by PRS will be used to strengthen the Foundation's reserves to help ensure future financial security.

PRS Foundation is a constantly evolving, dynamic charity - working closely with PRS to support creators and to shape the future of new music.

We thank the PRS team and Council members for ongoing support.

LOOKING AHEAD

In 2020, we created a Strategic Plan for 2020-23, with Strategic Priorities including:

- to be the UK's most accessible and inclusive funder of new music
- to implement a vastly streamlined programme by 2023
- connect music creators showing potential to organisations we fund and industry partners to fast-track career progression
- address regional talent development pipeline gaps
- better address the international needs of creators beyond showcasing

Trustees and staff are aware of the impact the Covid-19 pandemic and other crises have had on our approach and priorities and the need to support creators to sustain careers in order to thrive, though we reflect proudly on achievements during the time, and the charity's ability to adapt and provide distinct, and vital support.

In 2024, PRS Foundation's Chief Executive ("CEO") will work closely with the Board on a new Strategic Plan for 2024-2027 which will reflect on the post-crises needs of music creators and our continued drive to streamline programmes and focus on music creator development and the distinct way in which our funding transforms creative and career development.

We will ensure recent changes to organisations' funds are delivered successfully, and we wish to increase the scope of our international/music export strategies.

Priorities in 2024 include:

- **Major Streamlining: Organisations Funding**
 - Having announced the merging of our two major funding schemes for organisations we will ensure that the application and selection process runs smoothly and launch support for 70-75 non-profit organisations per year
 - This provides more stability in the sector and allows us to improve signposting between organisations, and increase the benefits for music creators across the UK
 - The new Network organisations will be announced in May 2024
- **Music Creator Programme Streamlining: Focus Groups and Consultation**
 - Where we wish to further streamline programmes for music creators - including reducing the number of deadlines - we will conduct focus group meetings with creators which will influence our approach from 2025 onwards
- **Early Career Promoter Fund**
 - With support from Arts Council England and DCMS, PRS Foundation has been selected to develop and manage the new Early Career Promoter Fund which through monthly deadlines from June 2024-February 2025 will enable us to support c. 200 early career music promoters through grants and wraparound support
 - We will launch the fund successfully and will apply learnings to all PRS Foundation programmes while addressing grassroots music development needs

- **External Fundraising & Potential New Partnerships**
 - We seek partnerships with a wider range of commercial industry partners and despite a challenging context of partnership budget cuts within the music and tech sectors, wish to build strong relationships with major and large companies
 - We also wish to explore further potential partnerships to address talent support gaps for media composers
 - And as the successful second phase of the global Keychange initiative ends in April 2024, Keychange partners including PRS Foundation are applying for renewed Creative Europe funding and seek more sponsorship support globally
 - Our role in supporting the expansion of Keychange in the U.S. has been crucial, while our priority in 2024 involves ensuring the separate entity is in a strong position for the future
 - And we aim to secure significant funding for our New Music Biennial festival events in Bradford and London, with selection processes and support launching later this year
- **Board Developments**
 - With a new Interim Chair confirmed in early 2024, and the election of 5 new Trustees in February 2024, the Foundation's Board continues to evolve and we will recruit and appoint a new permanent Chair later in the year
- **Building Towards Our 25th Anniversary Year**
 - 2025 will mark 25 years since PRS Foundation was established
 - We will spend the second half of the year planning 25th anniversary activations, liaising with PRS colleagues throughout

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

PRS Foundation was established as a charity and company limited by guarantee in 2000. The organisation is governed by the Board of Trustees which comprises individuals who are both trustees of the charity and non-executive directors of the company. The Members of the PRS Foundation are its directors together with the Performing Right Society Limited.

The Foundation's partnerships with other public funders, charities and private sector companies are central to the way we work. These partnerships enable us to share or pool resources, grow our impact and initiate pioneering programmes which support sector development.

Governance

The Foundation monitors the terms of office of all trustees and carries out skills audits on a regular basis. Trustees serve for three-year terms and are eligible to be re-elected for a maximum of three terms. As of July 2015, the Members amended the Articles so that if a trustee is retiring after a period of continuous service exceeding nine years, the trustees may allow the retiring trustee to be re-elected for a maximum continuous period of 12 months, in order to help with induction and mentoring of successor trustee. At the end of the reappointed period the retiring trustee shall not be eligible for re-election.

In 2020 the Foundation made amendments to the Memorandum of Association, updating the wording better to reflect the charitable objectives.

The Foundation has provision for not more than 15 trustees of whom up to seven trustees (or no more than half of the total number of trustees if fewer than fifteen) shall be nominated by the board of the Performing Right Society Limited. Other trustees shall be independent individuals with relevant experience relating to the role of the Foundation. Jonathan Aitken, Michelle Escoffery, Suzanne Hughes, Crispin Hunt, Alexander Kassner, and John Minch are PRS-nominated trustees.

Trustees Richard King and Nitin Sawhney (Chair) retired from the Board in June and December 2023 respectively. Also in December 2023, Nitin Sawhney was named as the Foundation's first Patron. Susannah Simons was elected as Interim Chair in February 2024, alongside 5 new PRS-nominated trustees: Jonathan Aitken, Suzanne Hughes, Crispin Hunt, Alexander Kassner, and John Minch.

Governance (continued)

In 2024, the nominations sub-committee chaired by Susannah Simons will identify and recruit two independent trustees, and a new permanent Chair for the charity.

The board's Finance and Personnel Committee review the organisational structure on at least an annual basis. Benchmarking of pay is carried out by management and reviewed with the Committee. The Chair of the Committee submits the Committee's recommendations for board approval in the same board meeting that the annual budget is approved.

Depending on trustee rotation, an audit of the Board of trustees is carried out every 2 – 3 years, to ensure that the Foundation has a diverse representation on the Board and that any identified skills gaps are addressed. The Nominations Committee, a sub-committee of the Board, then agree role descriptions, selection processes and the timetable. The Foundation advertises for new trustees to apply to become trustees and the Nominations Committee interview shortlisted candidates. The candidates selected to join the Board are then invited to observe a Board meeting and if both parties are satisfied, they are elected to the Board at the following Board meeting.

Grant-Making Process

Final decisions regarding grant-making resourced by unrestricted funds are made by the trustees, following recommendations and advice from the management team which is informed by the Advisory Council. The Foundation pays advisors a fee for specific services, which are set out in a letter or email confirming these services when required. As part of the grant-making process, link trustees take an active part in the Foundation's grant-making procedures. At board meetings, the link trustee is asked by the Chair to present an overview of the Advisory Panel's discussions to the board, highlighting strategic priorities addressed by the grant recommendations and confirming that due process was followed.

Trustees are required to ratify (rather than approve) grants made through partnership-funded schemes such as the PPL Momentum Music Fund, International Showcase Fund and Beyond Borders. These funding decisions are recommended by specialist programme advisors and/ or funding partners.

Management

Day-to-day management is the responsibility of an administrative team of eleven full time and six part time staff (including consultants), led by Chief Executive, Joe Frankland who has authority, within terms of delegation approved by the directors, for all operational matters.

RISK MANAGEMENT

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

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

- a wide and appropriate level of professional skills and experience within the board of trustees
- the employment of professionally qualified staff and the engagement of professional services for legal, financial and human resource requirements
- the employment of an increasingly broad range of independent advisors who help to assess the Foundation's applications
- collaboration with relevant PRS departments to support our finance and personnel policies
- good internal communications and controls.

FINANCIAL REVIEW

Income

Total income for the year 2023 was £4,150,166 compared with £4,055,634 in 2022.

The Foundation is extremely grateful for the generosity and support from all of the funders listed in this report. This includes the membership and Board of PRS which has shown their continued commitment to the Foundation's charitable activities and the importance of our work to songwriters, composers, performance groups, bands, festivals, promoters and other organisations making new music across the UK. We also acknowledge the generous support of our other major donor, PPL, support from Creative Europe and Arts Councils across the UK. Where the Foundation sets ambitious external fundraising targets and performs well - raising between £1.5m-£2m per year to match our core donation from PRS - the management team and Trustees acknowledge that in the current climate it has been difficult to meet targets for some programmes. This is partially due to the competitive nature of public funding and a trend of music tech companies - including DSPs who make up a significant proportion of external investment - having to reduce budgets across the board. We will continue to diversify income sources and welcome collaboration with alternative larger music companies.

Expenditure

Total expenditure in the year was £4,206,679 compared with £4,250,055 in 2022. Expenditure incurred to generate income is minimal (2.7% of funds raised; 2022: 2.5%) as the fundraising function is integrated with the Chief Executive's responsibility to work strategically with a broad range of funding partners who share our objectives. PRS Foundation does not engage external professional fundraisers or commercial participators to carry out fundraising activity and does not engage in face-to-face or telephone fundraising.

As part of its preparation for the General Data Protection Regulation that came into force in May 2018, PRS Foundation has reviewed and updated its Privacy Notices. These notices, published on our website, clearly states what personal data the Foundation holds in relation to supporters and how this data will be used. It sets out how individuals can raise concerns or complaints. The Foundation has received no complaints about its fundraising activities either during the financial year or subsequently.

RESERVES

The total year end funds are £718,763 compared with £775,276 in 2022. This amount is split between £684,866 of unrestricted funds and £33,897 of restricted funds. Within the unrestricted funds, there are designated funds of £556,217 which the trustees have earmarked for a particular fund. The net movement in funds for 2023 is a deficit of £56,513 (2022: deficit of £194,421), which is due to the timing of income recognition and grants expenditure between years.

The Foundation also has confirmed funding partnerships that will secure funding for future periods. The trustees intend that our free reserves, i.e. the unrestricted reserves of the Foundation, excluding those designated or tied up in fixed assets, will cover the operating costs of the charity for the first quarter of the following year. In 2024, as part of the new funding agreement with PRS, the Foundation will put 10% of PRS's grant into reserves. The free reserves at 31 December 2023 stand at £128,649. For these purposes, the charity's operating costs cover salaries and support costs, but not grant payments and are estimated at approximately £116,647 for the first quarter of 2024. The reason for holding reserves is as a buffer in case of adverse events and/ or loss of income.

TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of The Performing Right Society Foundation 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).

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including 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 the going concern basis unless it is appropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, and for the maintenance and integrity of the corporate and financial information included on the charity's website.

Each of the persons who are trustees at the time when this trustees' annual report is approved has confirmed that:

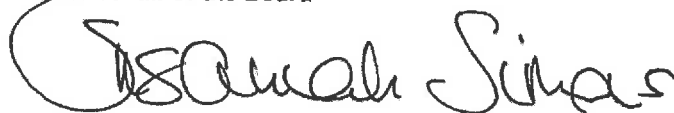
- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- that each Trustee has taken all the steps that ought to have taken as a trustee in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, LFF, were appointed in December and formally appointed at an Extraordinary General Meeting on 29 February 2024.

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

On behalf of the Board



Susannah Simons (Interim Chair)
Trustee

Date:

23rd - Sept 2024

Opinion

We have audited the financial statements of The Performing Right Society Foundation ('the charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities (incorporating the Summary Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including 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 charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources 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.

Emphasis of matter

We draw attention to Note 1 to the financial statements which describe prior period adjustments made to the corresponding amounts. Our opinion is not modified in respect of this matter.

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 charitable company 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 charitable company's ability to continue as a going concern for a period of at least 12 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, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 the light of the knowledge and understanding of the charitable company 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 require(s) 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' exemptions 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 17, 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We obtained an understanding of the legal and regulatory framework applicable to the preparation of the financial statements of the charitable company, and the procedures that management adopt to ensure compliance. We have considered the extent to which non-compliance might have a material effect on the financial statements, and in particular we identified: the Companies Act 2006, the Charities Act 2011 and the Charities SORP (FRS 102).

We have also identified other laws and regulations that do not have a direct effect on the amounts or disclosures within the financial statements, but for which compliance is fundamental to the charitable company's operations and to avoid material penalties, including the General Data Protection Regulation and employment law.

Having reviewed the laws and regulations applicable to the charitable company, we designed and performed audit procedures to obtain sufficient appropriate audit evidence. Specifically, we:

- Selected a team with sector-specific experience to perform the audit;
- Obtained an understanding of the charitable company's procedures for ensuring compliance with laws and regulations;
- Obtained and reviewed internal policy and procedure documents;
- Made enquiries of management and the trustees regarding whether they were aware of any actual or suspected incidences of non-compliance with laws and regulations;
- Obtained and reviewed meeting minutes;
- Reviewed legal expenses accounts for indications of any possible non-compliance; and
- Reviewed the completeness and accuracy of any disclosures made in the financial statements.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including considering how fraud might occur. This was performed by:

- Making an assessment of the charitable company's control environment, systems and controls including identifying any weaknesses and considering the risk of management override of controls;
- Assessing the susceptibility of the charitable company's financial statements to material misstatement, including considering how fraud could occur;
- Considering whether there are any incentives or opportunities for management to manipulate financial results;
- Obtaining and evaluating the trustees' assessment of the risk of fraud, and enquiring as to whether they are aware of any actual or suspected incidences of fraud;
- Reviewing the accounting policies and accounting estimates for signs of management bias; and
- Identifying key risks relating to irregularities as relating to management override of controls, revenue recognition, the completeness of grant commitments and the identification and application of restricted funds.

We then designed audit procedures in response to the risks identified, including performing substantive testing on all material income streams, including reviewing journal entries and key accounting estimates, reviewing all performance material grants, testing grant commitments for completeness on a sample basis, and vouching movements on restricted funds with an emphasis on those funds with restrictions more specific than a grant programme or project as a whole.

The audit has been planned and performed in accordance with auditing standards, however, because of the inherent limitations of audit procedures there remains a risk that we will not detect all irregularities, including those that may lead to material misstatements in the financial statements. There are inherent difficulties in detecting irregularities, and irregularities that result from fraud may be more difficult to detect than irregularities that result from error, for example due to concealment, override of controls, collusion or misrepresentations. In addition, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less audit procedures are able to identify it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lindsey Francis Ferguson Ltd
A S Healey FCA CTA DChA (Senior Statutory Auditor)

Date: 24/09/2024

For and on behalf of Lindsey Francis Ferguson Limited, Statutory Auditor
North House
198 High Street
Tonbridge
Kent TN9 1BE

Name and status:	The Performing Right Society Foundation ("PRS Foundation") is a company limited by guarantee, being governed by its memorandum and articles of association and has no share capital.
Incorporated:	England and Wales
Company number:	03901665
Charity number:	1080837
Principal and registered office:	Tea Auction House Counter Street London SE1 2HD
Trustees:	Jonathan Aitken - appointed 29 February 2024 YolanDa Brown Chris Butler Lorna Clarke - resigned 20 October 2023 Michelle Escoffery Christine Geissmar Suzanne Hughes - appointed 29 February 2024 Crispin Hunt - appointed 29 February 2024 Alexander Kassner - appointed 29 February 2024 Richard King - resigned 25 July 2023 John Minch - appointed 29 February 2024 Caroline Norbury Mark Poole Nitin Sawhney - resigned 6 December 2023 Susannah Simons
Principal staff:	Joe Frankland, Chief Executive Fiona Harvey, Senior Manager, Operations Becci Scotcher, Senior Grants and Programmes Manager Liam McMahon, Senior Communications Manager Yaw Owusu, Senior Power Up Programme Manager
Secretary:	Fiona Harvey
Auditors:	Lindeyer Francis Ferguson North House 198 High Street Tonbridge Kent TN9 1BE
Bankers:	Santander UK plc Bridle Road Bootle L30 4GB

Statement of Financial Activities
(Incorporating the Summary Income and Expenditure
account) For the year ended 31st December 2023



	Note	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2023	As restated Total 2022
		£	£	£	£	£
INCOME:						
Income from:						
Donations and legacies	3	2,797,297	-	887,356	3,684,653	3,634,487
Charitable activities: Performance-related grants		-	-	227,225	227,225	151,925
Other trading activities: Corporate sponsorship		238,288	-	-	238,288	269,222
Total income		<u>3,035,585</u>	<u>-</u>	<u>1,114,581</u>	<u>4,150,166</u>	<u>4,055,634</u>
EXPENDITURE:						
Raising funds	5	(112,443)	-	-	(112,443)	(99,493)
Charitable activities	6	(936,119)	(2,028,477)	(1,129,640)	(4,094,236)	(4,150,562)
Total expenditure		<u>(1,048,562)</u>	<u>(2,028,477)</u>	<u>(1,129,640)</u>	<u>(4,206,679)</u>	<u>(4,250,055)</u>
Net income / (expenditure)		1,987,023	(2,028,477)	(15,059)	(56,513)	(194,421)
Transfers between funds		(1,919,884)	1,919,884	-	-	-
Net movement in funds		67,139	(108,593)	(15,059)	(56,513)	(194,421)
Reconciliation of funds						
Total funds brought forward:						
As originally stated		141,248	-	896,827	1,038,075	1,221,507
Prior period adjustment		(79,738)	664,810	(847,871)	(262,799)	(251,810)
As restated		<u>61,510</u>	<u>664,810</u>	<u>48,956</u>	<u>775,276</u>	<u>969,697</u>
Total funds carried forward		<u>128,649</u>	<u>556,217</u>	<u>33,897</u>	<u>718,763</u>	<u>775,276</u>

The notes on pages 26 to 42 form an integral part of these accounts.

Balance Sheet
As at 31st December 2023

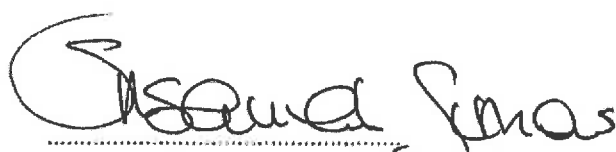


	Notes	2023	2023	As restated 2022	As restated 2022
		£	£	£	£
Fixed Assets					
Tangible fixed assets	12	885		-	
Current Assets					
Debtors	13	657,390		559,313	
Cash at bank and in hand		<u>2,970,085</u>		<u>3,893,963</u>	
		3,627,475		4,453,276	
Creditors: Amounts falling due within one year	14	(2,986,981)		(3,678,000)	
Net Current Assets			<u>640,494</u>		<u>775,276</u>
Non-Current Assets					
Debtors	13		77,384		
Total Net Assets			<u><u>718,763</u></u>		<u><u>775,276</u></u>
The funds of the charity	16				
General funds			128,649		61,510
Designated funds			556,217		664,810
Restricted funds			33,897		48,956
Total charity funds			<u><u>718,763</u></u>		<u><u>775,276</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The notes on pages 26 to 42 form an integral part of these accounts.

Approved by the Board of Trustees, authorised for distribution, on 23rd September 2024
and signed on their behalf by:


Susannah Simons, Trustee, Interim Chair

Company Registration Number: 03901665

Statement of Cash Flows
For the year ended 31st December 2023



		2023	As restated 2022
	Note	£	£
Net cash used in operating activities	17	(922,779)	466,705
Cash flows from investing activities:			
Dividends, interest and rent from investments		-	-
Purchase of tangible fixed assets		(1,099)	-
Net cash provided by investing activities		<u>(1,099)</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		(923,878)	466,705
Cash and cash equivalents at the beginning of the reporting period		<u>3,893,963</u>	<u>3,427,258</u>
Cash and cash equivalents at the end of the reporting period		<u><u>2,970,085</u></u>	<u><u>3,893,963</u></u>

1 Accounting Policies

Statement of compliance

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The Charities SORP (FRS102)) effective 1 January 2019. PRS Foundation meets the definition of a public benefit entity under FRS 102.

Basis of Preparation of the Financial Statements

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound. The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted, which have been consistently applied to all the years presented, are set out below.

Going Concern

The financial statements are prepared on a going concern basis which assumes that the charitable company will continue in operational existence for a period of at least twelve months from the date of approval of these financial statements.

We have been scenario planning for most programmes and trustees have reviewed reforecast budgets for 2024 which include assessments of the probability of reaching fundraising targets, using percentage indicators, and information from discussions with funders, particularly in the context of the impact of the cost-of-living crisis on the charitable company's priorities.

Trustees are assured that unrestricted income is confirmed from PRS in 2024 (£2,665,000) and 2025 (£2,726,925) and that expenditure on programmes is not begun until funds have been confirmed.

Senior management is in constant communication with funders and funding partners with regard to future funding which has helped our scenario planning. The Foundation is very experienced at adapting to changing needs and trustees accept that expenditure on programmes needs to be adjusted where necessary. The trustees will work with management to look for new fundraising opportunities.

The trustees believe that the charitable company is well placed to manage its business risks and has considerable financial resources including cash balances. It is therefore appropriate to prepare these accounts on the going concern basis.

Income

(i) Donations and grants

Income from donations and grants is recognised when the charity has entitlement to the funds (usually when a formal offer of funding has been communicated or, for donations, on receipt), it is probable (more likely than not) than the funds will be received, and the amount can be measured reliably.

Such income is deferred only in the following circumstances:

- Where the donor specifies that the income may only be spent in a future accounting period, or where funds are given in response to an application including a budgeted timescale showing expenditure taking place in a future accounting period;

1 Accounting Policies - Income (continued)

- Where the funding agreement places obligations on PRS Foundation to make its grant programmes available to beneficiaries at defined intervals or on a rolling basis over a defined period - often such agreements involve the funders becoming partners of the relevant programmes and having involvement in the selection process. Such collaborative grants are treated as performance-related grants and are recognised in income from charitable activities in accordance with the charity's delivery of the grant programmes to its beneficiaries over the agreed intervals or defined period; and

- Where the donor has imposed other conditions, not wholly within the control of the charity, the income is deferred until it is probable that the conditions imposed can be met.

(ii) Donated services and facilities

In-kind support is recognised when the charity is entitled to the donated goods / services, the amount can be measured reliably, and the receipt is probable. Donated goods are measured at market value, and donated services and facilities are measured based on the amount that the charity would have had to pay in the open market to obtain the services and facilities.

(iii) Investment income

Investment income is recognised on a receivable basis.

(iv) Sponsorship income

Income from corporate sponsorship arrangements is recognised evenly over the period in which the sponsorship benefits are provided.

Expenditure

Expenditure, which is charged in the Statement of Financial Activities on an accrual basis, has been classified under headings that aggregate all costs related to the type of activity. Where costs cannot be directly attributed to a particular activity (i.e. support costs) they have been allocated to them on a basis consistent with use of the resources. Support costs have been allocated on the basis of staff time spent on the various activities as this is felt to be a measure of the relative proportion of resources consumed. Grant obligations are recognised on an accruals basis once the grant offer has been communicated to the recipient.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets, acquired at a cost of more than £1,000, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Computer equipment 3 years

The useful economic lives and residual values of all tangible assets are re-assessed annually. Impairment reviews are also carried out annually.

Value Added Tax

The charity is registered for value added tax.

Pensions

Contributions to personal pension schemes are charged to the Statement of Financial Activities as they become payable in accordance with the individual schemes.

1 Accounting Policies (continued)

Taxation

The charity is exempt from corporation tax on its charitable activities.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Prior period adjustment

The following prior period adjustments have been made:

a. Gifts in kind

The value of the gift in kind from Performing Right Society Limited has been included in the prior period income and expenditure since this is capable of being measured reliably. The effect on the prior period was to increase income from donations and legacies by £58,999 and to increase support costs by the same amount.

b. Income recognition and classification

On review of the grant agreements in place, adjustments were made for the recognition and classification of income in accordance with the Charities SORP (FRS 102). The accounting policy for income has been expanded to clarify the treatment of grant agreements. The aggregate effect on the prior period was to reduce income from donations and legacies by £162,914, increase income from charitable activities by £151,925, increase debtors by £79,123 and increase creditors by £341,922. The effect on the prior period opening reserves was a reduction of £251,810.

c. Restricted and designated funds

In the prior period, the movement in funds note included funds which had been received from donors with conditions over how they may be spent (restricted funds) and funds which had been set aside by the Trustees for particular programmes (designated funds) combined in one table. The movement in funds note has therefore been re-presented to show restricted and designated funds separately. The effect on the prior period opening reserves was to reduce unrestricted funds by £76,898, increase designated funds by £872,319 and reduce restricted funds by £795,421.

d. Allocation of costs

In the current period, the methodology for the allocation of staff costs by activity and the resulting allocation of support costs has been reviewed and changed. The prior period has been reclassified on the same basis for comparability. This reclassification has had no effect on the prior period result or net assets.

1 Accounting Policies (continued)

Recognition basis

Basic financial assets are initially measured at transition price and subsequently carried at amortised cost. Basic financial liabilities are initially recognised at transition price and subsequently measured at amortised cost.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received, where this is material to the accounts.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In the opinion of the trustees there are no sources of estimation uncertainty as at the reporting date that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the next reporting period.

3 Income from donations and legacies

	2023 £	2022 £
Donations 2023		
Performing Right Society Limited	2,500,000	2,500,000
Performing Right Society Limited - in kind	94,877	58,999
Public funding	129,799	211,889
Trusts and Foundations	79,971	71,536
Other	880,006	792,063
	<u>3,684,653</u>	<u>3,634,487</u>

The in kind support relates to the use of accommodation and facilities.

Restricted income from donations and legacies in 2022 was £1,115,922.

3 Income from donations and legacies (continued)

'Public funding' comprises donations from Arts Council Wales, Arts Council England, Arts Council Northern Ireland, Creative Scotland, Creative Wales (Welsh Government), Wales Arts International, Liverpool City Council, and Arts Council Ireland.

'Other' includes donations from PPL, Spotify, Beggars Group, British Underground, and Musicians' Union.

4 Government grants

During the year the following income was recognised: £44,725 (2022: £44,175) from Creative Wales (Welsh Government) relating to PPL Momentum Music Fund and £0 (2022: £40,000) was received from Department for International Trade, relating to the International Showcase Fund.

No unfulfilled conditions or contingencies attached to the grant have been recognised as income.

5 Expenditure on raising funds

	2023 £	2022 £
Staff costs (see note 11)	50,169	47,801
Direct costs	25,215	20,553
Support costs (see note 8)	37,059	31,139
	<u>112,443</u>	<u>99,493</u>

6 Expenditure on charitable activities

Project / activity 2023	Staff costs (See note 11) £	Other direct costs £	Grants (See note 7) £	Support costs (See note 8) £	Total 2023 £
Talent Development	190,587	171,212	1,818,591	140,784	2,321,174
Open Funds	80,152	5,097	733,003	59,207	877,459
International	68,832	263,941	346,222	50,845	729,840
UK Collaboration	8,983	721	75,793	6,636	92,133
Other Partnerships	16,200	10,463	35,000	11,967	73,630
	364,754	451,434	3,008,609	269,439	4,094,236

Staff costs are allocated on the basis of staff time spent on the various activities as this is felt to be a measure of the relative proportion of resources consumed. Support costs, which cannot be directly attributed to a particular activity, have been allocated on the same basis.

Included within the above are grants to 192 institutions (2022: 187 institutions), which include bands, orchestras, festivals and promoters totalling £1,762,918 (2022: £1,824,655).

Included within the above are grants to 249 individuals (2022: 226 individuals) totalling £1,415,982 (2022: £1,466,759).

Also included within the above are deductions for 80 grant reclaims (2022: 57) totalling £170,291 (2022: £73,286).

Further details about these programmes can be found at www.prsfoundation.com

Project / activity 2022	Staff costs £	Other direct costs £	Grants (See note 7) £	Support costs (See note 8) £	Total 2022 £
Talent Development	168,682	83,705	2,045,054	109,887	2,407,328
Open Funds	74,322	7,560	676,365	48,417	806,664
International	67,111	219,518	260,859	43,719	591,207
UK Collaboration	16,747	39,200	200,850	10,910	267,707
Other Partnerships	16,200	15,903	35,000	10,553	77,656
	343,062	365,886	3,218,128	223,486	4,150,562

Expenditure on charitable activities from restricted funds in 2022 was £1,122,370.

7 Grants awarded

	2023 £	2022 £
Commitments brought forward	2,936,437	2,897,954
Grants pledged in year	3,178,900	3,291,414
Grant commitments reclaimed	(170,291)	(73,286)
Grantee debtors	128,862	161,145
Grant payments made	(3,216,960)	(3,340,790)
	<u>2,856,948</u>	<u>2,936,437</u>
Commitments carried forward (note 14)		

8 Support costs

	2023 £	2022 £
Fundraising and activities to generate funds	37,059	31,139
Charitable activities	<u>269,439</u>	<u>223,486</u>
	<u>306,498</u>	<u>254,625</u>

Support costs, included in the above, are detailed below

Accommodation - in kind	94,877	58,999
Staff costs	43,775	31,129
Travel & subsistence	25,645	21,501
Computer & licences	23,931	21,735
Advisory expenses	23,288	14,489
Consultancy	23,117	28,534
Web design and hosting	14,497	16,277
Staff training	5,445	6,585
Personnel services	1,707	704
Keychange trademark	-	6,637
Other office running costs	35,671	25,243
Governance costs:		
Audit	12,745	17,605
Legal services	<u>1,800</u>	<u>5,187</u>
	<u>306,498</u>	<u>254,625</u>

9 Net movement in funds

	2023 £	2022 £
Net resources are stated after charging:		
Depreciation- owned assets	214	794
Auditors' remuneration- LFF	9,500	-
Auditors' remuneration- predecessor auditor	860	14,650

10 Trustees' remuneration and benefits

The trustees did not receive any remuneration as statutory directors of the company.

During the year one trustee was reimbursed £110 for travel and subsistence expenses (2022: £0).

The following expenses were incurred during the year: £216 (2022: £134) on trustee / staff entertaining.

11 Staff costs

	2023 £	2022 £
Salaries	405,969	369,763
Social security costs	34,034	33,074
Pension costs	18,695	19,156
	<u>458,698</u>	<u>421,993</u>

Included in the above costs are £62,008 of salaries (2022: £56,162) and £4,350 of social security costs (2022: £4,368) that are funded by restricted income.

During the period the charity paid termination payments amounting to £21,371 (2022: £0).

The average number of monthly employees during the year was as follows:

	2023	2022
Fundraising and activities to generate funds	0.6	0.7
Charitable activities	10.4	9.9
Governance	0.0	0.1
Total	<u>11.0</u>	<u>10.7</u>

One employee received emoluments, excluding pension contributions, of between £70,000-£80,000 (2022: one employee between £70,000 - £80,000).

Employer pension contributions for this employee totalled £4,431 (2022: £4,220).

In addition to remuneration, including pension contributions, for three key management personnel of £203,059 (2022: £192,320), there are two additional members of key management personnel who were paid £22,102 (2022: £21,719) and £37,037 (2022: £31,263) on a consultancy basis.

12 Tangible fixed assets

	Computer equipment £
Cost	
At 1st January 2023	2,717
Additions	1,099
Disposals	-
At 31st December 2023	<u>3,816</u>
Depreciation	
At 1st January 2023	2,717
Charge for year	214
Eliminated on disposal	-
At 31st December 2023	<u>2,931</u>
Net book value	
At 31st December 2023	<u>885</u>
At 31st December 2022	<u>-</u>

13 Debtors: Amounts falling due within one year

	2023 £	2022 £
Prepayments and accrued income	285,503	270,077
Keychange US (see note 20)	40,794	-
Trade debtors	280,493	189,151
VAT repayment	-	8
Grantee debtors	128,860	161,145
Bad debt provision	<u>(78,260)</u>	<u>(61,068)</u>
	<u>657,390</u>	<u>559,313</u>

Debtors: Amounts falling due after one year

	2023 £	2022 £
Keychange US (see note 20)	<u>77,384</u>	-
	<u>77,384</u>	<u>-</u>

14 Creditors: Amounts falling due within one year

	2023 £	2022 £
Taxation and Social Security	11,843	10,867
VAT payable	6,400	-
Grants payable	2,856,948	2,936,437
Trade creditors	-	-
Other creditors	-	980
Accruals	37,478	39,411
Deferred income	74,312	690,305
	<u>2,986,981</u>	<u>3,678,000</u>
Deferred income (see note 1)		
At 1st January 2023	690,305	
Income deferred of Financial Activities	74,312	
At 31st December 2023	<u>(690,305)</u>	
	<u>74,312</u>	

15 Analysis of net assets between funds

	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Fixed assets	885	-	-	885
Net current assets	50,380	556,217	33,897	640,494
Non-current assets	77,384	-	-	77,384
	<u>128,649</u>	<u>556,217</u>	<u>33,897</u>	<u>718,763</u>
	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Fixed assets	-	-	-	-
Net current assets	61,510	664,810	48,956	775,276
Non-current assets	-	-	-	-
	<u>61,510</u>	<u>664,810</u>	<u>48,956</u>	<u>775,276</u>

16 Movement in funds

	At 1 January 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 December 2023 £
Unrestricted funds 2023					
General funds	61,510	3,035,585	(1,048,562)	(1,919,884)	128,649
Restricted funds 2023					
(a) BBC Introducing	-	-	-	-	-
(b) Beyond Borders	-	74,799	(74,799)	-	-
(c) The Composers' Fund	-	-	-	-	-
(d) ESNS Exchange	-	3,466	(3,466)	-	-
(e) The Hitmaker Fund	-	-	-	-	-
(f) International Showcase Fund	10,701	201,250	(205,508)	-	6,443
(g) Keychange	-	33,654	(33,654)	-	-
(h) Keychange US	-	-	-	-	-
(i) New Music Biennial	-	-	-	-	-
(j) POWER UP	-	100,437	(79,437)	-	21,000
(k) UNION BLACK	-	-	-	-	-
(l) PPL Momentum Accelerator	(13,000)	85,000	(65,546)	-	6,454
(m) PPL Momentum Music Fund	51,255	515,975	(567,230)	-	-
(n) Rebalance	-	-	-	-	-
(o) Resonate	-	-	-	-	-
(p) Talent Development Partners	-	100,000	(100,000)	-	-
Total restricted funds	48,956	1,114,581	(1,129,640)	-	33,897
Designated funds 2023					
(a) BBC Introducing	99,203	-	(16,094)	34,608	117,717
(b) Beyond Borders	6,940	-	(16,263)	34,158	24,835
(c) The Composers' Fund	107,536	-	(95,801)	10,259	21,994
(d) ESNS Exchange	-	-	(10,513)	10,513	-
(e) The Hitmaker Fund	-	-	(151,577)	151,577	-
(f) International Showcase Fund	244,907	-	(239,581)	113,948	119,274
(g) Keychange	47,071	-	(139,133)	92,062	-
(h) Keychange US	-	-	(109,831)	109,831	-
(i) New Music Biennial	28,057	-	(7,613)	16,052	36,496
(j) POWER UP	-	-	(428,503)	428,503	-
(k) UNION BLACK	-	-	(12,000)	12,000	-
(l) PPL Momentum Accelerator	-	-	(48,140)	48,140	-
(m) PPL Momentum Music Fund	106,458	-	(82,607)	87,866	111,717
(n) Rebalance	11,808	-	(2,455)	1,916	11,269
(o) Resonate	802	-	(35,246)	69,607	35,163
(p) Talent Development Partners	10,118	-	(633,120)	698,844	75,842
(q) Sustaining Creativity Fund	1,910	-	-	-	1,910
Total designated funds	664,810	-	(2,028,477)	1,919,884	556,217

Designated funds

The cost of running the various charitable programmes described above is not covered by the restricted income generated alone, and so the Trustees designate amounts out of the charity's unrestricted funds (e.g. from the core donation from PRS and corporate sponsorships) to cover planned expenditure on grant programmes as well as towards the relevant staff and overhead costs.

16 Movement in funds

	At 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	At 31 December 2022 £
Unrestricted funds 2022					
General funds	41,974	2,939,712	(990,574)	(1,929,602)	61,510
Restricted funds 2022					
Anthropy	-	2,000	(2,000)	-	-
(a) BBC Introducing	-	-	-	-	-
(b) Beyond Borders	-	52,888	(52,888)	-	-
(c) The Composers' Fund	-	-	-	-	-
(d) ESNS Exchange	-	-	-	-	-
(e) The Hitmaker Fund	-	-	-	-	-
(f) International Showcase Fund	50,074	209,683	(249,056)	-	10,701
(g) Keychange	-	41,979	(41,979)	-	-
(h) Keychange US	-	-	-	-	-
(i) New Music Biennial	-	73,000	(73,000)	-	-
(j) POWER UP	-	79,750	(79,750)	-	-
(k) UNION BLACK	-	-	-	-	-
(l) PPL Momentum Accelerator	(25,000)	32,946	(20,946)	-	(13,000)
(m) PPL Momentum Music Fund	30,330	523,676	(502,751)	-	51,255
(n) Rebalance	-	-	-	-	-
(o) Resonate	-	-	-	-	-
(p) Talent Development Partners	-	100,000	(100,000)	-	-
Total restricted funds	55,404	1,115,922	(1,122,370)	-	48,956
Designated funds 2022					
Anthropy	-	-	(1,555)	1,555	-
(a) BBC Introducing	97,980	-	(35,704)	36,927	99,203
(b) Beyond Borders	32,252	-	(50,648)	25,336	6,940
(c) The Composers' Fund	160,436	-	(140,724)	87,824	107,536
(d) ESNS Exchange	-	-	-	-	-
(e) The Hitmaker Fund	30,383	-	(162,261)	131,878	-
(f) International Showcase Fund	165,709	-	(64,856)	144,054	244,907
(g) Keychange	109,017	-	(112,370)	50,424	47,071
(h) Keychange US	-	-	(100,725)	100,725	-
(i) New Music Biennial	-	-	(99,858)	127,915	28,057
NFTS Scholarships	5,000	-	(21,355)	16,355	-
(j) POWER UP	-	-	(394,417)	394,417	-
(k) UNION BLACK	-	-	-	-	-
(l) PPL Momentum Accelerator	-	-	(33,821)	33,821	-
(m) PPL Momentum Music Fund	195,702	-	(185,631)	96,387	106,458
(n) Rebalance	12,808	-	(3,559)	2,559	11,808
(o) Resonate	50,802	-	(53,608)	3,608	802
(p) Talent Development Partners	10,320	-	(676,019)	675,817	10,118
(q) Sustaining Creativity Fund	1,910	-	-	-	1,910
Total designated funds	872,319	-	(2,137,111)	1,929,602	664,810

16 Movement in funds (continued)

(a) BBC Introducing and PRS Foundation partnership

A partnership between PRS Foundation and BBC Introducing since 2014, which brings emerging talent to showcases worldwide. Selected through the Introducing Uploader network and curated and presented by BBC DJs, artists are supported international events including Eurosonic, Winter Jazzfest, SXSW, Reeperbahn Festival and Montreal Jazz Festival.

(b) Beyond Borders

As a flagship programme, Beyond Borders stimulates and strengthens cross-border collaborations between music creators, performers and presenters. It supports the creation, touring and promotion of innovative and high-quality new music across all genres and encourages engagement with audiences across England, Scotland, Wales, Northern Ireland, and since 2014, the Republic of Ireland through multiple performances and digital activities. Support is given to up to 8-10 projects per year with funding of up to £15,000 available for projects that include new commissions, recordings and repeat performances of music written in the past five years. It is managed and funded by PRS Foundation with funds also from Creative Scotland, Arts Council Wales, Arts Council Northern Ireland and Arts Council Ireland/An Chomhairle Ealaíon.

(c) The Composers' Fund

The Composers' Fund is an opportunity for composers with a strong track record to gain direct access to funding at pivotal stages in their career. Grants of up to £8,000 - £15,000 are available to no more than 15 composers per year who are already making a significant cultural contribution in the UK and have the potential for greater impact in the UK and overseas. Previous projects have included recordings, the promotion and performance of existing works, international co-commissions and development, performer collaboration, residencies, sabbaticals or childcare costs and project or promotional support. It is managed and funded by PRS Foundation.

(d) ESNS Exchange (Eurosonic Noorderslag)

ESNS Exchange is an initiative of the Eurosonic Noorderslag Foundation to stimulate the circulation of European repertoire on festivals, radio, and in the media in Europe. PRS Foundation is the UK partner on the programme, making it possible for UK acts to be included. The UK's financial contribution consists of money from PRS Foundation with additional funding from the Musicians' Union, Creative Scotland and Arts Council Northern Ireland.

(e) The Hitmaker Fund

The Hitmaker Fund offers an opportunity for songwriters and producers working in popular music genres to further develop their careers and writing/production with grants of between £5,000 - £10,000. Launched in 2017 as a response to the long-term career needs of those working behind the scenes, The Hitmaker Fund (formerly The Writer Producer Fund) was initiated by PRS Foundation with the Ivors Academy Trust. The rebranded Hitmaker Fund is now managed and funded by PRS Foundation.

(f) International Showcase Fund

The International Showcase Fund (ISF) offers vital export support for UK-based artists, bands, songwriters and producers who have been invited to perform or create new music at international showcasing festivals or conferences. It is managed and funded by the Foundation with funds also from partners: Department of Business and Trade (DBT), British Underground, Arts Council England, PPL, Creative Scotland, Wales Arts International, Arts Council Northern Ireland and the Musicians' Union. Grants and support from fund partners enable artists to perform at key showcasing events and conferences around the world such as Eurosonic (Europe), SXSW (North America), Reeperbahn Festival (Europe), Zandari Festival (Asia), Womex (Europe), Americana Fest (North America), JazzAhead (Europe) and Mutek (North America).

16 Movement in funds (continued)

(g) Keychange

Keychange is a pioneering international initiative which transforms the future of music whilst encouraging festivals and music organisations to include 50% women and underrepresented genders in programming, staffing and beyond. 74 emerging artists and innovators each year from across Europe and Canada will take part in international festivals, showcase events, collaborations and a programme of creative labs. Initiated by PRS Foundation and European partners, Keychange is led by Reeperbahn Festival, PRS Foundation and Musikcentrum Ost, supported by the Creative Europe programme of the European Union, in partnership with BIME, Breakout West, Different Sounds, Iceland Airwaves, Ireland Music Week, Oslo World, Linecheck/Music Innovation Hub, SACEM, Spring Break, Tallinn Music Week, and Way Out West.

(h) Keychange USA

Keychange Core Partners, including PRS Foundation, have been involved in securing a founding sponsor donation of \$250,000 from Believe and TuneCore and strategically steering the expansion of the global Keychange initiative into the United States. For an initial period, PRS Foundation – on behalf of core partners- are administering that donation and making payments while overseeing a small Keychange U.S. team of employees and consultants using Employer of Record, Multiplier. Keychange U.S. has recently been incorporated as a standalone 501(c)(3) non-profit organization in the U.S., with its own Board of Directors (including PRS Foundation CEO, Joe Frankland). And once Keychange U.S. is ready to accept future donations and take over the financial management of a bespoke Talent Development Program and wider advocacy work, PRS Foundation's role overseeing the administration will end. Future administrative and partnership support will be recognised through Keychange U.S. payments to PRS Foundation and Core Partners.

(i) New Music Biennial

New Music Biennial is a PRS Foundation initiative, presented in partnership with Southbank Centre, BBC Radio 3 and NMC Recordings. It supports and provides a platform for talented organisations and music creators who are pushing the boundaries of new music in the UK. The project is funded and managed by the Foundation with funds also from Arts Council England.

(j) POWER UP

POWER UP is an ambitious, long-term initiative which supports Black music creators and industry professionals and executives, as well as addressing anti-Black racism and racial disparities in the music sector. Co-founded by PRS Foundation and Ben Wynter and managed by the Foundation in partnership with YouTube Music, Beggars Group, and the Black Music Coalition, the initiative brings together several music industry partners and goes beyond solidarity, with new approaches which foster meaningful change. Other supporters include Creative Scotland, Believe, Arts Council Wales, Creative Wales and Paul Hamlyn Foundation.

(k) UNION BLACK

UNION BLACK: Sounds Of A Nation is a new online exhibition from YouTube and Google Arts & C featuring a collection of videos, photographs, documentaries and podcasts. The project was developed in collaboration with cultural organisations across the UK ranging from the Black Cultural Archives and the Horniman Museum and Gardens to POWER UP (PRS Foundation), Punch Records, and Notting Hill Carnival, as well as the Black British artists, producers and content creators. <https://artsandculture.google.com/project/union-black> This project was supported by Google Arts and Culture.

16 Movement in funds (continued)

(l) PPL Momentum Accelerator

PPL Momentum Accelerator is a targeted scheme to support the development of outstanding artists and bands who are writing their own music, and future Industry Professionals, outside London and who face regional/national barriers in reaching a crucial career tipping point based on their location. Through the evaluation of our PPL Momentum Music Fund and evidence from thousands of applications PRS Foundation receives each year, we identified talent pipeline gaps across the UK. Partners provide support for a number of future industry professionals such as managers, promoters, record labels, music publishers, and booking agents, to bolster regional scenes across the UK. Launched as a pilot in Liverpool in 2019, PPL Momentum Accelerator runs in Liverpool City Region, Yorkshire and Wales. PPL Momentum Accelerator is managed by PRS Foundation in partnership with PPL, Music:Leeds, Liverpool City Region and Arts Council Wales.

(m) PPL Momentum Music Fund

The PPL Momentum Music Fund offers grants of £5,000 to £15,000 for UK based artists/bands to break through to the next level of their careers. Activities eligible for support include recording, touring and marketing. The PPL Momentum Music Fund is run by PRS Foundation in partnership with PPL, Creative Wales, and Arts Council Northern Ireland. PRS Foundation and Arts Council England initiated The Momentum Music Fund in 2013.

(n) ReBalance

In partnership with Festival Republic, ReBalance is a pioneering programme which provides five days' studio recording time to a core female-identified band or artist each month, as well as a slot at a Festival Republic or Live Nation festival and numerous live events throughout the year. ReBalance is managed and funded by PRS Foundation also with funds from Festival Republic.

(o) Resonate

Resonate is a fund and resource which encourages professional orchestras to programme into their repertoire the best pieces of British music from the past 25 years. PRS Foundation offers financial support with grants of up to £10,000 to orchestras who commit to exploring contemporary UK repertoire as part of a season / tour and longer-term audience development programme. The Resonate database is currently updated on an annual basis, following an open submission process. Resonate is managed and funded by PRS Foundation in partnership with the Association of British Orchestras and in association with broadcast partner BBC Radio 3.

(p) Sustaining Creativity Fund

Thanks to the Spotify COVID-19 Music Relief Fund and generous donations from members of the public, PRS Foundation launched the Sustaining Creativity Fund to support artists, songwriters and composers to create and develop when they need it most. For those experiencing significant impact on their work, income and ability to complete planned musical activities, we wanted to enable creativity and to help grantees to be in a good position to fulfil creative and career potential, breaking down the huge barriers presented by the Covid-19 pandemic.

(q) Talent Development Partners

Talent Development Partners (TDP), which include venues, festivals, rehearsal spaces, studios and other talent development experts, receive a grant from the Foundation for their year-round activity. They also work closely with PRS Foundation to address talent pipeline gaps through joint work and signposting. The TDP Network is managed and funded by PRS Foundation with funds also from PPL.

17 Net cash outflow from operating activities

	2023 £	2022 £
Net income as per Statement of Financial Activities	(56,513)	(194,421)
Adjustments for:		
Investment income	-	-
Depreciation of tangible fixed assets	214	794
Amortisation of intangible fixed assets	-	-
Decrease / (increase) in debtors	(175,461)	367,851
Increase / (decrease) in creditors	(691,019)	544,291
Prior period adjustment		(251,810)
Net cash used in operating activities	(922,779)	466,705

18 Related parties

During the year the charity received a donation of £2,500,000 (2022: £2,500,000) from a member, the Performing Right Society Limited, of which £2,500,000 was received by the end of December 2023 (2022: £2,500,000).

The Foundation has the use of PRS's premises and a range of associated services. This has been funded by PRS to the value of £94,877 (2022: £58,999).

During the year the charity made grants to the following institutions who share a common trustee or key management personnel with the Foundation:

	2023 £	2022 £
Britten Sinfonia	-	18,000
British Film Institute	-	8,000

During the year the charity made grants to individuals of £23,100 (2022: £3,940), who are represented by publishers who are trustees of the charity.

19 Legal status

The charity is a company limited by guarantee incorporated in England and Wales and has no share capital. The members of the company are the Performing Right Society Limited and the trustees. The liability of each member in the event of a winding up is £10. The registered office address is Tea Auction House, Counter Street, London, England, SE1 2HD.

20 Keychange US

During the year, PRS Foundation incubated the activities of Keychange US while a separate US not-for-profit entity, Keychange U.S. Inc., was being established. PRS Foundation acted as principal for Keychange US transactions during the incubation period which ended on 30 June 2023 when the corporate sponsorship agreements terminated and new agreements were issued in the name of Keychange U.S. Inc. The activities of Keychange US are therefore included in the statement of financial activities of PRS Foundation up to the end of the incubation period.

The income and expenditure relating to Keychange US during the incubation period and included in the income and expenditure of PRS Foundation were as follows:

	2023 £	2022 £
Income:		
Corporate sponsorship	87,604	112,097
Expenditure:		
Direct activity costs	(104,662)	(95,039)
Surplus or (deficit)	(17,058)	17,058

Subsequent to the end of the incubation period, PRS Foundation paid costs on behalf of Keychange U.S. Inc. while the entity set up its financial systems and bank account. These costs totalled £118,178, including grants for travel allowances disbursed to beneficiaries on behalf of Keychange U.S. Inc. of £38,074.

In respect of the reimbursement due to the Foundation, Keychange U.S. Inc. have agreed with Trustees to repay USD 52,000 (£40,794 as at 31/12/2023 exchange rate) by the end of 2024 and the remaining amount in subsequent years.

21 Contingent liability

As a registered charity, PRS Foundation is exempt from Corporation Tax on most of its income and gains to the extent that they are applied for charitable purposes. The charity is currently taking specialist tax advice in relation to its corporate sponsorship income to determine whether a tax liability may arise and if so, to what extent related costs should be apportioned to calculate any taxable profit. At the time of approval of the financial statements, this work is in progress and so the existence and amount of any liability is uncertain. In view of the uncertainties involved, it is considered impracticable to estimate the potential financial effect.

THE PERFORMING RIGHT SOCIETY FOUNDATION

England & Wales - Charity number 1080837

Accounts



THE PERFORMING RIGHT SOCIETY FOUNDATION

(A company limited by guarantee and not having a share capital)

Trustees' Report and Financial Statements

For the year ended 31 December 2022

Company number: 03901665
Charity number: 1080837

	Page
Trustees' Report	1 – 18
Independent Auditor's Report	19 – 22
Legal and administrative information	23
Statement of Financial Activities	24
Balance Sheet	25
Statement of Cash Flows	26
Notes to the accounts	27 - 40

ABOUT PRS FOUNDATION

PRS Foundation ("the Foundation") is the UK's leading charitable funder of new music and talent development.

Music creators supported by PRS Foundation secure hundreds of high-profile nominations for major industry awards each year, including 9 out of 12 Mercury Prize 2022 nominees and 4 of the 5 most recent winners, plus BRITS, Grammy, Ivor Novello, AIM, MOBO, Jazz FM and RPS Award winners and nominees. Perhaps more than anything, this demonstrates the impact of our long-term, targeted approach to talent development.

We empower and enable songwriters and composers of all backgrounds to realise their potential, create exceptional new music and reach audiences across the world. Through direct support for hundreds of Music Creators and funding for Organisations who reach thousands more each year, our funding removes barriers to progression and provides timely investment in exciting, diverse and innovative talent.

Launched by PRS in 2000, the Foundation has given more than £44 million to over 8,500 new music initiatives and founded partnership programmes that support music sector development – including global gender equality initiative Keychange, POWER UP, Women Make Music and the Talent Development Partner network.

Grantee success stories include Little Simz, Wolf Alice, Dave, Sam Fender, Abel Selaocoe, Years & Years, AJ Tracey, Anna Meredith, Yola, Natalie Driscoll, Glass Animals, Ezra Collective, Jade Bird, Ghetts, Shiva Feshareki, Sarathy Korwar, Floating Points, Nadine Shah, Natalie Holt, The Fanatix, Imogen Heap, IDLES, Kæ Tempest, Kojey Radical and Emily Burns.

The charity is widely respected as an inclusive, collaborative and proactive funding body, supporting an exceptional range of new music activity – from composer residencies and commissions to a network of talent development partners, and showcases in the UK and overseas.

PRS Foundation is a constantly evolving, dynamic organisation and its approach ensures that support reaches music creators from the grassroots up while responding to the changing environment in which the creators we support are working. Our crucial and timely support removes barriers and is helping to build a strong, connected, inclusive community of collaboration and brilliance.

This is all made possible thanks to our main donation from PRS, match funding from various partners, and the expertise of independent advisors working in different music genres and UK regions.

OBJECTIVES AND ACTIVITIES

PRS Foundation's charitable objects are to support, sustain and further the creation and performance of new music in the UK and increase the public's appreciation of and education in new music.

Our 2020-23 Strategic Priorities are to:

- invest in the development of exceptional, diverse music creators at crucial stages
- support pioneering organisations and talent development experts to enable those working in all genres across the UK to fulfil their potential
- spearhead new ways to connect music creators with organisations and partners to address talent pipeline gaps and fast-track career progression
- champion grantees and the way we work to add value, influence policy and attract increased external investment
- cement our reputation as the UK's most accessible, inclusive and collaborative music funder.

OBJECTIVES AND ACTIVITIES (continued)

Major activities in 2022 which delivered on these objectives were:

- supporting 402 projects (10.5% of applicants), investing approximately £3.29m in grants pledged (average £7,638 with easy-to-access grants pledged to 271 individual songwriters, composers and other music creators (67% of grants), 107 organisations supporting talent development (27% of grants), and 24 industry professionals/ future industry professionals through vital programmes which impact music creators (6% of grants)
- receiving 3,817 applications (vs. 5,939 in 2021 – reflecting our drive for streamlining programmes and deadlines post-pandemic)
- growing our reputation as the most inclusive music funder in the UK – with:
 - i. 63% music creator and industry professional grantees supported being women (47.6%), mixed gender groups (8.7%) or gender expansive (6.7%) (vs. 62.8% in 2021 and 53% in 2020);
 - ii. 58% of music creator and industry professional grantees being Black, Asian or ethnic minority (vs. 46.3% in 2021);
 - iii. 18% of music creator and industry professional grantees identifying as disabled (vs. 15% in 2021 and 10% in 2020)
- delivering successful New Music Biennial events in Coventry (April) and London (July) which championed world-class new UK music and reached new audiences across the UK in partnership with the Southbank Centre, BBC Radio 3, NMC Recordings and Coventry City of Culture Trust
- further adaptation of international programmes including the International Showcase Fund (ISF) to support the continued return of in person showcase and conference events (with an increase in the number of creators supported to export their music), plus Keychange which supported a further 74 participants based in 12 partner countries
- securing the 600th Keychange Pledge Signatory organisation and announcing the U.S. expansion of the global gender equity initiative which was co-founded by PRS Foundation in 2017
- celebrating the impact of our ambitious, long-term initiative POWER UP which tackles anti-Black racism in the UK music industry and supports annual cohorts of 40 Black music creators and industry professionals – the initiative received the inaugural IMPALA Changemaker Award in 2022
- supporting our network of 48 Talent Development Partner organisations
- continuing to support music creators to adapt and sustain their careers post-pandemic and post-Brexit
- ensuring that grant support is available when most needed, and that grants programmes adapt to help creators to tackle new challenges associated with the cost-of-living and cost-of-touring crises impacting music creators across the UK and abroad
- streamlining music creator programmes and reducing the number of deadlines the Foundation managed across the year
- securing a new multi-year funding agreement with the Performing Right Society Limited (“PRS”) which will increase year-on-year funding which can be allocated to PRS Foundation from 2024
- celebrating grantee adaptability, resilience and commercial and critical success, including high-profile Award wins and nominations (see below).

Context

Our crucial and timely support removes barriers and is helping to build a strong, connected, inclusive community of collaboration and brilliance.

The Team and Board have been working strategically to address unsustainable levels of demand we experienced in 2020 and 2021, particularly from music creators. While running as many existing and new programmes and deadlines was the right thing to do at the peak of the pandemic – with a high number of music creators requiring funding and applying for multiple programmes, and a need to offer flexible and frequent opportunities – it was not sustainable for the team.

Huge demand meant we received over 5,900 applications in 2021. The percentage of applicants receiving support dropped to an average of 8.2% and for some music creator schemes, success rate dipped below 5% for

Context (continued)

the first time. As a result, the creator community started to feedback that applying to many different funding bodies and opportunities during the crisis was impacting their resilience.

We addressed this in 2022 by streamlining programmes, including drastically reducing the number of deadlines held. We held only 32 deadlines compared to 41 in 2021 (a 22% decrease), including 6 deadlines for Organisations schemes, 24 for music creators (vs. 32 in 2021) and 2 for Industry Professionals.

We received a total of 3,817 applications (vs. 5,939 in 2021), which means an average of 119 applications per deadline, though demand remains particularly high per creator scheme compared to organisations schemes.

During the year, we supported 402 new music projects, investing approximately £3.29m in grants pledged to 271 music creators (songwriters, composers, artists and bands), 107 organisations (e.g. festivals, venues, studios, orchestras and other talent development-focussed organisations), and 24 industry professionals whose work impacts music creator development.

Once again, we prioritised direct support for music creators where demand is highest and the needs are most complex. The ongoing impacts of the pandemic combined with Brexit and energy/cost-of-living and touring-related challenges have greatly impacted music creator development, and the Foundation has played an important role in supporting the creative community and ecosystem to overcome these challenges.

While the overall percentage of applicants supported increased year-on-year (to 10.5%), for music creator-focussed programmes we were only able to support 8% of applicants (and in some popular open calls this figure fell below 6%).

This remains a very precarious time for music creators and for the non-profit organisations we fund to support creator development, with world events shining a light on inequities in music. This makes the Foundation's work even more vital and despite a challenging year which began with news of a potential reduction in the core donation from PRS, the Board and Team were pleased to end 2022 with news of a new multi-year funding agreement which will increase year-on-year funding which can be allocated to PRS Foundation from 2024.

THE IMPACT OF OUR WORK

For over 22 years, PRS Foundation investment has enabled songwriters and composers to develop and grow in ways which would not otherwise have been possible.

Our funding complements a changed investment landscape and reflects changing needs. Some music creators are likely to face bigger challenges than others and there is significant inequality between people of different socio-economic, ethnic and gender backgrounds.

Impact for music creators – direct investment in songwriters and composers

Our long-term approach enables music creators of all backgrounds to realise their potential, compose exceptional new music, and reach audiences across the world. Through financial support and more, we are breaking down barriers to empower outstanding and diverse talent, and we have proven that timely investment in the right creators is genuinely working.

PRS Foundation's successful model is perhaps best demonstrated through the hundreds of nominations received by grantees each year for major industry awards, with grantees being recognised with commercial and critical acclaim. 9 out of 12 Mercury Prize 2022 nominees have been supported through PRS Foundation's programmes at different career tipping points. And more than half of the Mercury nominees in the last 4 years have been supported, including 4 out of 5 winners. And we have funded BRITS, Grammy, Ivor Novello and Ivors Composer Award, AIM, MOBO, Jazz FM and RPS Award winners and nominees.

Other common outcomes for grantees include publishing and record deals, income generation, audience growth, developing teams, and securing media attention and critical acclaim.

Impact for music creators (continued)

Selecting the right creators at the most opportune and pivotal point(s) in their development is something PRS Foundation is uniquely placed to do. No other funder can boast our rate of success in empowering music creators to develop and thrive.

We know that timely investment makes a huge difference to:

- Career development – our grants help to transform careers
- Creative development and collaboration with other songwriters, composers, producers and creators
- Securing follow-on investment and levered funds
- Strengthen industry networks and to generate new opportunities (including helping creators to build communities and scenes)
- And project funding facilitates skills development and capacity-building for music creators and their representatives such as managers, labels and publishers.

Our investment is designed to reach songwriters and composers at different career stages in order to support the talent pipeline from the grassroots up.

Many are able to move up the pipeline of career-level support and we are streamlining programmes to ensure that this is clearer and easier for applicants to understand so that they can access the right support at the right time. This reflects a longer-term strategic commitment to building sustainable careers.

Addressing barriers facing music creators

Our crucial and timely support will remove barriers and build a strong, connected, diverse and inclusive community of collaboration and brilliance, enabling the creation of the most exciting and successful music in the world.

But music creators faced complex barriers in 2022 with the ongoing impacts of the pandemic, new issues relating to the cost-of-living and the cost of touring, Brexit-related barriers, and mental health impacts cannot be underestimated. It is therefore easy to see how vital PRS Foundation's funding support has been for music creator grantees and for organisations supporting these complex needs. And PRS Foundation truly understands the needs of songwriters and composers, consulting regularly with applicants, grantees and expert advisors to ensure that our programmes and projects adapt to tackle new challenges.

Meeting changing music creator needs in 2022 included:

- Sustaining creativity through project funding, including supporting songwriting, composition, commissions, recording and releases
- Supporting a return to UK touring, helping artists to meet growing travel and accommodation costs and helping to mitigate issues around increased cancellations and the impact of shrinking disposable income to see emerging live music
- Further adapting our export programmes so that more artists and creators overcome post-Covid and post-Brexit barriers and take advantage of new models, including supporting the return of in-person international showcasing
- Increasing the average grant pledged in line with increased financial need and strategically prioritising the streamlining of our programmes.

Impact for organisations we fund

PRS Foundation's funding support reaches thousands of emerging and early career music creators via its project and programme funding for Organisations.

Our pioneering support for venues, festivals, promoters, orchestras, commissioning experts and other talent development organisations focusses on ensuring songwriters and composers can access meaningful development and vital 'lifeline' support, which ranges from commissions to creative development support, performance opportunities, career development, and access to free advice and guidance for music creators.

Impact for organisations we fund (continued)

- Grants for Organisations enable PRS Foundation and partners to reach venues, promoters, festivals, orchestras and talent development organisations – in turn ensuring that investment reaches thousands of music creators in all genres UK-wide
- It helps to build ecosystems which enable songwriters and composers to thrive
- 90% of organisations say the PRS Foundation grants have helped to improve their approach to creative development
- Investment opens access to creators who will otherwise be out of reach
- And support helps organisation grantees to secure additional funding – an average of £62,000 has been levered by organisation grantees
- The pioneering Talent Development Partner network consists of 48 organisations working at the frontline of talent development across the UK, supporting a broad range of music creators working in all genres. The TDP network fosters shared learning, better signposting, and ensures transformational support is on offer. PRS Members whose first taste of talent development support came via TDPs include Anna Meredith, Lewis Capaldi, Little Simz, Nubya Garcia and Sam Fender
- And organisations we fund implement best inclusivity practice, with the majority signing up to the Keychange Pledge, working closely on POWER UP and ensuring that funding reaches a broad range of emerging and talented creators
- Organisation grantees develop talented PRS members and future members, significantly boosting the UK's cultural and economic success.

^ PRS Foundation was particularly pleased to see several organisations we have supported being invited to the Arts Council England National Portfolio for the first time (including Audio Active, Chineke! Foundation, Baby People and The Warren), as well as other Talent Development Partner organisations receiving uplifts in core funding. This demonstrates the importance of our support early in an organisation's development.

Investing in music creator development across the UK

We are committed to supporting talent development from the grassroots up and across the length and breadth of the UK. 2022 stats were very positive for music creator grantees and show that through funding for organisations we were able to support a greater proportion of venues, festivals, promoters, studios and talent development agencies in the regions and nations. Statistics for 2022 grantees showed that:

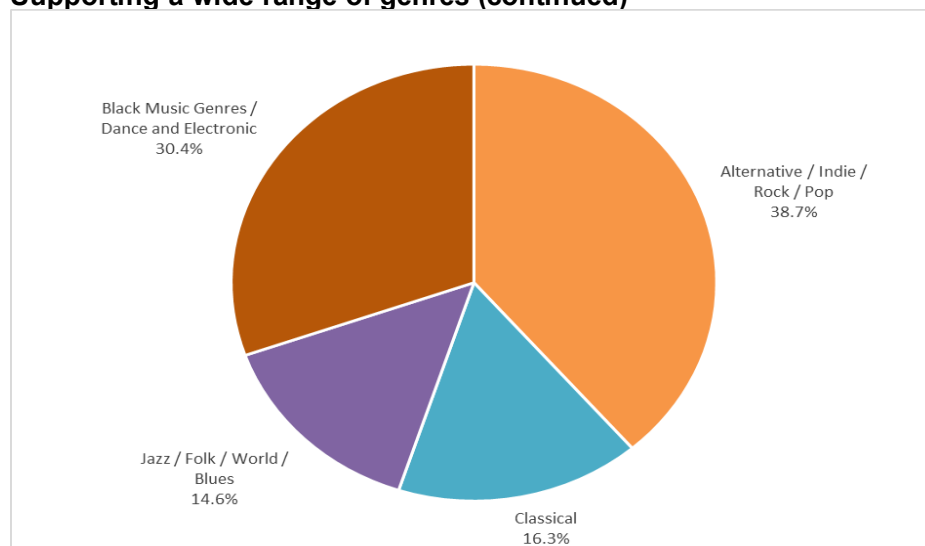
- **62%** of music creator and industry professional grantees were based outside London (vs. 60% in 2021), with 11% based in Scotland (vs. 9.3% in 2021), 10% based in Wales (vs. 8.8% in 2021) and 8% based in Northern Ireland (vs. 5% in 2021)
- **70% of organisations we funded were based outside London** – a significant increase year-on-year (vs. 67% in 2021)
- **23%** of organisation grantees were based **in Scotland** (vs. 11% in 2021), **9% in Wales** (vs. 10% in 2021) and **7% in Northern Ireland** (vs. 5% in 2021)
- And 90% of London based organisations reaching creators and audiences nationally or internationally (vs. 88% in 2021).

In 2022, we built upon our PPL Momentum Accelerator programme which already supported grantees in Yorkshire and Liverpool City Region, and has now been rolled out pan-Wales. We hope to secure increased investment to be able to meet demand from creators in Greater Manchester and the North East of England.

Supporting a wide range of genres

We supported a broad range of genres and sub-genres, maintaining a similar split in genre groupings to last year, and reintroducing Organisations schemes specialising in supporting contemporary classical composers.

Supporting a wide range of genres (continued)



DIVERSITY AND INCLUSION

Of all our approaches to tackling barriers facing members, PRS Foundation is perhaps best known for its pioneering approach to empowering exceptional and diverse music creators.

We believe that the success of the music we fund is driven by the diversity of the people who create it. We recognise the range of structural and social barriers that obstruct talent development, and we take responsibility to embrace inclusivity. We reach a broad range of creators directly while also funding organisations – including diverse-led organisations – who reach thousands of songwriters and composers from all backgrounds every year.

We expect similarly noteworthy findings in 2022 which we can report early next year once all grants have been pledged.

2022 Developments

- We expanded global gender equity and justice initiative, Keychange which reached the milestone of 600 Keychange Pledge Signatory organisations in September, and is expanding beyond Europe and Canada with the launch of Keychange U.S.
- We have been tackling economic inequality by rolling out socio-economic monitoring for more programmes which is showing that we are supporting those most in need of financial support, as well as organisations whose support for those most needing access and financial support is crucial
- The proportion of applicants with disabilities (visible and invisible) and long-term health conditions which impact their lives and music careers is increasing, and we continue to tackle barriers for disabled and neurodiverse creators
- And efforts to better monitor the diversity of boards and senior teams involved in Organisations we fund and their projects mean that we are supporting more diverse-led organisations and talent development programmes.

Gender

- 63% of music creator and industry professional grantees supported were women (47.6%), mixed gender groups (8.7%) or gender expansive (6.7%)
- 37% were men

We continue to meet gender representation targets across our programmes. The proportion of underrepresented gender creators vs. men is in line with 2021 figures and compares to a 53:47 split in 2020. The proportion of gender expansive (e.g. non-binary, gender queer, agender and Trans) grantees has increased year-on-year, which we believe is partly down to the good gender identity practice in place through our Keychange initiative

Gender (continued)

and our inclusive approach to reaching and supporting music creators from all backgrounds. As the disproportionate impact of the pandemic and the cost-of-living crisis becomes more apparent, this work is more vital than ever.

Sexual orientation

- 29.2% of music creator and industry professional grantees identified as LGBTQIA+ (vs. 27.3% in 2021)

Disability and Access

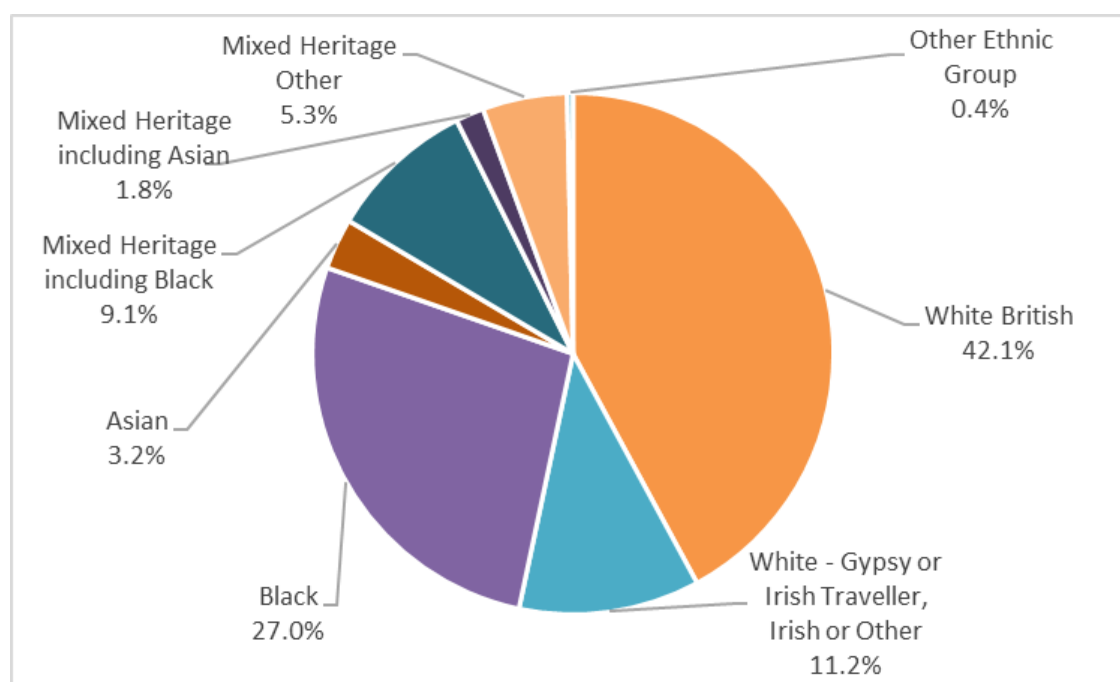
- 18% of music creator and industry professional grantees identifying as disabled or having a long-term health condition which affects their day-to-day life (vs. 15% in 2021 and 10% in 2020)

Ethnicity

The proportion of ethnic minority music creator grantees remains consistently high and grew year on year.

57.9% of grants have been awarded to those with Black, Asian or other ethnically diverse heritage, and in 2022:

- 53.3% of Music Creator grantees identified as White (vs. 53.7% in 2021)
42.1% were White British (vs. 46% in 2021); 11.2% were White – Other (vs. 7.2% in 2021)
- 36.1% of Music Creator grantees identified as Black (27%) or have mixed heritage including Black (9.1%)
(vs. 26.1% Black and 10.6% mixed heritage including Black in 2021)
- 5% of Music Creator grantees identified as Asian (3.2%) or have mixed heritage including Asian (1.8%)
(vs. 2.8% Asian and 2.1% mixed heritage including Asian in 2021)
- 5.3% of Music Creator grantees identified as 'Mixed Heritage – Other' (vs. 2.8% in 2021)
- 0.4% identified as belonging to an 'Other Ethnic Group' (vs. 1.8% in 2021)



The chart above shows how we break down ethnicity groupings and it should be noted that the proportion of White grantees has not shifted significantly, with more work to be done to support the British Asian community, which is more significant than the 5% of creator grantees who are Asian or have Mixed Heritage including Asian, although efforts in 2022 are helping to address underrepresentation.

Ethnicity (continued)

The continued success of POWER UP has had a positive impact on the proportion of Black creators and professionals we supported.

Power Up Successes So Far

Currently in its second cohort year, Power Up has attracted almost 1,000 Black music creator and professional applicants who have requested over £10m in support. With partnerships forged across the industry to tackle anti-Black racism, the participant programme has been powering up 80 individuals and key successes so far include:

- PRS Foundation received the inaugural IMPALA 'Changemaker Award' for the initiative
- Participants have been recognised with multiple award wins and nominations, including for the Mercury Prize, AIM Awards, Jazz FM Awards, Heavy Music Awards, MOBOs, and Music Week and MW Women in Music Awards
- Significant music creator career development includes UK and international tours for several participants, label and publishing deals, agency deals, chart success, high profile media and DSP coverage, and the completion and release of dozens of singles, EPs and albums – Power Up artists are dominating playlists and festivals across the world
- Industry professionals have been launching businesses, securing Board positions and gaining promotions into senior positions.

SIGNIFICANT OUTCOMES

PRS Foundation's grantees continued to receive many Award wins and nominations in 2022, building on critical acclaim which recognise the high quality of PRS Foundation-funded output.

2022 Nominations and Awards

- **Mercury Prize** – 9 of the 12 grantees nominated: Fergus McCreadie (International Showcase Fund), Gwenno (Women Make Music), Joy Crookes (International Showcase Fund), Kojey Radical (BBC Music Introducing and PRS Foundation showcase), Nova Twins (POWER UP, PPL Momentum Music Fund, International Showcase Fund), Sam Fender (PPL Momentum Music Fund, International Showcase Fund), Self Esteem (Open Fund for Music Creators), Yard Act (PPL Momentum Music Fund, International Showcase Fund) and **the winner Little Simz** (PPL Momentum Music Fund, PPL Momentum Music Fund, BBC Music Introducing and PRS Foundation showcase). 4 out of the last 5 winners have been #FundedByPRSF
- **Grammy Awards** – 6 nominations: Diana Ross "Thank You" album has been nominated for Best Traditional Pop Vocal Album and features the song 'I Still Believe' which was co-written by **Violet Skies** (Keychange, Hitmaker, International Showcase Fund) at a SheWrites writing camp for Diana Ross (SheWrites received Open Fund support for early iterations) and **Ayak** (Hitmaker) co-wrote "Come Together" from the album. International Showcase Fund supported Idles have been nominated for Best Rock Performance and Best Rock Album. And the album "Between Us (Live)" by **Anoushka Shankar** (Open Fund for Organisations), Metropole Orkest & Jules Buckley, and **Manu Delagu** (PPL Momentum Music Fund) has been nominated for Best Global Music Album
- **BRIT awards** – 22 nominations and **4 winners**, **Dave** (International Showcase Fund), **Little Simz** (International Showcase Fund, PPL Momentum Music Fund, BBC Music Introducing and PRS Foundation showcase), **Wolf Alice** (International Showcase Fund) and **Sam Fender** (PPL Momentum Music Fund, International Showcase Fund)
- **Ivors Composer Awards** – **26 nominations 6 winners: Judith Weir** (Resonate, Women Make Music), **Joanna Marsh** (The Composers' Fund), **Cheryl Frances-Hoad** (Women Make Music, The Open Fund for Music Creators, The Composers' Fund), **Laurence Crane** (New Music Biennial) and **Thomas Ades** (Resonate); and nominations for: **Laurence Osborn** (The Composers' Fund, International Showcase Fund), **Oliver Leith** (The Open Fund for Music Creators, The Composers' Fund), **Ken Hesketh** (Composer in the House, The Composers' Fund), **Kristina Arakelyan** (Open Fund for Organisations), **Emily Peasgood** (Open Fund for Organisations), **John Barber** (Open Fund for Music Creators), **Joe Cutler** (New Music 20x12, Beyond Borders, The Composers' Fund), **Laura Bowler** (Women Make Music, The Composers' Fund), **Brian Irvine** (New Music Biennial 2017, Beyond Borders),

2022 Nominations and Awards: (continued)

- Edmund Finnis** (New Music Biennial 2019), **Julian Anderson** (The Composers' Fund and Open Fund for Organisations), **James Weeks** (The Composers' Fund), **Hannah Kendall** (Women Make Music, Open Fund for Music Creators), **Una Lee** (Oram Awards), **Kathy Hinde** (Women Make Music, Oram Awards), **Ed Carter** (Open Fund), **Edward Jessen** (Open Fund), **John Casken** (Composers Fund), **Freya Waley-Cohen** (Classical:NEXT Fellowship)
- **Ivor Novello Awards** - 9 nominations and **4 winners** including, **Sam Fender** (PPL Momentum Music Fund), **Little Simz**, (International Showcase Fund, PPL Momentum Music Fund), **Dave** (International Showcase Fund) and **Laura Mvula** (Women Make Music)
 - **AIM Awards** – 25 nominations and **5 winners: Best independent album: Cleo Sol – (MOBO Tour 2012), Best independent track: Nova Twins** (POWER UP/ PPL Momentum/ International Showcase Fund), Best [difficult] second album: **Nilüfer Yanya** (PPL Momentum/ International Showcase Fund/ PRS Foundation & BBC Music Introducing Showcase), Best independent EP/mixtape - **TAAHLIAH** (POWER UP), Innovator award: **Rina Sawayama** (PPL Momentum Music Fund)
 - **Ivor Novello Awards** – 8 nominations: **Tom Misch** (PPL Momentum Music Fund), **AJ Tracey** (International Showcase Fund), **Arlo Parks** (BBC Music Introducing and PRS Foundation showcase), **Anoushka Shankar** (The Open Fund for Organisations) and Matthew Herbert and **2 winners Dave** (International Showcase Fund) and **Blanck Mass** (International Showcase Fund)
 - **Jazz FM Awards** - 13 nominations and **7 winners: Georgia Cécile** (Women Make Music), **Chelsea Carmichael** (BBC Music Introducing & PRS Foundation showcase), **Fergus McCreadie** (International Showcase Fund), **Georgia Cécile** (Women Make Music), **Norma Winstone** (International Showcase Fund), **Emma Jean-Thackray** (Lynsey de Paul Prize, Women Make Music, BBC Music Introducing & PRS Foundation showcase, PPL Momentum Fund, Musician in Residence Brazil), **Blue Lab Beats** (International Showcase Fund, PPL Momentum Fund)
 - **MOBO Awards 2021** – **31 nominations at this year's MOBO Awards** for 20 grantees: **Little Simz** (International Showcase Fund, PPL Momentum Music Fund, BBC Music Introducing and PRS Foundation showcase), **Dave** (International Showcase Fund), **Knucks** (PPL Momentum Music Fund), **Ms Banks** (International Showcase Fund, PPL Momentum Music Fund), **Tiana Major9** (PRS Foundation MOBO UnSung), **Kojey Radical** (International Showcase Fund), **Bru-C** (Open Fund for Music Creators), **Shakka** (International Showcase Fund), **D Double E** (International Showcase Fund), **Frisco** (International Showcase Fund), **Novelist** (PPL Momentum Music Fund), **K-Trap** (PPL Momentum Music Fund) **Big Joanie** (BBC Music Introducing and PRS Foundation showcase, PPL Momentum Music Fund), **Nova Twins** (PPL Momentum Music Fund, POWER UP, International Showcase Fund), **Blue Lab Beats** (International Showcase Fund, PPL Momentum Music Fund), **DoomCannon** (POWER UP), **Ego Ella May** (International Showcase Fund, PPL Momentum Music Fund, POWER UP), **Ezra Collective** (International Showcase Fund, PPL Momentum Music Fund, BBC Music Introducing and PRS Foundation showcase), **Jas Kayser** (International Showcase Fund) and **KOKOROKO** (International Showcase Fund, Women Make Music, PPL Momentum Music Fund).

Other Grantee Awards and Nominations

- We funded all 3 'Nations album of the year prize' winners this year: **Robocobra Quartet** (Flash Funding, Open Fund for Music Creators, International Showcase Fund, and PPL Momentum Music Fund) **won this year's Northern Ireland Music Prize**, **Adwaith** (PPL Momentum Music Fund) **won the Welsh Music Prize** and the Scottish Album of the Year Award was won by **Fergus McCreadie** (International Showcase Fund). The Robocobra Quartet and Adwaith albums were **both directly funded by PRS Foundation**.
- **Nova Twins** received the Best New Artist Award at the **Music Week Women in Music Awards**. Other wins at the ceremony included, PPL Momentum Music Fund supported songwriter Jessica Agombar won Music Creative and Talent Development Partner organisation, Come Play With Me, won the Company Award for Diversity in the Workplace, and Trustee Yolanda Brown won Music Champion
- **Love Ssega** (PPL Momentum and Musician in Residence China) won the Arts Foundation, "Futures Award 2022 for Music Change"
- At the **Youth Music Awards**, supported winners included The Original Track Award (Solo) – Amy DaSilva 'Think Twice' (supported by SoCo Music Project which is also funded through PRS Foundation's Open Fund for Organisations, The Original Track Award (Group) – Ava in the Dark 'Manic' (supported by Music:Leeds' Launchpad programme which is also funded through PRS Foundation's Talent

Other Grantee Awards and Nominations (continued)

Development Partner network); Rising Star Award – English Teacher (supported through the PPL Momentum Accelerator programme in partnership with PPL, Spotify and Music:Leeds' Launchpad programme which is also funded through PRS Foundation's Talent Development Partner network); The Outstanding Project Award – Girl Grind UK's SHE DON DIT IT project (founded and managed by artist Namywa who received International Showcase Fund and Sustaining Creativity Fund support); and Music Producer Award – Jessie Marcella (supported by Music:Leeds' Launchpad programme which is also funded through PRS Foundation's Talent Development Partner network).

Other Tangible Outcomes

Common tangible outcomes for PRS members who receive our support include creation of new works, signing publishing and record deals, securing future commissions, recording and releasing hundreds of albums, EPs and singles each year, live bookings which allow for increased performance of members' work, significant income generation, audience growth, developing teams around music creators, attracting sync attention, and securing media coverage and DSP support.

A number of recently supported grantees have signed deals this year as a result of our support, including Bru-C (Open Fund for Music Creators) signing a record deal with Def Jam, Abel Selaoe (Open Fund and POWER UP) signing to Warner Classics, and Sans Soucis (Women Make Music and PPL Momentum Fund) signing to Decca, and English Teacher (PPL Momentum Accelerator) signing to Nice Swan Recordings. In classical music, composers are sustaining and developing their careers, creating high quality, critically acclaimed work through our support for orchestral performances, recordings, commissions and composer development programmes. Successes include:

- **Heloise Werner** (Open Fund for Music Creators) supported debut album "Phrases" received critical acclaim including a 5***** review in BBC Music Magazine
- **Abel Selaoe** (POWER UP) had a feature interview in The Guardian discussing his debut album, while also being booked for Later with Jools Holland
- **Nwando Ebizie** (Women Make Music and Composers' Fund) album "The Swan" received an excellent review in the Quietus.

Chart and sales success for our grantees and continued positive reviews and recognition of releases in the media underline how our support is nurturing the creation of exceptional new music. Chart and sales highlights in 2022 include:

- **Yard Act** (International Showcase Fund, PPL Momentum Music Fund) debut album "The Overload" is now officially the fastest-selling debut album on vinyl of any band this century and reached Number 1 on the Physical Albums Chart, the Official Vinyl Albums Chart and Official Record Store Chart.

The profile of many of our grantees has transcended strictly music outlets into mainstream culture:

- **90 music creators at this year's Glastonbury Festival** have received PRS Foundation support for their careers and at this year's **BBC Proms more than 40 composers, music creators and orchestras** had had PRS Foundation's support.

Economic value

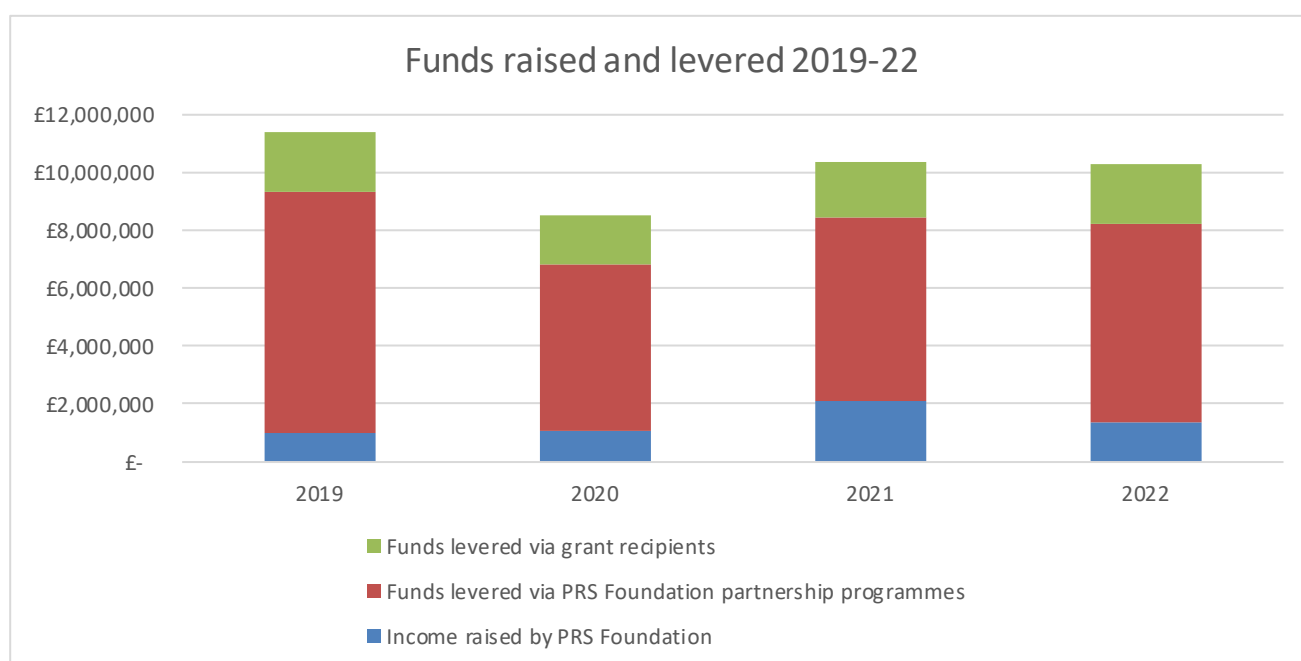
We continue to monitor economic impact of PRS Foundation support and although the pandemic and resulting economic downturn has an impact on most grantees' ability to produce such strong results in the short-term, grantees are maintaining some common tangible outcomes, including:

- creation of new works
- securing publishing deals and deals with record labels
- classical composers securing future Commissions
- recording and release of hundreds of albums, EPs and singles each year
- significant media attention and DSP support

Economic value (continued)

- securing future live bookings
- growing teams, which includes management, booking agents, lawyers and others to help sustain long-term careers
- attracting Sync attention.

Thanks to the quality of the music creators and organisations supported, every £1 invested by PRS generated an additional £4.13 (2021: £3.59) for the sector: £1,396,133 from fundraising undertaken by the Foundation (2021: £1,656,916), £6,834,256 (2021: £6,318,356) in match funding, cash and in-kind, levered through our leadership of partnership programmes and £2,100,000 (2020: £1,680,000) through funds grantees have been able to secure thanks to our seed-investment.

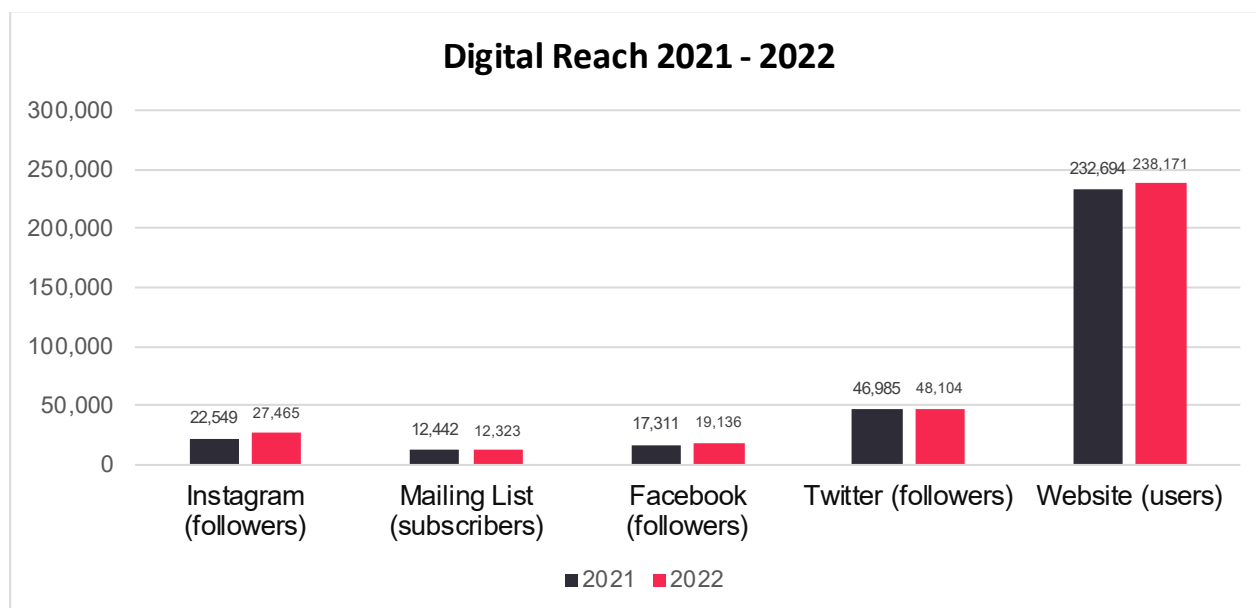


PR and Profile

Our reach and Advertising Value Equivalency (AVE) in 2022 reached £16,879,310.79 across almost 3,000 pieces of coverage, continuing to generate high levels of PR and underlining PRS' commitment to the development of PRS members and others in the ecosystem.

PRS Foundation's flagship initiatives demonstrate that talented music creators, regardless of background, ethnicity or gender are recognised, valued and supported to succeed. For example, our Keychange initiative generated over 900 pieces of coverage with an AVE of over £13m.

PR and Profile (continued)



Our reach across social media platforms continues to grow, providing powerful ways for us to promote the achievements of current and future PRS members and the impact investment is having on the industry.

PUBLIC BENEFIT

We have referred to the Charity Commission's general guidance on public benefit (including the guidance 'public benefit: running a charity PB2'), when reviewing our aims and objectives and in setting our grant making policy for the year. Public benefit is implicit in the criteria we use to assess grants which focus on the extent to which the projects we support will benefit a broad range of music creators, result in high quality music and be enjoyed by a large and diverse audience.

The Foundation accepts funding applications from all kinds of music creators. Details of the Foundation's activities are easily available on www.prsfoundation.com, including grant-making policies, priorities for each funding programme and application forms.

Our emphasis on transparency and our staff's ability to give expert advice to potential applicants, is a crucial part of the grant-making process. We also work in partnership with other organisations to extend our reach and impact, particularly in relation to any music genres and UK regions which are under-represented in our funding portfolio.

Please see "Looking Ahead" (page 15) for details of our targets for 2023.

MONITORING, EVALUATION AND LEARNING

Our bespoke Flexi-Grant funding platform allows us to monitor current grants projects and we were able to implement more consistent Evaluations Reporting systems so that we are gathering the same information for all schemes to measure the impact of funding from an economic, cultural and social impacts perspective.

The team discusses results with trustees and we are able to see that the vast majority of grantees meet intended outcomes and achieve additional unexpected positive outcomes.

We also produce long-term impact evaluation reports – often releasing one report publicly per year - engaging the services of external evaluation experts to assess and publicly report on the long-term impacts of our investment in talent.

MONITORING, EVALUATION AND LEARNING (continued)

We initially planned to commission and launch a long-term impact report for pioneering programme Women Make Music in 2022 but this work was delayed until 2023 for strategic reasons, with a series of long-term impact reports scheduled for Keychange (February 2023), Women Make Music (March 2023) and our '10 Years of PPL Momentum Music Fund' (May 2023).

We share learning and outcomes through our website, social media and regular mailings as well as via panel discussions at relevant industry conferences in the UK and overseas.

PRS FOUNDATION'S RESPONSE TO CRISES FACING MUSIC CREATORS

The Covid-19 pandemic continued to present songwriters and composers with complex challenges in 2022. Although the 'return to live' meant that many of the creators supported by PRS Foundation were able to return to more regular performances, the economic and health impact of the pandemic means that for many creators who would identify as 'emerging artists', the live sector is yet to fully recover. The longer-term impact on consumers mean that it has been tough to adapt while ensuring that creators can monetise their music and sustain their careers.

These issues have been exacerbated by Russia's war on Ukraine and the resulting cost-of-living crisis. Music creators have been impacted in complex ways, with the cost-of-living crises reducing the level of disposable income available to music consumers (which in turn impacts creator income), and the resulting increased costs of touring (e.g. petrol costs, hotel costs, increased expenses) making it much harder for artists and creators to perform and tour across the UK. The wider live sector ecosystem has certainly been impacted and it is hard to see how promoters, venues and festivals can increase ticket prices at the emerging artist level, meaning most stakeholders are suffering financially.

PRS Foundation's support for creation and performance of new music has therefore been more vital in 2022, and we are ensuring that the average grant pledged is increased, while also increasing the maximum grant available through some of our programmes. We would like to see an increase in demand for tour funding and expect this to be the case in 2023.

Pre-pandemic, roughly 1/3 of our grants were pledged for international activity, including through the International Showcase Fund. A combination of Brexit-related restrictions, the Covid-19 pandemic and the cost-of-living crisis makes artist and creator mobility more challenging and we are pleased that through ISF, Keychange and our partnership with BBC Music Introducing, we were able to support more music creators to showcase their work internationally in 2022. The Foundation also plays a key role in the European Music Exporters Exchange network, the European Talent Exchange Programme (now known as ESNS Exchange) and joined the On The Move network to ensure that UK creators can benefit from new export opportunities despite obvious challenges.

PRS SUPPORT AND COLLABORATION

PRS has invested a significant amount of financial and other support since setting up PRS Foundation in 2000 - with £42.4m invested to support new music and the development of current and future members.

The main donation from PRS also enables the Foundation to raise match funding from various sources, including public funders, collection societies around the world, and commercial sponsors. For the last few years, we have secured between £1m-£2m of additional support per year to match the PRS donation. This helps us to reach thousands more creators and pioneering organisations who support talent development.

The donations from PRS are funded through income generated separately from the royalties paid out to members. This income was in decline over recent years, not least because of historically low interest rates. As such, a difficult decision was made by the PRS Members' Council in December 2021 to reduce donations from 2024 to reflect the funds available for this income at the time.

PRS SUPPORT AND COLLABORATION (continued)

This would have had a significant impact on the Foundation's programmes but would have allowed the Foundation to sustain many programmes and subsidise operational costs. The news was announced at PRS's AGM in May 2022.

We thank the PRS team and Council members for engaging in productive, sector-wide conversations throughout the year. These conversations highlighted the importance of the Foundation's proactive, inclusive and collaborative approach to supporting music creator development.

PRS Foundation is a constantly evolving, dynamic charity - working closely with PRS to support creators and to shape the future of new music.

The Board and Team were pleased to end 2022 with new of a new multi-year funding agreement with PRS. A PRS Members' Council review of future funding options, alongside an increase in interest rates during 2022 allowed for a new funding model to be agreed upon, which will see funding determined annually, with the maximum funding which can be made available growing year-on-year from 2024, while also putting in place new measures to ensure its future financial security.

COLLABORATION WITH THE INDUSTRY AND SECTOR IMPACT

We continued to build stronger connections within the commercial sector, with key developments including:

- Power Up: We renewed partnerships with YouTube Music, the BMC, Spotify, Believe and 11 Trade Associations; confirmed more partnerships with the independent sector; and Beggars Group doubled their donation to PRS Foundation
- Through Keychange we have built stronger links with pledge signatories, reaching the milestone of 600 company signatories. New sponsors included Amazon Music
- Big and small companies continue to consult with our team in relation to gender equity and active anti-racism, and we have been involved in DCMS and Creative UK-led Bullying, Harassment and Discrimination working groups which will result in a new Independent Standards Authority
- Colleagues still sit on the UK Music Skills and Communications committees, CEO Joe Frankland is part of the LIVE group and meets regularly with 'sister' trade bodies, Arts Councils, and other arts Trusts and Foundations
- Internationally our collaborative work includes European Music Export Exchange membership and we are part of the DEMEC consortium to boost European music export. We also partner on ESNS Exchange and the On The Move network, and work closely with other export funders and agencies

Impact for the wider sector:

- The annual donation from PRS generates over £10m per year for the UK music sector, including funds raised by PRS Foundation from other sources, income generated, and funds levered by grantees as a result of our investment
- PRS Foundation feeds the talent pipeline and intervenes when and where it is most important, benefiting individual creators, publishers, record labels, the live sector, managers, and others
- PRS Foundation only supports creators in need of funding, prioritising early career talent, DIY creators and those working with independent companies (which benefits companies, team members and in some cases larger labels and publishers who take over investment at a later stage)
- The wider music sector acknowledges PRS Foundation's contribution
- PRS Foundation shapes a fairer, stronger, more connected and more diverse sector.

LOOKING AHEAD

Priorities in 2023 include:

- proactively responding to the changing needs of music creators – with particular attention being paid to tackling new barriers to touring and performing new music
- celebrating the long-term impact of flagship programmes Women Make Music and the PPL Momentum Music Fund (March and May respectively)
- continuing to expand and build upon the successes of inclusivity programmes Keychange and Power Up, including securing more investment from the industry and future funding from Creative Europe
- maintaining our presence in vital European and international collaborative projects and networks
- streamlining and evolving our programmes for music creators – including a review of our 'Next Level' grants programmes and ringfencing funds for early career talent
- consulting with music creators and organisations regarding future adaptations to organisations' funding.

In 2020, we created a Strategic Plan for 2020-23, with Strategic Priorities including:

- to be the UK's most accessible and inclusive funder of new music
- to implement a vastly streamlined programme by 2023
- connect music creators showing potential to organisations we fund and industry partners to fast-track career progression
- address regional talent development pipeline gaps and reduce the proportion of music creator grantees in London to 35% within the next five years
- better address the international needs of creators beyond showcasing
- to increase total donations to over £5m per annum by 2024 which will better meet demand, with approximately 15% of applications being supported.

In the current climate, the final target seems ambitious, though it should be evaluated regularly.

In 2023, PRS Foundation's Chief Executive ("CEO") will work on a new Strategic Plan for 2024-2026 which will reflect on the post-crises needs of music creators and the ways in which we will streamline music creator-focussed programmes. It is important to remain the leading funder of new music and talent development and to take advantage of how well we perform when creating inclusive programmes that have long-term impact. New strategies will include the streamlining of funding for organisations (to revamp our Talent Development Partner network), increasing the scope of our International Showcase Fund, and consolidation of interventions to better tackle regional infrastructure issues – inspired by our PPL Momentum Accelerator programme.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

PRS Foundation was established as a charity and company limited by guarantee in 2000. The organisation is governed by the Board of Trustees which comprises individuals who are both trustees of the charity and non-executive directors of the company. The Members of the PRS Foundation are its directors together with the Performing Right Society Limited.

The Foundation's partnerships with other public funders, charities and private sector companies are central to the way we work. These partnerships enable us to share or pool resources, grow our impact and initiate pioneering programmes which support sector development.

Governance

The Foundation monitors the terms of office of all trustees and carries out skills audits on a regular basis. Trustees serve for three-year terms and are eligible to be re-elected for a maximum of three terms. As of July 2015, the Members amended the Articles so that if a trustee is retiring after a period of continuous service exceeding nine years, the trustees may allow the retiring trustee to be re-elected for a maximum continuous period of 12 months, in order to help with induction and mentoring of successor trustee.

Governance (continued)

At the end of the reappointed period the retiring trustee shall not be eligible for re-election.

In 2020 the Foundation made amendments to the Memorandum of Association, updating the wording better to reflect the charitable objectives.

The Foundation has provision for not more than 15 trustees of whom up to seven trustees (or no more than half of the total number of trustees if fewer than fifteen) shall be nominated by the board of the Performing Right Society Limited. Other trustees shall be independent individuals with relevant experience relating to the role of the Foundation. Michelle Escoffery is a PRS-nominated trustee.

Chair of the board, Nitin Sawhney began his tenure in 2020. A nominations sub-committee chaired by Nitin Sawhney was formed to identify and recruit four replacement trustees, one of whom, YolanDa Brown, joined the board in July 2022.

The board's Finance and Personnel Committee review the organisational structure on at least an annual basis. Benchmarking of pay is carried out by management and reviewed with the Committee. The Chair of the Committee submits the Committee's recommendations for board approval in the same board meeting that the annual budget is approved.

Grant-Making Process

Final decisions regarding grant-making resourced by unrestricted funds are made by the trustees, following recommendations and advice from the management team which is informed by the Advisory Council. The Foundation pays advisors a fee for specific services, which are set out in a letter or email confirming these services when required. As part of the grant-making process, link trustees take an active part in the Foundation's grant-making procedures. At board meetings, the link trustee is asked by the Chair to present an overview of the Advisory Panel's discussions to the board, highlighting strategic priorities addressed by the grant recommendations and confirming that due process was followed.

Trustees are required to ratify (rather than approve) grants made through partnership-funded schemes such as the PPL Momentum Music Fund, International Showcase Fund and Beyond Borders. These funding decisions are recommended by specialist programme advisors and/ or funding partners.

Management

Day-to-day management is the responsibility of an administrative team of nine full time and five part time staff (including consultants), led by Chief Executive, Joe Frankland who has authority, within terms of delegation approved by the directors, for all operational matters.

RISK MANAGEMENT

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

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

- a wide and appropriate level of professional skills and experience within the board of trustees
- the employment of professionally qualified staff and the engagement of professional services for legal, financial and human resource requirements
- the employment of an increasingly broad range of independent advisors who help to assess the Foundation's applications
- collaboration with relevant PRS departments to support our finance and personnel policies
- good internal communications and controls.

FINANCIAL REVIEW

Income

Total income for the year 2022 was £4,007,624 compared with £4,184,850 in 2021.

The Foundation is extremely grateful for the generosity and support from all of the funders listed in this report. This includes the membership and Board of PRS which has shown their continued commitment to the Foundation's charitable activities and the importance of our work to songwriters, composers, performance groups, bands, festivals, promoters and other organisations making new music across the UK. We also acknowledge the generous support of our other major donor, PPL, support from Creative Europe and Arts Councils across the UK. Where the Foundation sets ambitious external fundraising targets and performs well - raising between £1.5m-£2m per year to match our core donation from PRS - the management team and Trustees acknowledge that in the current climate it has been difficult to meet targets for some programmes. This is partially due to the competitive nature of public funding and a trend of music tech companies - including DSPs who make up a significant proportion of external investment – having to reduce budgets across the board. We will continue to diversify income sources and welcome collaboration with alternative larger music companies.

Expenditure

Total expenditure in the year was £4,191,056 compared with £4,056,224 in 2021, in line with increased income. Expenditure incurred to generate income is minimal (2.1% of funds raised) as the fundraising function is integrated with the Chief Executive's responsibility to work strategically with a broad range of funding partners who share our objectives. PRS Foundation does not engage external professional fundraisers or commercial participators to carry out fundraising activity and does not engage in face-to-face or telephone fundraising.

As part of its preparation for the General Data Protection Regulation that came into force in May 2018, PRS Foundation has reviewed and updated its Privacy Notices. These notices, published on our website, clearly states what personal data the Foundation holds in relation to supporters and how this data will be used. It sets out how individuals can raise concerns or complaints. The Foundation has received no complaints about its fundraising activities either during the financial year or subsequently.

RESERVES

The total year end funds are £1,038,075 compared with £1,221,507 in 2021. This amount is split between £141,248 of unrestricted funds and £896,827 of restricted funds. The net movement in funds for 2022 is a deficit of £183,432 (2021: surplus of £128,626), which is due to the timing of income recognition and grants expenditure between years.

The Foundation also has confirmed funding partnerships that will secure funding for future periods. The trustees intend that our free reserves, i.e. the unrestricted reserves of the Foundation, excluding those designated or tied up in fixed assets, will cover the operating costs of the charity for the first quarter of the following year. The trustees believe that the Foundation should aim to award the majority of its funds to grantees and not to build up large reserves. The free reserves at 31 December 2022 stand at £141,248. For these purposes, the charity's operating costs cover salaries and support costs, but not grant payments and are estimated at approximately £110,028 for the first quarter of 2023. The reason for holding reserves is as a buffer in case of adverse events and/ or loss of income.

TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of The Performing Right Society Foundation 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).

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 of the incoming resources and application of resources, including 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
- comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which 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.

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.

In so far as the trustees are aware:

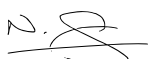
- there is no relevant audit information of which the charitable company's auditor is unaware
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The auditors, Moore Kingston Smith LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

On behalf of the Board



Nitin Sawhney (Chair)
Trustee

Date:

1 August 2023

Opinion

We have audited the financial statements of The Performing Right Society Foundation ('the company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Summary Income and Expenditure account, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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 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.

Other information (continued)

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 matter 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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 18, 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Auditor's responsibilities for the audit 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance, particularly in relation to the adoption of the accounting policies considered to be most relevant to the charitable company's financial reporting.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP.

.....
James Saunders, FCCA DChA (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street
London
EC2A 2AP

Date: 2 August 2023

Name and status:	The Performing Right Society Foundation ("PRS Foundation") is a company limited by guarantee, being governed by its memorandum and articles of association and has no share capital.
Company number:	03901665
Charity number:	1080837
Principal and registered office:	Tea Auction House Counter Street London SE1 2HD
Trustees:	Yolanda Brown - Appointed on 5 July 2022 Chris Butler Lorna Clarke Michelle Escoffery Christine Geissmar Richard King Caroline Norbury Mark Poole Nitin Sawhney (Chair) Susannah Simons
Principal staff:	Joe Frankland, Chief Executive Fiona Harvey, Senior Manager, Operations Becci Scotcher, Senior Grants and Programmes Manager Liam McMahon, Senior Communications Manager Yaw Owusu, Senior Power Up Programme Manager
Secretary:	Fiona Harvey
Auditors:	Moore Kingston Smith LLP 9 Appold Street London EC2A 2AP
Bankers:	Santander UK plc Bridle Road Bootle L30 4GB

Statement of Financial Activities
(Incorporating the Summary Income and Expenditure
account) For the year ended 31st December 2022



	Note	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
		£	£	£	£
INCOME:					
Income and endowments from:					
Donations and legacies	3	2,611,491	1,181,788	3,793,279	3,863,850
Corporate sponsorship		-	214,345	214,345	321,000
Total income		<u>2,611,491</u>	<u>1,396,133</u>	<u>4,007,624</u>	<u>4,184,850</u>
EXPENDITURE:					
Raising funds	5	(15,344)	(69,685)	(85,029)	(71,703)
Charitable activities	6	(963,491)	(3,142,536)	(4,106,027)	(3,984,521)
Total expenditure		<u>(978,835)</u>	<u>(3,212,221)</u>	<u>(4,191,056)</u>	<u>(4,056,224)</u>
Net income / (expenditure)		1,632,656	(1,816,088)	(183,432)	128,626
Transfers between funds	16	<u>(1,610,280)</u>	<u>1,610,280</u>	-	-
Net movement in funds		22,376	(205,808)	(183,432)	128,626
Reconciliation of funds					
Total Funds Brought Forward		<u>118,872</u>	<u>1,102,635</u>	<u>1,221,507</u>	<u>1,092,881</u>
Total Funds Carried Forward		<u>141,248</u>	<u>896,827</u>	<u>1,038,075</u>	<u>1,221,507</u>

The notes on pages 27 to 40 form an integral part of these accounts.

Balance Sheet
As at 31st December 2022



	Notes	2022	2022	2021	2021
		£	£	£	£
Fixed Assets					
Tangible fixed assets	12	-	-	794	-
Current Assets					
Debtors	13	480,189		927,163	
Cash at bank and in hand		<u>3,893,963</u>		<u>3,427,258</u>	
		4,374,152		4,354,421	
Creditors: Amounts falling due within one year	14	(3,336,077)		(3,133,708)	
Net Current Assets			<u>1,038,075</u>		<u>1,220,713</u>
Total Net Assets			<u><u>1,038,075</u></u>		<u><u>1,221,507</u></u>
The funds of the charity	16				
Unrestricted funds			141,248		118,872
Restricted funds			896,827		1,102,635
Total charity funds			<u><u>1,038,075</u></u>		<u><u>1,221,507</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The notes on pages 27 to 40 form an integral part of these accounts.

Approved by the Board of Trustees, authorised for distribution, on 1 August 2023
and signed on their behalf by:

.....
Nitin Sawhney, Trustee, Chair

Company Registration Number: 03901665

Statement of Cash Flows
For the year ended 31st December 2022



		2022	2021
	Note	£	£
Net cash used in operating activities	17	466,705	(394,452)
Cash flows from investing activities:			
Dividends, interest and rent from investments		-	-
Purchase of tangible fixed assets		-	-
Net cash provided by investing activities		-	-
Change in cash and cash equivalents in the reporting period		466,705	(394,452)
Cash and cash equivalents at the beginning of the reporting period		3,427,258	3,821,710
Cash and cash equivalents at the end of the reporting period		<u>3,893,963</u>	<u>3,427,258</u>

1 Accounting Policies

Statement of compliance

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The Charities SORP (FRS102)).

Basis of Preparation of the Financial Statements

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound. The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted, which have been consistently applied to all the years presented, are set out below.

Going Concern

The financial statements are prepared on a going concern basis which assumes that the charitable company will continue in operational existence for a period of at least twelve months from the date of approval of these financial statements.

We have been scenario planning for most programmes and trustees have reviewed reforecast budgets for 2023 which include assessments of the probability of reaching fundraising targets, using percentage indicators, particularly in the context of the impact of the pandemic and the cost-of-living crisis on the charitable company's priorities.

Trustees are assured that unrestricted income is confirmed from PRS in 2023 (£2,500,000) and 2024 (over £2,500,000) and that expenditure on programmes is not begun until funds have been confirmed.

Senior management is in constant communication with funders and funding partners with regard to future funding which has helped our scenario planning. The Foundation is very experienced at adapting to changing needs and trustees accept that expenditure on programmes needs to be adjusted where necessary. The trustees will work with management to look for new fundraising opportunities.

The trustees believe that the charitable company is well placed to manage its business risks and has considerable financial resources including cash balances. It is therefore appropriate to prepare these accounts on the going concern basis.

Income

(i) *Income- donations and grants*

Donations and grants are recognised where there is entitlement, probability of receipt and the amount can be measured reliably. Such income is only deferred when:

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

(ii) *Donated services and facilities*

Where services are provided to the Foundation as a donation that would normally be purchased from suppliers, this contribution is included in the financial statements as an estimate based on the value of the contribution to the Foundation. Donated services and facilities are discussed in Note 19.

(iii) *Investment income*

Investment income is recognised on a receivable basis.

1 Accounting Policies (continued)

Expenditure

Expenditure, which is charged in the Statement of Financial Activities on an accrual basis, has been classified under headings that aggregate all costs related to the type of activity. Where costs cannot be directly attributed to a particular activity (i.e. support costs) they have been allocated to them on a basis consistent with use of the resources. Support costs have been allocated on the basis of staff time spent on the various activities as this is felt to be a measure of the relative proportion of resources consumed.

Grant obligations are recognised on an accruals basis once the grant offer has been communicated to the recipient.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets, acquired at a cost of more than £1,000, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Computer equipment 3 years

The useful economic lives and residual values of all tangible assets are re-assessed annually. Impairment reviews are also carried out annually.

Value Added Tax

The charity is registered for value added tax.

Pensions

Contributions to personal pension schemes are charged to the Statement of Financial Activities as they become payable in accordance with the individual schemes.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 Accounting Policies (continued)

Recognition basis

Basic financial assets are initially measured at transaction price and subsequently carried at amortised cost. Basic financial liabilities are initially recognised at transaction price and subsequently measured at amortised cost.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received, where this is material to the accounts.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In the opinion of the trustees there are no sources of estimation uncertainty as at the reporting date that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the next reporting period.

3 Voluntary income

	Unrestricted £	Restricted £	2022 £
Donations 2022			
Performing Right Society Limited	2,500,000	-	2,500,000
Public funding	-	395,789	395,789
Trusts and Foundations	-	105,427	105,427
Other	111,491	680,572	792,063
	<u>2,611,491</u>	<u>1,181,788</u>	<u>3,793,279</u>

'Public funding' comprises donations from Arts Council Wales, Department for International Trade, Arts Council England, Arts Council Northern Ireland, Creative Wales (Welsh Government), Creative Scotland, Wales Arts International, Liverpool City Council, and Arts Council Ireland.

'Other' includes donations from PPL, Beggars Group, British Underground, and Musicians' Union.

3 Voluntary income (continued)

	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>2021</i> £
Donations 2021			
<i>Performing Right Society Limited</i>	2,525,986	-	2,525,986
<i>Public funding</i>	-	482,069	482,069
<i>Trusts and Foundations</i>	-	30,825	30,825
<i>Other</i>	1,948	823,022	824,970
	<u>2,527,934</u>	<u>1,335,916</u>	<u>3,863,850</u>

'Public funding' comprises donations from Arts Council Wales, Arts Council Northern Ireland, British Council, Creative Scotland, Liverpool City Council, and Department for International Trade.

'Other' includes donations from PPL, Crowdfunder, British Underground, Beggars Group, Musicians' Union, FACTOR Canada, Believe Direct Limited and STEF (Iceland).

4 Government grants

During the year income of £60,000 (2021: £26,500) was received from Department for International Trade, relating to the International Showcase Fund, and £45,000 (2021: £30,000) from Creative Wales (Welsh Government) relating to PPL Momentum Music Fund.

No unfulfilled conditions or contingencies attached to the grant have been recognised as income.

5 Cost of generating funds

	<i>2022</i> £	<i>2021</i> £
Staff costs	60,246	58,399
Direct costs	20,553	11,738
Support costs (see note 8)	3,076	543
Consultancy costs	1,154	1,023
	<u>85,029</u>	<u>71,703</u>

6 Charitable activities costs

	Direct activities £	Grants (See note 7) £	Support costs (See note 8) £	Total 2022 £
Project / activity 2022				
Talent Development	292,196	2,045,054	19,573	2,356,823
Open Funds	131,474	676,365	15,675	823,514
International	310,587	260,859	10,666	582,112
UK Collaboration	62,479	200,850	2,945	266,274
Other Partnerships	39,339	35,000	2,965	77,304
	<u>836,075</u>	<u>3,218,128</u>	<u>51,824</u>	<u>4,106,027</u>

Within the above, 'direct activities' is comprised of expenditure on grants awarded and the direct costs of supporting charitable activities. This includes an allocation of staff costs on the basis of staff time spent on the various activities as this is felt to be a measure of the relative proportion of resources consumed.

Support costs, which cannot be directly attributed to a particular activity, have been allocated on the same basis.

Included within the above are grants to 187 institutions (2021: 222 institutions), which include bands, orchestras, festivals and promoters totalling £1,824,655 (2021: £1,931,484).

Included within the above are grants to 226 individuals (2021: 235 individuals) totalling £1,466,759 (2021: £1,243,523).

Also included within the above are deductions for 57 grant reclaims (2021: 17) totalling £73,286 (2021: £33,040).

Further details about these programmes can be found at www.prsfoundation.com

	Direct activities £	Grants (See note 7) £	Support costs (See note 8) £	Total 2021 £
Project / activity 2021				
Talent Development	330,984	1,897,707	23,829	2,252,520
Open Funds	119,363	782,653	17,258	919,274
International	262,026	278,017	13,199	553,242
UK Collaboration	24,016	168,590	2,475	195,081
Other Partnerships	46,215	15,000	3,189	64,404
	<u>782,604</u>	<u>3,141,967</u>	<u>59,950</u>	<u>3,984,521</u>

7 Grants awarded

	2022 £	2021 £
Commitments brought forward	2,897,954	2,417,501
Grants pledged in year	3,291,414	3,175,007
Grant commitments reclaimed	(73,286)	(33,040)
Grantee debtors	161,145	160,727
Grant payments made	(3,340,790)	(2,822,241)
	<u>2,936,437</u>	<u>2,897,954</u>
Commitments carried forward (note 14)		

8 Support costs

	2022 £	2021 £
Fundraising and activities to generate funds	3,076	543
Charitable activities	<u>51,824</u>	<u>59,950</u>
	<u>54,900</u>	<u>60,493</u>

Support costs, included in the above, are detailed below

Accommodation	-	30,804
Governance costs	21,302	12,313
Staff training	6,501	5,185
Staff costs	4,321	4,259
Consultancy	1,154	1,023
Travel and subsistence	3,026	535
Keychange Trademark	6,552	-
Legal services	5,121	-
Personnel services	695	173
Other office running costs	<u>6,228</u>	<u>6,201</u>
	<u>54,900</u>	<u>60,493</u>

9 Net movement in funds

	2022 £	2021 £
Net resources are stated after charging:		
Depreciation- owned assets	794	905
Auditors' remuneration- current year	11,700	9,600
Auditors' remuneration- prior year additional	2,950	-

10 Trustees' remuneration and benefits

The trustees did not receive any remuneration as statutory directors of the company.

During the year no trustees were reimbursed expenses for travel and subsistence.

The following expenses were incurred during the year: £134 (2021: £147) on trustee/ staff entertaining and £0 (2021: £100) on leaving/ thank you gifts for trustees.

11 Staff costs

	2022 £	2021 £
Salaries	369,763	365,399
Social security costs	33,074	31,497
Pension costs	19,156	19,613
	<u>421,993</u>	<u>416,509</u>

Included in the above costs are £56,162 of salaries (2021: £64,618) and £4,368 of social security costs (2021: £4,091) that are funded by restricted income.

The average number of monthly employees during the year was as follows:

	2022	2021
Fundraising and activities to generate funds	0.7	0.7
Charitable activities	9.9	9.3
Governance	0.1	0.1
Total	<u>10.7</u>	<u>10.1</u>

One employee received emoluments, excluding pension contributions, of between £70,000-£80,000 (2021: one employee between £60,000-£70,000).

Employer pension contributions for this employee totalled £4,220 (2021: £4,097).

In addition to remuneration, including pension contributions, for three key management personnel of £192,320 (2021: £185,700), there are two additional members of key management personnel who were paid £21,719 (2021: £20,460) and £31,263 (2021: £35,393) on a consultancy basis.

12 Tangible fixed assets

	Computer equipment £
Cost	
At 1st January 2022	2,717
Additions	-
Disposals	-
At 31st December 2022	<u>2,717</u>
Depreciation	
At 1st January 2022	1,923
Charge for year	794
Eliminated on disposal	-
At 31st December 2022	<u>2,717</u>
Net book value	
At 31st December 2022	<u>-</u>
At 31st December 2021	<u>794</u>

13 Debtors

	2022 £	2021 £
Prepayments and accrued income	176,320	670,533
Trade debtors	203,784	145,659
VAT repayment	8	-
Other debtors	-	244
Grantee debtors	161,145	160,727
Bad debt provision	<u>(61,068)</u>	<u>(50,000)</u>
	<u>480,189</u>	<u>927,163</u>

14 Creditors: Amounts falling due within one year

	2022 £	2021 £
Taxation and Social Security	10,867	6,077
VAT payable	-	11,454
Grants payable	2,936,437	2,897,954
Trade creditors	-	23,146
Other creditors	980	2,769
Accruals	39,410	91,399
Deferred income	348,383	100,909
	<u>3,336,077</u>	<u>3,133,708</u>
Deferred income		
At 1st January 2021	100,909	
Income deferred	348,383	
Income released to Statement	(100,909)	
At 31st December 2021	<u>348,383</u>	

15 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Fixed assets	-	-	-
Current assets	1,974,188	2,399,964	4,374,152
Current liabilities	(1,832,940)	(1,503,137)	(3,336,077)
	<u>141,248</u>	<u>896,827</u>	<u>1,038,075</u>
	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
<i>Fixed assets</i>	794	-	794
<i>Current assets</i>	2,070,337	2,284,084	4,354,421
<i>Current liabilities</i>	(1,952,259)	(1,181,449)	(3,133,708)
	<u>118,872</u>	<u>1,102,635</u>	<u>1,221,507</u>

16 Movement in funds

	At 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	At 31 December 2022 £
Unrestricted funds 2022					
General	118,872	2,611,491	(978,835)	(1,610,280)	141,248
Restricted funds 2022					
(a) Anthropy	-	2,000	(3,472)	1,472	-
(b) BBC Introducing	97,980	-	(34,566)	35,789	99,203
(c) Beyond Borders	32,252	52,888	(103,688)	25,488	6,940
(d) The Composers' Fund	160,436	0	(138,479)	85,579	107,536
(e) The Hitmaker Fund	30,383	0	(159,576)	119,911	(9,282)
(f) International Showcase Fund	210,533	258,683	(301,465)	131,608	299,359
(g) Keychange	81,832	65,870	(154,990)	51,065	43,777
(h) Keychange USA	-	50,975	(101,504)	6,465	(44,064)
(i) NFTS Scholarships	5,000	-	(21,477)	16,477	-
(j) New Music Biennial	(46,490)	78,400	(169,135)	124,192	(13,033)
(k) POWER UP	(27,892)	207,120	(471,064)	236,181	(55,655)
(l) PPL Momentum Accelerator	(12,772)	66,446	(51,965)	18,410	20,119
(m) PPL Momentum Music Fund	495,532	513,751	(673,907)	81,911	417,287
(n) Rebalance	12,808	-	(3,311)	2,311	11,808
(o) Resonate	50,802	-	(53,700)	3,700	802
(p) Sustaining Creativity Fund	1,910	-	-	-	1,910
(r) Talent Development Partners	10,321	100,000	(769,922)	669,721	10,120
Total restricted funds	1,102,635	1,396,133	(3,212,221)	1,610,280	896,827

	At 1 January 2021 £	Incoming resources £	Resources expended £	Transfers £	At 31 December 2021 £
Unrestricted funds 2021					
General	105,261	2,527,934	(1,036,504)	(1,477,819)	118,872
Restricted funds 2021					
BBC Introducing	81,653	-	(18,412)	34,739	97,980
Beyond Borders	44,252	(12,000)	(5,266)	5,266	32,252
The Composers' Fund	126,911	20,000	(81,766)	95,291	160,436
The Hitmaker Fund	8,795	50,000	(150,633)	122,221	30,383
International Showcase Fund	221,554	217,750	(358,423)	129,652	210,533
Keychange	73,537	127,375	(197,883)	78,803	81,832
NFTS Scholarships	-	-	(1,354)	6,354	5,000
New Music Biennial	-	92,000	(196,508)	58,018	(46,490)
POWER UP	3,010	372,396	(497,895)	94,597	(27,892)
PPL Momentum Accelerator	-	29,000	(53,409)	11,637	(12,772)
PPL Momentum Music Fund	362,388	589,500	(560,391)	104,035	495,532
Rebalance	12,808	-	(3,015)	3,015	12,808
Resonate	50,802	-	(8,048)	8,048	50,802
Steve Reid InNOVation Award	-	-	(1,044)	1,044	-
Sustaining Creativity Fund	1,910	-	-	-	1,910
Talent Development Partners	-	170,895	(885,673)	725,099	10,321
Total restricted funds	987,620	1,656,916	(3,019,720)	1,477,819	1,102,635

16 Movement in funds (continued)

(a) Anthropy

Anthropy is a new annual conference empowering leaders to shape the future of Britain through panels and networking featuring thought leaders from the worlds of business, sports and culture. PRS Foundation worked alongside Creative UK and other partners in the culture sector to programme relevant panel events, and to showcase a previous PRS Foundation grantee.

(b) BBC Introducing and PRS Foundation partnership

A partnership between PRS Foundation and BBC Introducing since 2014, which brings emerging talent to showcases worldwide. Selected through the Introducing Uploader network and curated and presented by BBC DJs, artists are supported international events including Eurosonic, Winter Jazzfest, SXSW, Reeperbahn Festival and Montreal Jazz Festival.

(c) Beyond Borders

As a flagship programme, Beyond Borders stimulates and strengthens cross-border collaborations between music creators, performers and presenters. It supports the creation, touring and promotion of innovative and high-quality new music across all genres and encourages engagement with audiences across England, Scotland, Wales, Northern Ireland, and since 2014, the Republic of Ireland through multiple performances and digital activities. Support is given to up to 8-10 projects per year with funding of up to £15,000 available for projects that include new commissions, recordings and repeat performances of music written in the past five years. It is managed and funded by PRS Foundation with funds also from Creative Scotland, Arts Council of Wales, Arts Council of Northern Ireland and Arts Council Ireland/An Chomhairle Ealaíon.

(d) The Composers' Fund

The Composers' Fund is an opportunity for composers with a strong track record to gain direct access to funding at pivotal stages in their career. Grants of up to £8,000 - £15,000 are available to no more than 15 composers per year who are already making a significant cultural contribution in the UK and have the potential for greater impact in the UK and overseas. Previous projects have included recordings, the promotion and performance of existing works, international co-commissions and development, performer collaboration, residencies, sabbaticals or childcare costs and project or promotional support. It is managed and funded by PRS Foundation.

(e) The Hitmaker Fund

The Hitmaker Fund offers an opportunity for songwriters and producers working in popular music genres to further develop their careers and writing/production with grants of between £5,000 - £10,000. Launched in 2017 as a response to the long-term career needs of those working behind the scenes, The Hitmaker Fund (formerly The Writer Producer Fund) was initiated by PRS Foundation with the Ivors Academy Trust. The rebranded Hitmaker Fund is now managed and funded by PRS Foundation.

(f) International Showcase Fund

The International Showcase Fund (ISF) offers vital export support for UK-based artists, bands, songwriters and producers who have been invited to perform or create new music at international showcasing festivals or conferences. It is managed and funded by the Foundation with funds also from partners: Department for International Trade (DIT), British Underground, Arts Council England, PPL, Creative Scotland, Wales Arts International and Arts Council of Wales, Arts Council of Northern Ireland and Invest NI and the Musicians' Union. Grants and support from fund partners enable artists to perform at key showcasing events and conferences around the world such as Eurosonic (Europe), SXSW (North America), Reeperbahn Festival (Europe), Zandari Festival (Asia), Womex (Europe), Americana Fest (North America), JazzAhead (Europe) and Mutek (North America).

16 Movement in funds (continued)

(g) Keychange

Keychange is a pioneering international initiative which transforms the future of music whilst encouraging festivals and music organisations to include 50% women and underrepresented genders in programming, staffing and beyond. 74 emerging artists and innovators each year from across Europe and Canada will take part in international festivals, showcase events, collaborations and a programme of creative labs. Initiated by PRS Foundation and European partners, Keychange is led by Reeperbahn Festival, PRS Foundation and Musikcentrum Ost, supported by the Creative Europe programme of the European Union, in partnership with Tallinn Music Week, Iceland Airwaves, BIME, Oslo World, Linecheck/Music Innovation Hub, Ireland Music Week, SACEM, Liverpool Sound City, Way Out West, Spring Break, MAMA, Mutek and Breakout West.

(h) Keychange USA

Keychange Core Partners, including PRS Foundation, have been involved in securing a founding sponsor donation of \$250,000 from Believe and TuneCore and strategically steering the expansion of the global Keychange initiative into the United States. For an initial period, PRS Foundation – on behalf of core partners- are administering that donation and making payments while overseeing a small Keychange U.S. team of employees and consultants using Employer of Record, Multiplier. Keychange U.S. has recently been incorporated as a standalone 501(c)(3) non-profit organization in the U.S., with its own Board of Directors (including PRS Foundation CEO, Joe Frankland). And once Keychange U.S. is ready to accept future donations and take over the financial management of a bespoke Talent Development Program and wider advocacy work, PRS Foundation's role overseeing the administration will end. Future administrative and partnership support will be recognised through Keychange U.S. payments to PRS Foundation and Core Partners.

(i) National Film and Television School Scholarships (NFTS)

We support two scholarships per year for emerging composers at the National Film and Television School. During the course, students compose music for fiction, documentary and animation films, commercials and television productions. This variety allows students to experiment musically and discover their strengths and individual styles.

(j) New Music Biennial

New Music Biennial is a PRS Foundation and Southbank Centre initiative, presented in partnership with Coventry City of Culture 2022, Southbank Centre, BBC Radio 3 and NMC Recordings. It supports and provides a platform for talented organisations and music creators who are pushing the boundaries of new music in the UK. 2022 marked the tenth anniversary of the New Music Biennial. The project is funded and managed by the Foundation with funds also from Arts Council England, Arts Council Northern Ireland, and Paul Hamlyn Foundation.

(k) POWER UP

POWER UP is an ambitious, long term initiative which supports Black music creators and industry professionals and executives, as well as addressing anti-Black racism and racial disparities in the music sector. Co-founded by PRS Foundation and Ben Wynter and managed by the Foundation in partnership with YouTube Music, Beggars Group, and the Black Music Coalition, the initiative brings together several music industry partners and goes beyond solidarity, with new approaches which foster meaningful change. Other supporters include the Google Cultural Institute, including Google Arts & Culture, Creative Scotland, Arts Council Wales, Creative Wales and Paul Hamlyn Foundation.

16 Movement in funds (continued)

(l) PPL Momentum Accelerator

PPL Momentum Accelerator is a targeted scheme to support the development of outstanding artists and bands who are writing their own music, and future Industry Professionals, outside London and who face regional/national barriers in reaching a crucial career tipping point based on their location. Through the evaluation of our PPL Momentum Music Fund and evidence from thousands of applications PRS Foundation receives each year, we identified talent pipeline gaps across the UK. Partners provide support for a number of future industry professionals such as managers, promoters, record labels, music publishers, and booking agents, to bolster regional scenes across the UK. Launched as a pilot in Liverpool in 2019, PPL Momentum Accelerator runs in Liverpool City Region, Yorkshire and Wales. PPL Momentum Accelerator is managed by PRS Foundation in partnership with PPL, Music:Leeds, Liverpool City Region and Arts Council Wales.

(m) PPL Momentum Music Fund

The PPL Momentum Music Fund offers grants of £5,000 to £15,000 for UK based artists/bands to break through to the next level of their careers. Activities eligible for support include recording, touring and marketing. The PPL Momentum Music Fund is run by PRS Foundation in partnership with PPL, Creative Wales, Arts Council of Northern Ireland, Invest NI and Spotify. PRS Foundation and Arts Council England initiated The Momentum Music Fund in 2013.

(n) ReBalance

In partnership with Festival Republic, ReBalance is a pioneering programme which provides five days' studio recording time to a core female-identified band or artist each month, as well as a slot at a Festival Republic or Live Nation festival and numerous live events throughout the year. ReBalance is managed and funded by PRS Foundation also with funds from Festival Republic.

(o) Resonate

Resonate is a fund and resource which encourages professional orchestras to programme into their repertoire the best pieces of British music from the past 25 years. PRS Foundation offers financial support with grants of up to £10,000 to orchestras who commit to exploring contemporary UK repertoire as part of a season / tour and longer-term audience development programme. The Resonate database is currently updated on an annual basis, following an open submission process. Resonate is managed and funded by PRS Foundation in partnership with the Association of British Orchestras and in association with broadcast partner BBC Radio 3.

(p) Sustaining Creativity Fund

Thanks to the Spotify COVID-19 Music Relief Fund and generous donations from members of the public, PRS Foundation launched the Sustaining Creativity Fund to support artists, songwriters and composers to create and develop when they need it most. For those experiencing significant impact on their work, income and ability to complete planned musical activities, we wanted to enable creativity and to help grantees to be in a good position to fulfil creative and career potential, breaking down the huge barriers presented by the Covid-19 pandemic.

(r) Talent Development Partners

Talent Development Partners (TDP), which include venues, festivals, rehearsal spaces, studios and other talent development experts, receive a grant from the Foundation for their year-round activity. They also work closely with PRS Foundation to address talent pipeline gaps through joint work and signposting. During the Talent Development Conference in January 2021, the Foundation announced that PPL would be supporting the TDP network. This partnership provides match funding for the Foundation's donation from PRS for Music. The TDP Network is managed and funded by PRS Foundation also with funds from PPL.

17 Net cash outflow from operating activities

	2022 £	2021 £
Net income as per Statement of Financial Activities	(183,432)	128,626
Adjustments for:		
Investment income	-	-
Depreciation of tangible fixed assets	794	905
Amortisation of intangible fixed assets	-	-
Decrease / (increase) in debtors	446,974	(479,702)
Increase / (decrease) in creditors	202,369	(44,281)
Net cash used in operating activities	466,705	(394,452)

18 Related parties

During the year the charity received a donation of £2,500,000 (2021: £2,500,000) from a member, the Performing Right Society Limited, of which £2,500,000 was received by the end of December 2022 (2021: £2,500,000).

The Foundation has the use of PRS's premises and a range of associated services. This has been funded by PRS to the value of £58,999 (2021: £25,986).

During the year the charity made grants to the following institutions who share a common trustee or key management personnel with the Foundation:

	2022 £	2021 £
Britten Sinfonia	18,000	-
British Film Institute	8,000	-

During the year the charity made grants to individuals of £3,940 (2021: £0 to 0 individuals), who are represented by publishers who are trustees of the charity.

19 Legal status

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

THE PERFORMING RIGHT SOCIETY FOUNDATION

England & Wales - Charity number 1080837

Accounts



THE PERFORMING RIGHT SOCIETY FOUNDATION

(A company limited by guarantee and not having a share capital)

Trustees' Report and Financial Statements

For the year ended 31 December 2021

Company number: 03901665
Charity number: 1080837

	Page
Trustees' Report	1 – 17
Independent Auditor's Report	18 – 21
Legal and administrative information	22
Statement of Financial Activities	23
Balance Sheet	24
Statement of Cash Flows	25
Notes to the accounts	26 - 39

ABOUT PRS FOUNDATION

PRS Foundation ("the Foundation") is the UK's leading charitable funder of new music and talent development across all genres. We invest in the future of music by supporting the creation of new music and enabling songwriters and composers of all backgrounds to realise their potential and reach audiences around the world.

Since our establishment in 2000, we have awarded over £41m to over 8,100 new music initiatives, benefitting tens of thousands of UK songwriters and composers and hundreds of organisations dedicated to promoting new music.

In 2021, 8 out of 12 Mercury Prize nominees had received PRS Foundation support at some point in their careers, and the charity has supported BRITS, RPS, AIM, MOBO and Ivors Award-winners, and dozens of commercially successful creators. Perhaps more than anything this demonstrates that timely investment in exciting, diverse and innovative talent works.

We award grants which support the development of UK based songwriters and composers, the creation of outstanding, original music and its promotion to audiences across the UK. We also deliver, with like-minded partners, strategic programmes that respond to sector challenges which are not being addressed by other funders.

PRS Foundation is known as an inclusive, collaborative and proactive funder, and an indispensable contributor to the UK's music industry. Through our specialist networks and cost-effective systems, we enable partners to reach a broad range of music creators which otherwise would be beyond their reach. We are grateful for the input of our Ambassador network and independent Advisory Council which consists of over 600 music advisors, working in different music genres and UK regions. They give us expert advice and assistance and help us to realise our aim of reaching composers and songwriters of all backgrounds from every part of the UK.

OBJECTIVES AND ACTIVITIES

PRS Foundation's charitable objects are to support, sustain and further the creation and performance of new music in the UK and increase the public's appreciation of and education in new music.

Our 2020-23 Strategic Priorities are to:

- invest in the development of exceptional, diverse music creators at crucial stages
- support pioneering organisations and talent development experts to enable those working in all genres across the UK to fulfil their potential
- spearhead new ways to connect music creators with organisations and partners to address talent pipeline gaps and fast-track career progression
- champion grantees and the way we work to add value, influence policy and attract increased external investment
- cement our reputation as the UK's most accessible, inclusive and collaborative music funder

Major activities in 2021 which delivered on these objectives were:

- supporting 457 projects (7.7% of applicants), investing approximately £3.18m in grants pledged (average £6,947 with easy-to-access grants pledged to 300 individual songwriters, composers and other music creators (66% of grants), 125 organisations supporting talent development (27% of grants), and 32 to industry professionals/ future industry professionals through vital programmes which impact music creators (7% of grants)
- receiving a record number of applications: 5,939 (vs. 4,775 in 2020 – an increase of 20%)
- expanding our network of Talent Development Partners to include 55 organisations, strengthening our reach and impact across the UK
- launching POWER UP – an ambitious, long-term initiative to support Black music creators and industry professionals, tackling anti-Black racism in the UK music industry

OBJECTIVES AND ACTIVITIES (continued)

- growing our reputation as the most inclusive music funder in the UK – with 62.8% music creator and industry professional grantees supported being women, mixed gender groups or gender minorities (vs. 53% in 2020); 46.3% of music creator and industry professional grantees being Black, Asian or ethnic minority (vs. 44.7% in 2020), and 15% of music creator and industry professional grantees identifying as disabled (vs. 10% in 2020)
- continuing to respond effectively to Covid-19 related barriers so that PRS Foundation could help music creators to sustain creativity and career progression
- this included further adaptation of our International Showcase Fund (ISF) to support digital export activity and an eventual return to in-person international mobility towards the end of 2021
- delivering for 74 Keychange Year 1 participants who were impacted by the pandemic, and selecting 75 participants for Year 2 from 12 partner countries. The 'movement' side of the programme secured 550 organisation and company Pledge Signatories by the end of the year
- sustaining our strong working relationship with Performing Right Society Limited ("PRS") and other partners, adapting to meet changing needs through the pandemic while focussing on sustaining creativity and talent development
- streamlining music creator programmes while enabling the return of our flagship New Music Biennial ("NMB") open call for organisations commissioning new music
- celebrating grantee adaptability, resilience and commercial and critical success, including high-profile Award wins and nominations (see below).

Context

Our crucial and timely support removes barriers and is helping to build a strong, connected, inclusive community of collaboration and brilliance.

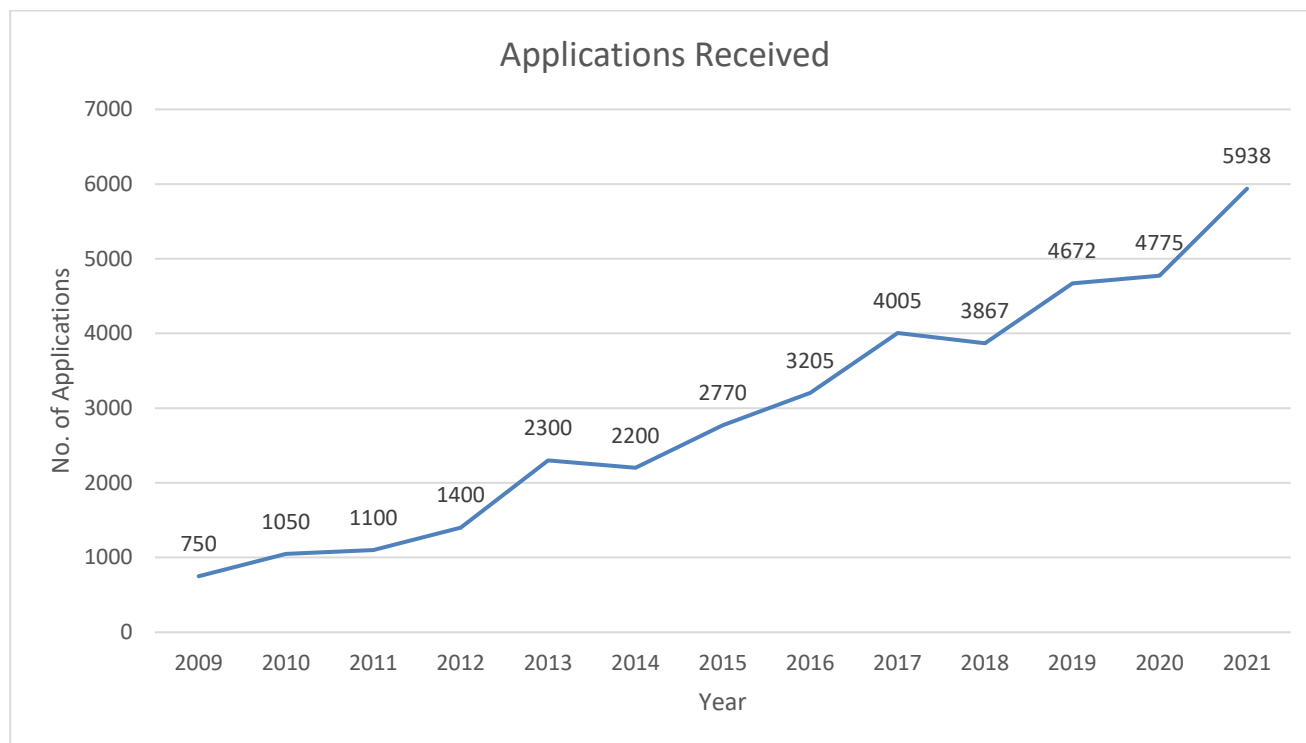
Although we ran fewer deadlines than in 2020 and did not repeat interventions such as the Spotify-supported Sustaining Creativity Fund, we experienced a 20% increase in demand year-on-year (5,939 vs. 4,775 in 2020). This is an average of 16 applications per day of the year, and 144 applications per funding deadline.

High demand reflects the pandemic's impact on the financial needs of the songwriter and composer community. In most cases, regular income had not returned in 2021 and few individuals and freelancers had access to support from their governments' culture recovery funds. Although many music creators still relied on hardship funding to survive, 2021 saw an increase in demand for project funds and PRS Foundation was well placed to apply a flexible approach to funding to keep up with changing needs. The pandemic impacted the live sector for longer than expected and 2021 was mostly a story of adaptability, sustainability and collaboration.

Higher than expected demand meant we were only able to support 7.7% of applicants. We prioritised direct support for music creators but could only support 7.2% of creator applicants (and in some popular open calls we could only support 5%). This compares to 28.6% of organisation applicants but it should be noted that our Talent Development Programme is invite-only.

The pandemic and other world events also shone a light on inequities in music which PRS Foundation tackles head on, with a strong track-record for inclusivity bolstered by the launch of the POWER UP programme.

Context (continued)



THE IMPACT OF OUR WORK

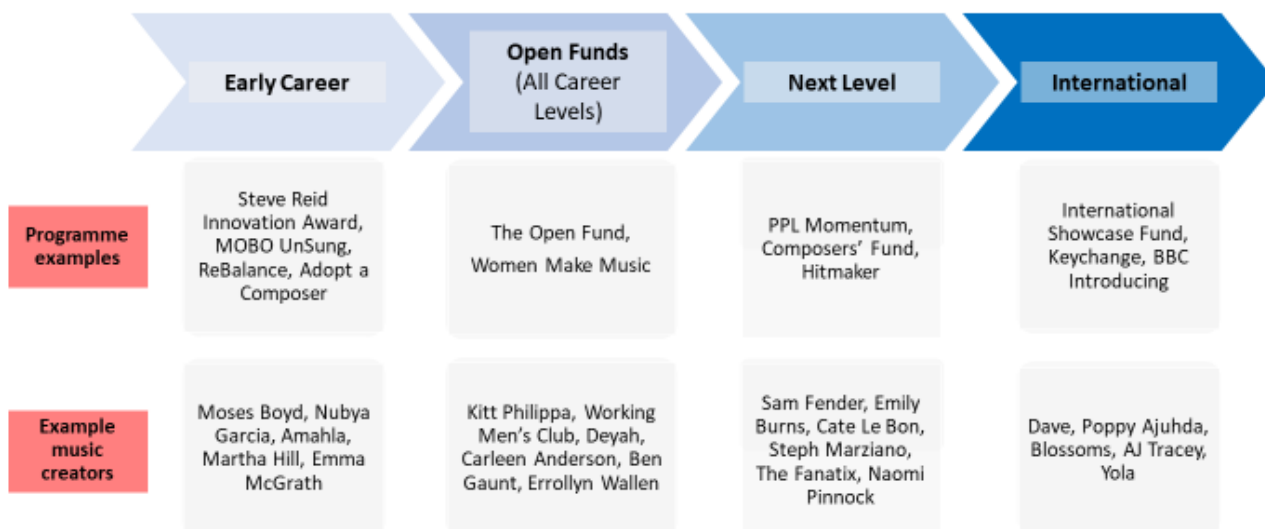
For over 20 years, PRS Foundation investment has enabled songwriters and composers to develop and grow in ways which would not otherwise have been possible.

Our funding complements a changed investment landscape and reflects changing needs. Some music creators are likely to face bigger challenges than others and there is significant inequality between people of different socio-economic, ethnic and gender backgrounds. This is why PRS investment is important – it supports a diversity of outstanding music creators and opens up the music industry.

Investment in PRS Members at different career stages – the Talent Pipeline

Our open programmes and targeted schemes are designed to reach songwriters and composers at different career stages in order to support the talent pipeline:

THE IMPACT OF OUR WORK (continued)



Early Career Support for New and Future PRS Members

We continue to invest in grassroots talent development through targeted schemes, partnerships (e.g. MOBO UnSung, Adopt a Music Creator and Girls I Rate), through our Open Fund and through organisations funding. Success stories from these awards include:

- in 2021, Women Make Music grantee, Kelly Lee Owens won the Welsh Music Prize,
- following her support as a Lynsey de Paul Prize runner-up in 2017, building her profile and moving onto support from Women Make Music in 2020, Emma-Jean Thackray's debut album, "Yellow" went to No. 1 in the UK Jazz album chart for 3 weeks in 2021 and she signed a deal with Warner Chappell.
- Steve Reid Innovation Award grantees Nubya Garcia, Femi Koleoso, Moses Boyd and Sarathy Korwar continue to build successful international careers, touring regularly, signing bigger label deals and releasing critically and commercially successful albums
- few grantees demonstrate the impact of multi-faceted approach better than Nubya Garcia whose debut album 'Source' was nominated for the 2021 Mercury Music Prize. Accessing support as a young musician through our Talent Development Partner ("TDP"), Tomorrow's Warriors, Nubya's journey is not unique in the world of PRS Foundation support and as a case study grantee, she talks openly about how vital it is to maintain support for organisations and exciting creators at various career levels.

Tipping Point/ Next Level Music Creators

The PPL Momentum Music Fund ("PPL Momentum") continues to significantly impact the careers of music creators at crucial career tipping points, supporting artists across all four UK nations. To date, PPL Momentum has supported 477 grantees, investing £4.7m to support 280 albums and 320 UK tours, generating over £21m for the UK music industry.

Our Hitmaker programme funds behind the scenes songwriters including Billen Ted who reached Number 3 in the Official UK Singles Charts as co-writers of viral track 'Wellerman', as well as Violet Skies and Ayak co-writing tracks on the recent Top 5 charting Diana Ross album. And The Composers' Fund continues to support 'next level' composers. Four grantees Tansy Davies, Laura Bowler, Cheryl-Frances Hoard and Lynn Plowman were nominated for 2021's Ivors Composer Awards, and Laura Bowler received an RPS Award.

We monitor closely our impact as a charitable foundation and regularly report on the development of our beneficiaries and the wider impact of our work.

DIVERSITY AND INCLUSION

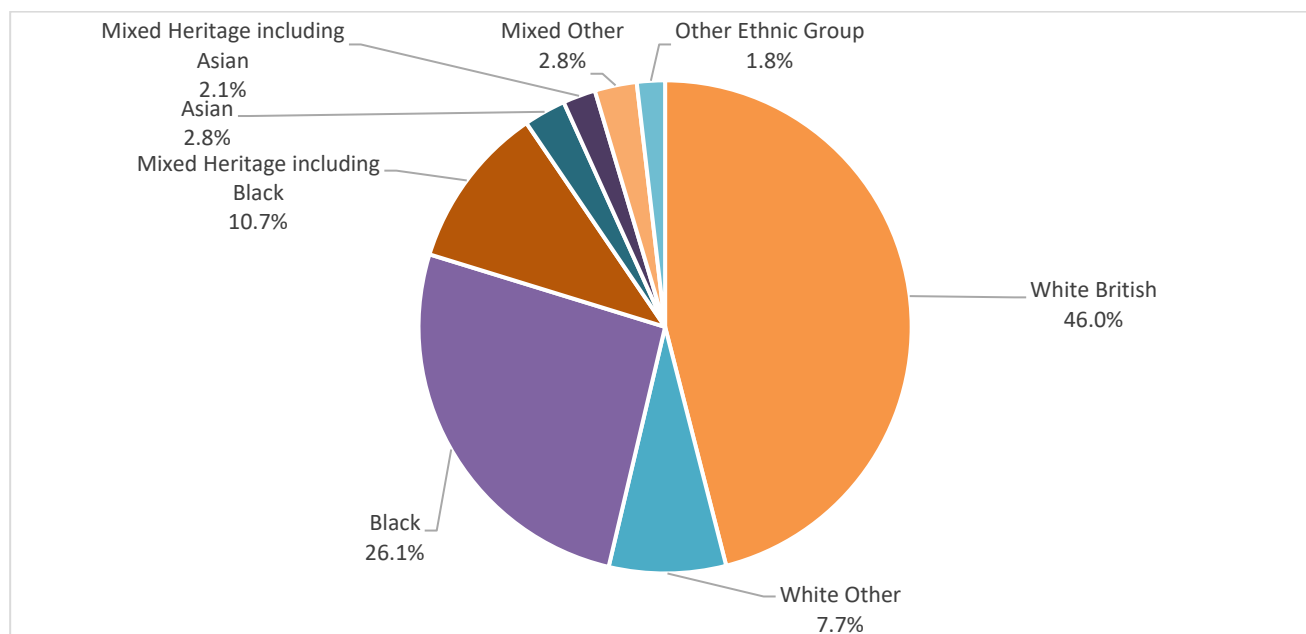
Gender

- 62.8% of Music Creators supported were: women (47.7%), mixed gender groups (9.5%) or gender minority (5.6%)
- 37.2% were men

We continue to meet gender balance targets across our programmes. The proportion of men grantees compares to 47% of 2020, with a large increase in the proportion of mixed gender groups supported (from 4% to 9.5%) and an increase of the proportion of gender minority grantees supported. We believe this is down to the return of our Keychange open call, a gradual return to live activity (with more bands returning to our programmes), and our conscious focus on tackling disproportionate impact the pandemic had on underrepresented genders.

Ethnicity

The proportion of ethnic minority music creator and industry professional grantees remains consistently high, with 46.3% having Black, Asian or other ethnic minority heritage. Building on our targeted work in 2020, the launch of POWER UP in early 2021 has had a positive impact on the proportion of Black creators and professionals we supported – through this targeted programme and elsewhere. The chart below shows how we break down ethnicity groupings and it should be noted that the proportion of White grantees has not shifted significantly, with more work to be done to support the British Asian community, which is more significant than the 4.9% of creator grantees who are Asian or have Mixed Heritage including Asian.



In 2021:

- 53.7% of Music Creator grantees were White (vs. 55.3% in 2020)
46% were White British (vs. 41.3% in 2020); 7.7% were White – Other (vs. 14% in 2020)
- 26.1% of Music Creator grantees were Black (vs. 25.3% in 2020)
- 15.6% of Music Creator grantees were of Mixed Heritage (vs. 14.3% in 2020)
10.7% were Mixed – including Black; 2.1% were Mixed – including Asian; 2.8% were 'Mixed – Other'
- 2.8% of Music Creator grantees were Asian (vs. 3.9% in 2020)
- 0% were Arab (vs. 0.2% in 2020)
- 1.8% identified as belonging to an 'Other Ethnic Group' (vs. 1% in 2020).

DIVERSITY AND INCLUSION (continued)

Disability and Access

- 15% of music creator and industry professional grantees identified as Disabled compared to 10% in 2020.

Sexual Orientation

- 27.3% of music creator and industry professional grantees identified as LGBTQIA+.

Regions and Nations Support

- 60% of music creator and industry professional grantees were based outside London, with 9.3% of those grantees based in Scotland, 8.8% based in Wales and 5% based in Northern Ireland.

SIGNIFICANT OUTCOMES

PRS Foundation's grantees received many Award wins and nominations in 2020, and such critical acclaim was built on in 2021, recognizing the high quality of PRS Foundation-funded output.

2021 Nominations and Awards

- **Mercury Prize** – 8 of the 12 grantees nominated including the **winner Arlo Parks**
- **Ivors Composer Awards** – 11 nominations: Martin Suckling, Lynne Plowman, Tansy Davies, Laura Bowler, Stephen Goss, Ben Gaunt, Alex Goves, Nawando Ebizie, Thomas Ades, Cheryl Frances-Hoad, and James MacMillan
- **AIM Awards** – 21 nominations and 6 winners: Arlo Parks, Working Men's Club, Elkka, Jennifer Johns and Come Play With Me
- **Grammy Awards** – 4 nominations: Arlo Parks, Glass Animals, Yola and Keychange Participant Josin
- **RPS Awards** – 18 nominations and 5 winners: Laura Bowler, Dunedin Consort, ENO, Dani Howard and The Hermes Experiment
- **Ivor Novello Awards** – 8 nominations and 2 winners: Dave and Blanck Mass
- **Jazz FM Awards** - 13 grantee nominations and 6 winners: Jas Kayser, EFG London Jazz Festival, Daniel Casimir, Ego Ella May, Emma-Jean Thackray, Tomorrow's Warriors
- **MOBO Awards 2021** - 24 grantee nominations: AJ Tracey, Dave, Ghetts, Arlo Parks, Little Simz, Tiana Major9, Bugzy Malone, Skepta, Guvna B, Blue Lab Beats, Emma-Jean Thackray, Nubian Twist and Sons of Kemet.

Other Grantee Awards and Nominations

- At the **Music Week Women in Music Awards** Rina Sawayama won Best New Artist Award, Hannah Shogbola and PRS Foundation's Maxie Gedge were inducted on to the Roll of Honour and Carla Marie Williams (Girls I Rate) recognised as Campaigner of the Year
- San Soucis won the Best Original Track and Jenuelle Na-Oy won **Creative Entrepreneur** at the **Youth Music Awards**
- Self Esteem won **BBC Music Introducing Artist of the Year** and **The Guardian's Track of the Year**.

SIGNIFICANT OUTCOMES (continued)

Talent Development Partner Awards and Successes

- **Youth Music Awards 2021:** 9 music creators working with our nationwide TDPs' were nominated for awards with 3 winners: **Heart n Souls'** D.M.S, **LIMF Academy's** TEE, and **Come Play With Me's** Eva Davies.
- **MMF Accelerator: Wide Days'** Michael Lambert has been awarded support for his management work.

Other Tangible Outcomes

Common tangible outcomes for PRS members who receive our support include creation of new works, signing publishing and record deals, securing future commissions, recording and releasing hundreds of albums, EPs and singles each year, live bookings which allow for increased performance of members' work, significant income generation, audience growth, developing teams around music creators, attracting sync attention, and securing media coverage and DSP support.

A number of recently supported grantees have signed deals this year as a result of our support, including: **Guvna B (Bucks Music Publishing)**, Erland Cooper (**Mercury X**), Abel Selaocoe (**Warner Classics**), Mysterines (**Fiction**), **Warmduscher (Bella Union)**, Sinead O'Brien (**Chess Club**), Emma-Jean Thackray (**Warner Chappell**), Yard Act (**JV with Island**), Wu-Lu (**Warp**), Los Bitchos (**City Slang Records**), George Riley (**AWAL**), Warsnare (**R&S Records**), Holy Other (**Mutesong**) Rakhi Singh (**Bedroom Community**), WH Lung (**live agent Outermost in the US**), Afflecks Palace (**live agent William Morris Endeavor Asia Pacific region**), ESKA (**Simon Drake management**) and Penny (**physical & digital distributor Kartel Music Group**).

In classical music, composers are sustaining and developing their careers, creating high quality, critically acclaimed work through our support for orchestral performances, recordings, commissions and composer development programmes. Successes include:

- Composer Edmund Finnis's New Music Biennial 2019 piece "The Centre is Everywhere" was performed at the BBC Proms this year and received a **4**** review in the Sunday Times**
- Abel Selaocoe's BBC Proms performance of "Africa Meets Europe" received a **4**** review from The Times**
- The Hermes Experiment's performance at Wigmore Hall received a **4**** review from The Arts Desk**
- Daniel Kidane received a **4**** review in The Guardian** for his piece "Revel" at the BBC Proms
- Vonnegut Collective's album "48 Hours" received a **4**** review in BBC Classical Music Magazine**
- Chineke Orchestra received a positive review in the **Evening Standard** for their performance at the BBC Proms.

Chart and sales success for our grantees and continued positive reviews and recognition of releases in the media underline how our support is nurturing the creation of exceptional new music. Chart and sales highlights in 2020 include:

- Hitmaker Fund grantees Billen Ted reached **No. 3 in the Official UK Singles Charts** as co-writers of viral track 'Wellerman'
- "Written & Directed", the album by ISF and PPL Momentum grantees Black Honey, reached **No. 7 in the Official UK Album Chart**.
- Low Island's album charted at **No. 2 in the iTunes UK Album Chart, No.17 in the Official UK Album Chart**
- Peggy Seeger's supported album reached **No. 4 in the Indie Album Breakers Chart** and was **Amazon's No. 1 best-selling folk album**
- Women Make Music supported Georgia Cécile's debut album, "Only The Lover Sings" went to **No. 3 in the Official UK Jazz Album chart**
- Penny received **4**** reviews in The Times, Songlines Magazine, Louder Than War, and Sound and Colours Magazine**
- WH Lung album "Vanities" received **4**** reviews in MOJO Magazine, The Guardian and 8/10 in Uncut Magazine**

Other Tangible Outcomes (continued)

- Yola's sophomore album hit **No. 1 in the US Americana and UK Americana Album charts**
- Emma-Jean Thackray was **No. 1 in the UK Jazz album chart for Three weeks**
- And huge selling **No. 1 UK Album Chart** places went to grantees including Sam Fender and Dave
- Two Hitmaker Fund grantees, Violet Skies and Ayak, co-wrote tracks on the new **Top 5 charting Diana Ross album**.

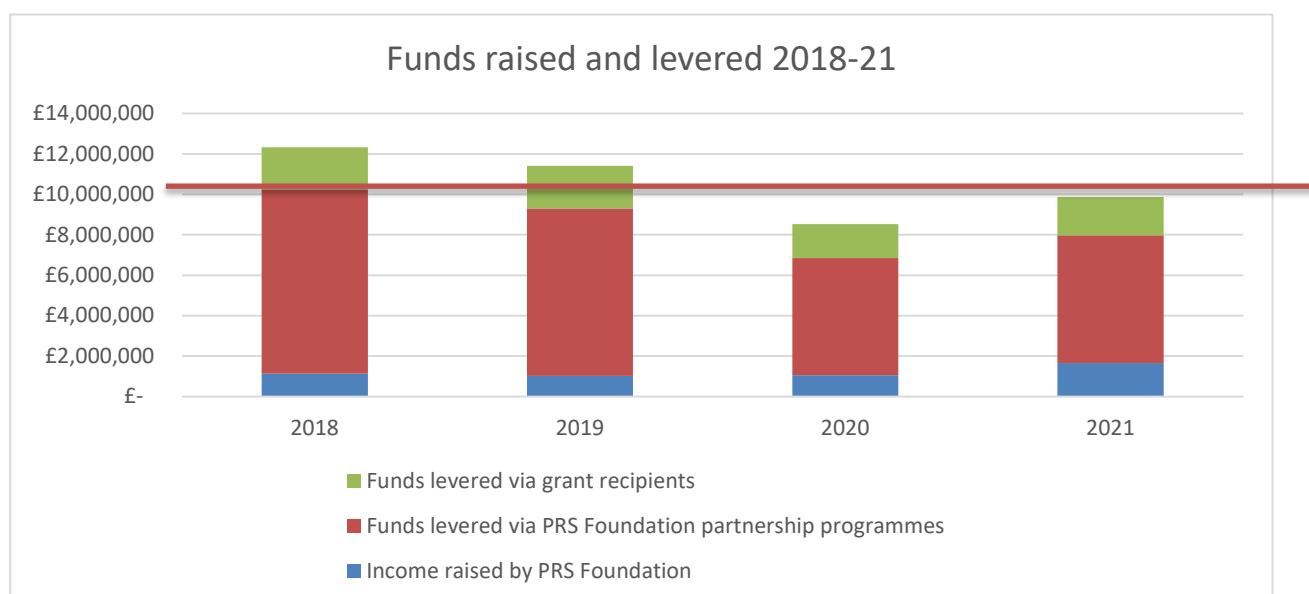
The profile of many of our grantees has transcended strictly music outlets into mainstream culture: Lava La Rue (PPL Momentum) starred in and composed for the Virgin Media Advert; Keychange participant Jamz Supernova has a new permanent show on BBC 6Music on Saturdays; POWER UP participants, KG and Kwa Daniels, are now presenters of Capital Dance and BBC Radio Ulster respectively; and Kelly Lee Owens has written the theme track "Unity" for the FIFA Women's World Cup in 2023.

Economic Value

We continue to monitor economic impact of PRS Foundation support and know based on 2018 analysis that PRS Foundation grantees' annual PRS income since 2015 demonstrates that Songwriter and Composer members increase their PRS income by 284% within 2-3 years of receiving a grant. While the pandemic and resulting economic downturn has an impact on most grantees' ability to produce such strong results in the short-term, grantees are maintaining some common tangible outcomes, including:

- creation of new works
- securing publishing deals and deals with record labels
- classical composers securing future Commissions
- recording and release of hundreds of albums, EPs and singles each year
- significant media attention and DSP support
- securing future live bookings
- growing teams, which includes management, booking agents, lawyers and others to help sustain long-term careers
- attracting Sync attention.

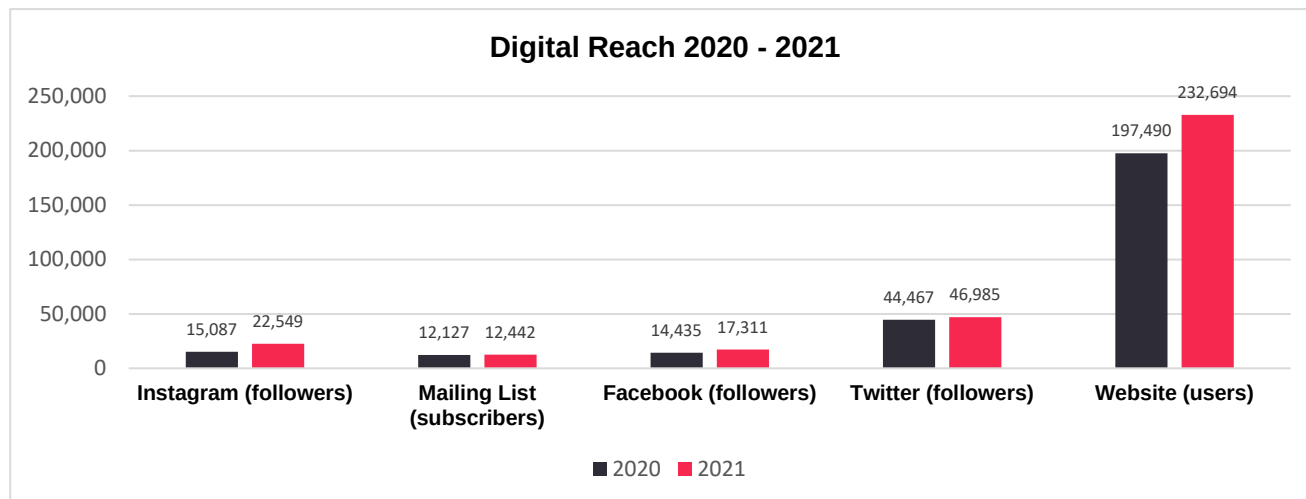
Thanks to the quality of the music creators and organisations supported, every £1 invested by PRS generated an additional £3.59 (2020: £3.10) for the sector: £1,656,916 from fundraising undertaken by the Foundation (2020: 1,059,038), £6,318,356 (2020: £5,785,266) in match funding, cash and in-kind, levered through our leadership of partnership programmes and £1,890,000 (2020: £1,680,000) through funds grantees have been able to secure thanks to our seed-investment.



Reach and Advertising Value Equivalency

Our reach and **Advertising Value Equivalency** ("AVE") since 2018 has **averaged at £19,222,136 per year** and continues to generate **high levels of positive PR for PRS**, demonstrating PRS' commitment to the development of PRS members and others in the ecosystem. The PRS Press Briefings in 2021 included 119 articles about PRS Foundation.

PRS Foundation's flagship initiatives demonstrate that talented PRS members, regardless of background, ethnicity or gender are recognised, valued and supported to succeed. **POWER UP** generated **over 300 pieces of coverage with an AVE of over £3m** whilst **Keychange** generated over 1,500 pieces of coverage with an AVE of over £20m.

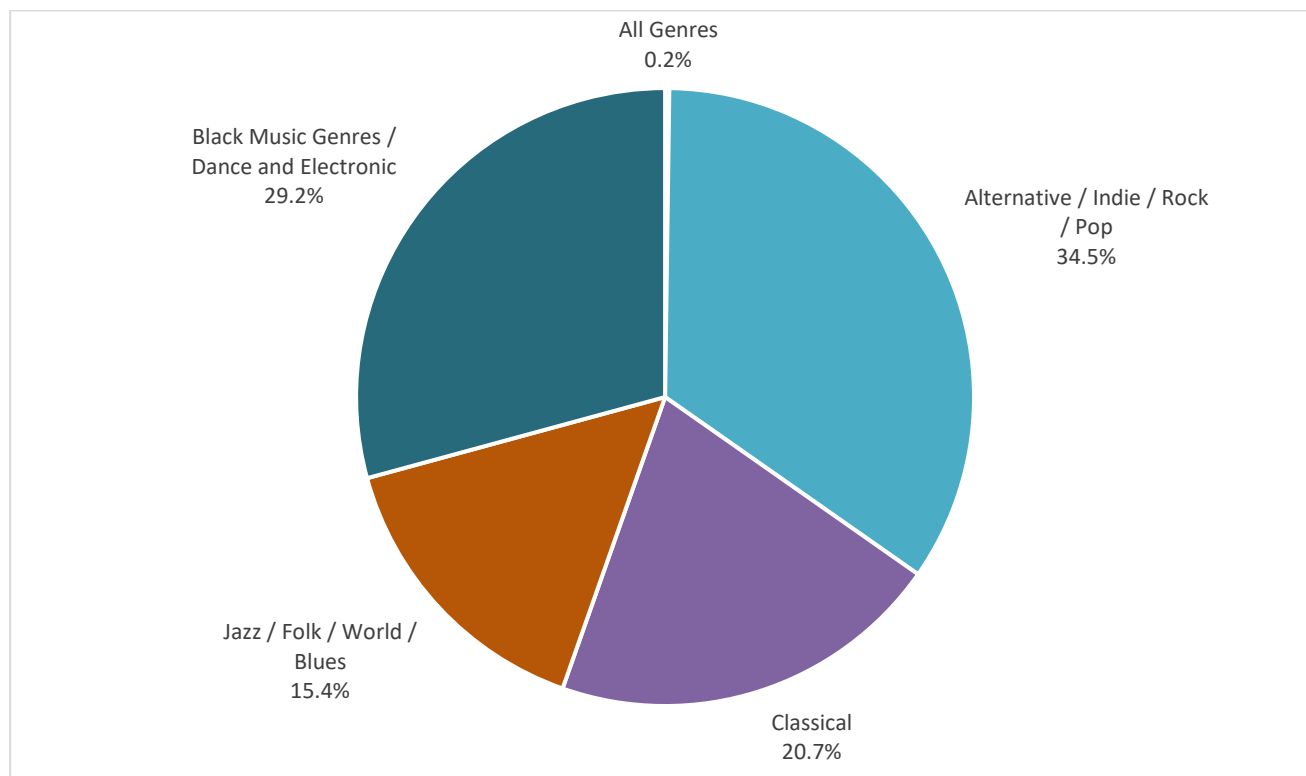


Our reach across social media platforms continues to grow, providing powerful ways for us to promote the achievements of those we support.

2021 Grantee Genre Splits

Although grantees working in Alternative/ Indie, Rock and Pop genres make up the greatest proportion of grantees (34.5% vs. 31.6% in 2020), there was a small increase in the proportion of grantees working in Black Music genres and Electronic genres (29.2% vs. 28.4% in 2020), and over 20% of grants are still allocated to Classical genres (which is still higher than the proportion of applicants). We think any changes reflect the gradual return to live music and a conscious effort to support a broad range of genres.

2021 Grantee Genre Splits (continued)



FUNDING FOR ORGANISATIONS

Our grants for organisations (venues, promoters, festivals, orchestras and talent development organisations) ensures that investment reaches thousands of music creators in all genres UK-wide. The meaningful development and vital 'lifeline' support offered by the organisations we fund effectively reaches talent from all backgrounds.

- 90% of organisations say the PRS Foundation grants have helped to improve their approach to creative development
- investment opens access to creators who will otherwise be out of reach or will have struggled to find support to develop and grow as composers and songwriters
- it helps to build ecosystems which enable songwriters and composers to thrive
- PRS Foundation's strategic approach results in effective signposting of creators to funding and other career progression opportunities
- support helps organisation grantees to secure additional funding – an average of £62,000 has been levered by organisation grantees.

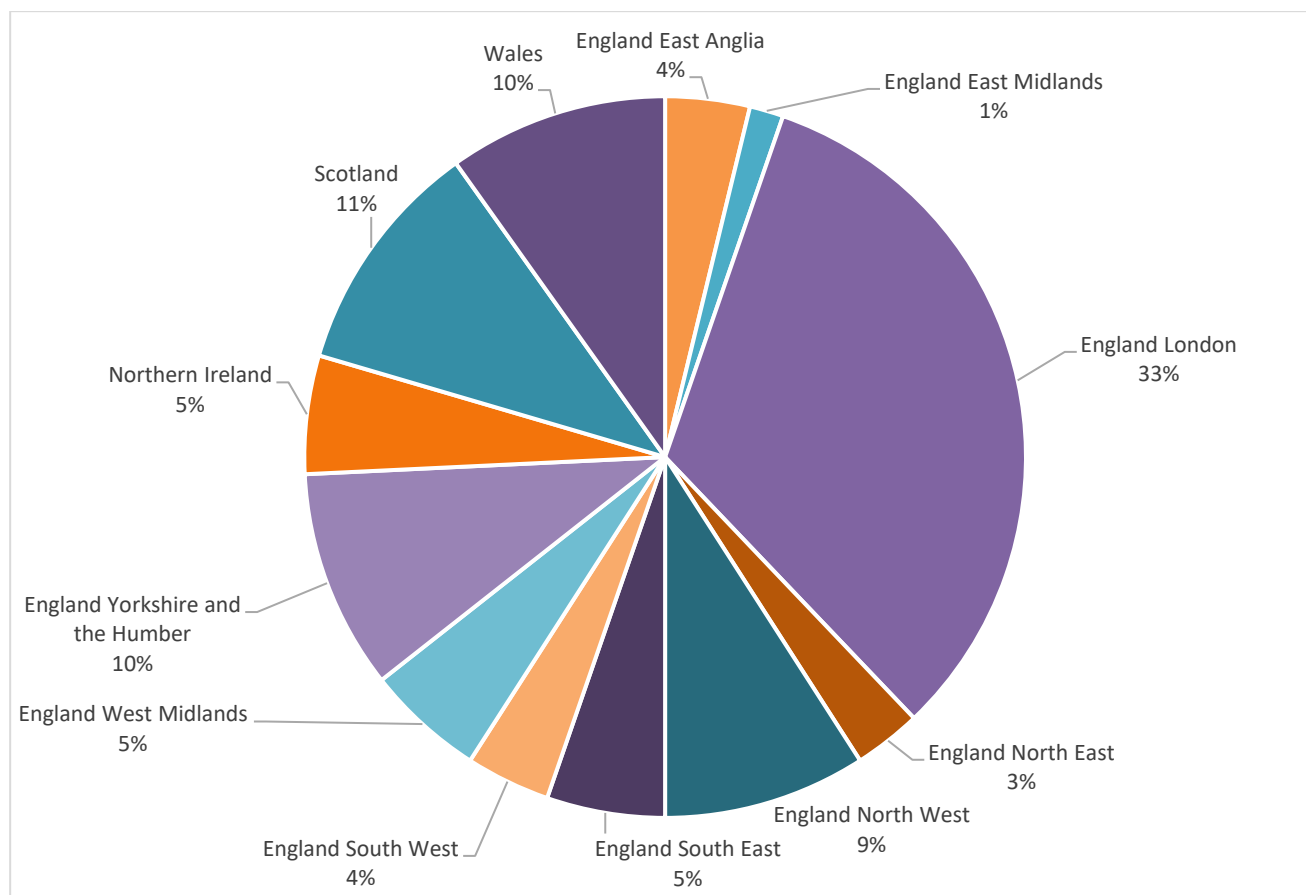
The pandemic has of course impacted organisations significantly, particularly those in the live sector. We have helped many to adapt, innovate and find new ways to reach audiences.

It is fair to say though that compared to music creators and other freelancers, many organisations had far greater access to much needed government support over the pandemic. This has particularly been the case for more established organisations with strong relationships with larger funders. Where there was crossover, PRS Foundation ensured those organisations were using our funding to nurture talent and offer meaningful support so that creators could reap the benefit. And in 2021 we supported many smaller organisations for the first time to mitigate against risks for emerging talent, with all organisations grant support spent on music creator development, and open programme budgets prioritising direct creator grant-making.

FUNDING FOR ORGANISATIONS (continued)

Our TDPs played a particularly vital role in helping music creators to access the support they need, including financial, social and creative support. In some cases, this involved helping creators to access hardship funding and, in all cases, they ensured there was a platform for the creation and performance of new music when it was most needed.

2021 Organisations Grantees – Regional Split



For The Open Fund for Organisations (“Organisations”) grantees, we continue our broad reach across regions and genres. Only 33% of Organisations grantees in 2021 were based in London (vs. 34.5% in 2020 and 42% in 2019). There was a significant increase in the proportion of Wales based Organisations grantees (from 6.2% in 2020 to 10% in 2021), and we maintain good representation in Scotland and Northern Ireland. Our 2020-23 Strategic Priorities include maintaining a strong regional and national split and it should be noted that 88% of London-based Organisations’ delivery reaches music creators and audiences nationally or internationally.

PUBLIC BENEFIT

We have referred to the Charity Commission’s general guidance on public benefit (including the guidance ‘public benefit: running a charity PB2’), when reviewing our aims and objectives and in setting our grant making policy for the year. Public benefit is implicit in the criteria we use to assess grants which focus on the extent to which the projects we support will benefit a broad range of music creators, result in high quality music and be enjoyed by a large and diverse audience.

The Foundation accepts funding applications from all kinds of music creators. Details of the Foundation’s activities are easily available on www.prsfoundation.com, including grant-making policies, priorities for each funding programme and application forms.

PUBLIC BENEFIT (continued)

Our emphasis on transparency and our staff's ability to give expert advice to potential applicants, is a crucial part of the grant-making process. We also work in partnership with other organisations to extend our reach and impact, particularly in relation to any music genres and UK regions which are under-represented in our funding portfolio. Please see "Looking Ahead" (page 13) for details of our targets for 2022.

MONITORING, EVALUATION AND LEARNING

Our bespoke Flexi-Grant funding platform allows us to monitor current grants projects and we were able to implement more consistent Evaluations Reporting systems so that we are gathering the same information for all schemes to measure the impact of funding from an economic, cultural and social impacts perspective.

The team discusses results with trustees and we are able to see that the vast majority of grantees meet intended outcomes and achieve additional unexpected positive outcomes.

We also commit to at least one long-term impact evaluation report per year, engaging the services of external evaluation experts each year. Due to Covid-19 we did not have a public launch of our long-term, delayed 20th Anniversary impact evaluation report but have been using findings since they were first provided by our external evaluators.

Over the summer, we will be commissioning a '10 years of Women Make Music' evaluation, with a report launch in the Autumn of 2022.

We share learning and outcomes through our website, social media and regular mailings as well as via panel discussions at relevant industry conferences in the UK and overseas.

COVID-19 RESPONSE AND PRS FOUNDATION'S APPROACH IN 2021

The pandemic continues to present songwriters and composers with challenges. Although the sector was resilient and funders like PRS Foundation helped individuals to sustain creativity, the impact on creation of new music, including commissions, and income from live sector activity was felt further into 2021 than expected, with more lockdowns and Covid-19 variants. This meant that even where live activity returned, there were issues including audience and performer confidence, high drop-out/ cancellation rates and a backlog of commissioning and performance opportunities – with emerging creators finding it harder to recover than their more established counterparts.

We also know from demand for funds and conversations with trade associations and membership bodies in the UK and abroad that women and gender minority creators, disabled creators and those from ethnic minority backgrounds suffered disproportionately and are more likely to have been forced to leave the sector.

In this sense, our role as a funder and supporter of the recovery phase of the pandemic became more crucial. While we did not continue our Sustaining Creativity Fund and left hardship funding to others, we maintained a flexible approach to guidance and eligibility of activity. We also maintained many deadlines, perhaps to the detriment of the grants team who experienced record levels of demand and had to alter feedback processes accordingly.

Where organisations were able to access culture recovery funding and new schemes launched by Arts Councils and Youth Music, we found that demand for project funding remained relatively low. This made it easy to deprioritise those funds in our budget allocations so we could support as many strong music creator applicants as possible.

Recovery varied from nation to nation, and this was most obvious in our international work which now includes in-person showcasing again but it's fair to say that return has been slower than we expected, and we need to use our International Showcase Fund in 2022 to encourage in-person showcasing again – the results are so strong and have not been replicated in digital models.

COVID-19 RESPONSE AND PRS FOUNDATION'S APPROACH IN 2021 (continued)

Aside from the impact on grantees and on music creator development, the biggest impact so far has been on our fundraising. UK Arts Councils continued to prioritise recovery and emergency sector relief over project funding, impacting programmes such as the PPL Momentum Music Fund and New Music Biennial into 2021 and for longer than we expected. Some sponsorship – at risk in 2020 – for programmes including Keychange began to return in 2021 as company recovery allowed for donations, but it was necessary to extend the first year of that Creative Europe-funded programme, partly so we have longer to raise match funding.

While our main donor's (PRS) 2021 collections from live usage of registered works remained lower than pre-pandemic levels, a growth in digital revenues means the collection society is on track to recover and have set a target of reaching £1bn in revenues by 2026.

Our budget reforecasting for 2021 and forecasting for 2022 reflected all of these points and trustees are satisfied we can mitigate against risks.

On a macro-level, the pandemic puts much of UK music's success at risk. Our support this year has been more vital than ever. We know the Foundation will play a vital recovery role, and it is particularly important the music sector recognises widening gaps in access and opportunities. Through our work and partnerships, we will help to create a stronger, more inclusive and better joined up music sector.

LOOKING AHEAD

Priorities for 2022 include:

- continuing to respond effectively to Covid-19 related barriers to support the creation and performance of new music, music creator development and sector recovery
- demonstrating the impact of POWER UP and further developing the programme, securing increased industry investment and tackling anti-Black racism in nuanced ways in different areas while building on strategic alliances for the wider movement
- further adaptations to our International Showcase Fund to ensure export-ready creators navigate post-Brexit challenges, implementing new models to fill export gaps
- delivering successful New Music Biennial events in Coventry and London which will champion outstanding new UK music, before reshaping NMB for future years
- celebrating 10 Years of Women Make Music impact through an event in late 2022 which will look back at the successes of the programme while announcing new partners and the future direction of our impactful programme
- announcing the expansion of Keychange to the USA and growing a USA team to secure match funding and develop a bespoke programme.

Longer-term Strategic Planning

In 2020, we created a new Strategic Plan for 2020-23, with Strategic Priorities including:

- to be the UK's most accessible and inclusive funder of new music
- to implement a vastly streamlined programme by 2023
- connect music creators showing potential to organisations we fund and industry partners to fast-track career progression
- address regional talent development pipeline gaps and reduce the proportion of music creator grantees in London to 35% within the next five years
- better address the international needs of creators beyond showcasing
- to increase total donations to over £5m per annum by 2024 which will better meet demand, with approximately 15% of applications being supported.

In the current climate, the final target seems ambitious, though it should be evaluated in 12 months once we have implemented new strategies to secure increased investment.

LOOKING AHEAD (continued)

The Foundation's team and Board have been engaged in conversations with our main donor, PRS, since it became clear that the source of our donation - interest on Non-License Revenues ("NLR") - has been significantly impacted by low interest rates over the last few years, and it is no longer a source of revenue which can sustain a larger donation. PRS have been exploring alternative models and consulted with PRS Foundation in 2021.

In December 2021, PRS's Members' Council approved transitional funding for 2022 and 2023 at the current level of donation (£2.5m per year), with an agreement that £1m be set aside from NLR funds per year thereafter. This minimum donation provides the Foundation with some stability and the charity will continue conversations with PRS relating to increasing the donation from other sources and relating to collaborating to raise donations directly from higher earning publisher and songwriter members.

In late 2022 and early 2023, PRS Foundation's Chief Executive ("CEO") will work on a new Strategic Plan for 2023-2026 which will reflect on the post-Covid needs of music creators and the ways in which we will vastly streamline music creator-focussed programmes. It is important to remain the leading funder of new music and talent development and to take advantage of how well we perform when creating inclusive programmes that have long-term impact. New strategies will include the streamlining of funding for organisations (to revamp our Talent Development Partner network), increasing the scope of our International Showcase Fund, and consolidation of interventions to better tackle regional infrastructure issues – inspired by our PPL Momentum Accelerator programme.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

PRS Foundation was established as a charity and company limited by guarantee in 2000. The organisation is governed by the Board of Trustees which comprises individuals who are both trustees of the charity and non-executive directors of the company. The Members of the PRS Foundation are its directors together with the Performing Right Society Limited.

The Foundation's partnerships with other public funders, charities and private sector companies are central to the way we work. These partnerships enable us to share or pool resources, grow our impact and initiate pioneering programmes which support sector development.

Governance

The Foundation monitors the terms of office of all trustees and carries out skills audits on a regular basis. Trustees serve for three-year terms and are eligible to be re-elected for a maximum of three terms. As of July 2015, the Members amended the Articles so that if a trustee is retiring after a period of continuous service exceeding nine years, the trustees may allow the retiring trustee to be re-elected for a maximum continuous period of 12 months, in order to help with induction and mentoring of successor trustee. At the end of the reappointed period the retiring trustee shall not be eligible for re-election.

In 2020 the Foundation made amendments to the Memorandum of Association, updating the wording better to reflect the charitable objectives.

The Foundation has provision for not more than 15 trustees of whom up to seven trustees (or no more than half of the total number of trustees if fewer than fifteen) shall be nominated by the board of the Performing Right Society Limited. Other trustees shall be independent individuals with relevant experience relating to the role of the Foundation. Chris Butler, Michelle Escoffery, and Richard King are PRS-nominated trustees.

Chair of the board, Nitin Sawhney began his tenure in 2020, and John Reid and Ameet Shah retired from the board after the end of their nine-year maximum tenure in 2021. A nominations sub-committee chaired by Nitin Sawhney was formed to identify and recruit four replacement trustees, one of whom, Yolanda Brown, will join the board in July 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The board's Finance and Personnel Committee review the organisational structure on at least an annual basis. Benchmarking of pay is carried out by management and reviewed with the Committee. The Chair of the Committee submits the Committee's recommendations for board approval in the same board meeting that the annual budget is approved.

Grant-Making Process

Final decisions regarding grant-making resourced by unrestricted funds are made by the trustees, following recommendations and advice from the management team which is informed by the Advisory Council. The Foundation pays advisors a fee for specific services, which are set out in a letter or email confirming these services when required. As part of the grant-making process, link trustees take an active part in the Foundation's grant-making procedures. At board meetings, the link trustee is asked by the Chair to present an overview of the Advisory Panel's discussions to the board, highlighting strategic priorities addressed by the grant recommendations and confirming that due process was followed.

Trustees are required to ratify (rather than approve) grants made through partnership-funded schemes such as the PPL Momentum Music Fund, International Showcase Fund and Beyond Borders. These funding decisions are recommended by specialist programme advisors and/ or funding partners.

Management

Day-to-day management is the responsibility of an administrative team of nine full time and five part time staff (including consultants), led by Chief Executive Joe Frankland, who has authority, within terms of delegation approved by the directors, for all operational matters.

The team was expanded in early 2021 when we appointed Yaw Owusu to the recently created Senior Management position of Senior POWER UP Programme Manager. Francine Gorman was promoted in 2021 to the role of UK Project Manager for Keychange when Maxie Gedge left the organisation, and as a result we appointed Aysha Hussain (who already worked for Swedish partners, MusikCentrum Ost) to a one-day per week role of Pledge Coordinator.

RISK MANAGEMENT

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

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

- a wide and appropriate level of professional skills and experience within the board of trustees
- the employment of professionally qualified staff and the engagement of professional services for legal, financial and human resource requirements
- the employment of an increasingly broad range of independent advisors who help to assess the Foundation's applications
- collaboration with relevant PRS departments to support our finance and personnel policies
- good internal communications and controls.

FINANCIAL REVIEW

Income

Total income for the year 2021 was £4,184,850 compared with £3,911,558 in 2020.

The Foundation is extremely grateful for the generosity and support from all of the funders listed in this report. This includes the membership and Board of PRS which has shown their continued commitment to the Foundation's charitable activities and the importance of our work to songwriters, composers, performance groups, bands, festivals, promoters and other organisations making new music across the UK. We also acknowledge the generous support of our other major donor, PPL, support from Creative Europe and Arts Councils across the UK.

Expenditure

Total expenditure in the year was £4,056,224 compared with £3,881,629 in 2020, in line with increased income. Expenditure incurred to generate income is minimal (1.7% of funds raised) as the fundraising function is integrated with the Chief Executive's responsibility to work strategically with a broad range of funding partners who share our objectives. PRS Foundation does not engage external professional fundraisers or commercial participators to carry out fundraising activity and does not engage in face-to-face or telephone fundraising.

As part of its preparation for the General Data Protection Regulation that came into force in May 2018, PRS Foundation has reviewed and updated its Privacy Notices. These notices, published on our website, clearly states what personal data the Foundation holds in relation to supporters and how this data will be used. It sets out how individuals can raise concerns or complaints. The Foundation has received no complaints about its fundraising activities either during the financial year or subsequently.

RESERVES

The total year end funds are £1,221,507 compared with £1,092,881 in 2020. This amount is split between £118,872 of unrestricted funds and £1,102,635 of restricted funds. The net movement in funds for 2021 is a surplus of £128,626 (2020: surplus of £29,929), which is due to the timing of income recognition and grants expenditure between years.

The Foundation also has confirmed funding partnerships that will secure funding for future periods. The trustees intend that our free reserves, i.e. the unrestricted reserves of the Foundation, excluding those designated or tied up in fixed assets, will cover the operating costs of the charity for the first quarter of the following year. The trustees believe that the Foundation should aim to award the majority of its funds to grantees and not to build up large reserves. The free reserves at 31 December 2021 stand at £118,078. For these purposes, the charity's operating costs cover salaries and support costs, but not grant payments and are estimated at approximately £115,000 for the first quarter of 2022. The reason for holding reserves is as a buffer in case of adverse events and/ or loss of income.

TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of The Performing Right Society Foundation 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).

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 of the incoming resources and application of resources, including 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
- comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which 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.

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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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

The auditors, Moore Kingston Smith LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

On behalf of the Board



Nitin Sawhney (Chair)
Trustee

Date: 5th July 2022

Opinion

We have audited the financial statements of The Performing Right Society Foundation ('the company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Summary Income and Expenditure account, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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 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.

Other information (continued)

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 matter 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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 18, 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Auditor's responsibilities for the audit 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance, particularly in relation to the adoption of the accounting policies considered to be most relevant to the charitable company's financial reporting.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

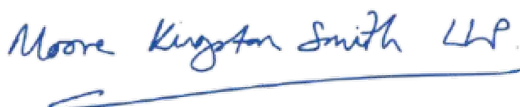
Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
James Saunders, FCCA DChA (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street
London
EC2A 2AP

Date: 20/7/2022

Name and status:	The Performing Right Society Foundation ("PRS Foundation") is a company limited by guarantee, being governed by its memorandum and articles of association and has no share capital.
Company number:	03901665
Charity number:	1080837
Principal and registered office:	41 Streatham High Road Streatham London SW16 1ER
Trustees:	Chris Butler Lorna Clarke Michelle Escoffery Christine Geissmar Hannah Kendall – resigned 3 March 2021 Richard King Caroline Norbury Mark Poole John Reid - resigned 16 June 2021 Nitin Sawhney (Chair) Ameet Shah - resigned 16 June 2021 Susannah Simons
Principal staff:	Joe Frankland, Chief Executive Fiona Harvey, Senior Manager, Operations Becci Scotcher, Senior Grants and Programmes Manager Liam McMahon, Senior Communications Manager Yaw Owusu, Senior Power Up Programme Manager
Secretary:	Fiona Harvey
Auditors:	Moore Kingston Smith LLP 9 Appold Street London EC2A 2AP
Bankers:	Santander UK plc Bridle Road Bootle L30 4GB

Statement of Financial Activities
(Incorporating the Summary Income and Expenditure
account) For the year ended 31st December 2021

	Note	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
		£	£	£	£
INCOME:					
Income and endowments from:					
Donations and legacies	3	2,527,934	1,335,916	3,863,850	3,753,341
Corporate sponsorship		-	321,000	321,000	153,095
Investments		-	-	-	5,122
Total income		<u>2,527,934</u>	<u>1,656,916</u>	<u>4,184,850</u>	<u>3,911,558</u>
EXPENDITURE:					
Raising funds	5	(15,501)	(56,202)	(71,703)	(83,875)
Charitable activities	6	(1,021,003)	(2,963,518)	(3,984,521)	(3,797,754)
Total expenditure		<u>(1,036,504)</u>	<u>(3,019,720)</u>	<u>(4,056,224)</u>	<u>(3,881,629)</u>
Net income / (expenditure)		1,491,430	(1,362,804)	128,626	29,929
Transfers between funds	17	<u>(1,477,819)</u>	<u>1,477,819</u>	<u>-</u>	<u>-</u>
Net movement in funds		13,611	115,015	128,626	29,929
Reconciliation of funds					
Total Funds Brought Forward		<u>105,261</u>	<u>987,620</u>	<u>1,092,881</u>	<u>1,062,952</u>
Total Funds Carried Forward		<u><u>118,872</u></u>	<u><u>1,102,635</u></u>	<u><u>1,221,507</u></u>	<u><u>1,092,881</u></u>

The notes on pages 26 to 39 form an integral part of these accounts.

Balance Sheet
As at 31st December 2021



	Notes	2021	2021	2020	2020
		£	£	£	£
Fixed Assets					
Tangible fixed assets	12	794	-	1,699	-
Current Assets					
Debtors	13	927,163		447,461	
Cash at bank and in hand		<u>3,427,258</u>		<u>3,821,710</u>	
		4,354,421		4,269,171	
Creditors: Amounts falling due within one year	14	(3,133,708)		(3,177,989)	
Net Current Assets			<u>1,220,713</u>		<u>1,091,182</u>
Total Net Assets			<u><u>1,221,507</u></u>		<u><u>1,092,881</u></u>
The funds of the charity	17				
Unrestricted funds			118,872		105,261
Restricted funds			1,102,635		987,620
Total charity funds			<u><u>1,221,507</u></u>		<u><u>1,092,881</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The notes on pages 26 to 39 form an integral part of these accounts.

Approved by the Board of Trustees, authorised for distribution, on 5th July 2022
and signed on their behalf by:

Nitin Sawhney, Trustee, Chair

Company Registration Number: 03901665

Statement of Cash Flows
For the year ended 31st December 2021



		2021	2020
	Note	£	£
Net cash used in operating activities	18	(394,452)	1,217,815
Cash flows from investing activities:			
Dividends, interest and rent from investments		-	5,122
Purchase of tangible fixed assets		-	-
Net cash provided by investing activities		-	5,122
Change in cash and cash equivalents in the reporting period		(394,452)	1,222,937
Cash and cash equivalents at the beginning of the reporting period		3,821,710	2,598,773
Cash and cash equivalents at the end of the reporting period		<u>3,427,258</u>	<u>3,821,710</u>

1 Accounting Policies

Statement of compliance

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The Charities SORP (FRS102)) published on 16 July 2014.

Basis of Preparation of the Financial Statements

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound. The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted, which have been consistently applied to all the years presented, are set out below.

Going Concern

The financial statements are prepared on a going concern basis which assumes that the charitable company will continue in operational existence for a period of at least twelve months from the date of approval of these financial statements.

We have been scenario planning for most programmes and trustees have reviewed reforecast budgets for 2022 which include assessments of the probability of reaching fundraising targets, using percentage indicators, particularly in the context of the impact of the COVID-19 pandemic on the charitable company's priorities.

Trustees are assured that unrestricted income is confirmed from PRS in 2022 (£2,500,000) and 2023 (£2,500,000) and that expenditure on programmes is not begun until funds have been confirmed.

Senior management is in constant communication with funders and funding partners with regard to future funding which has helped our scenario planning. The Foundation is very experienced at adapting to changing needs and trustees accept that expenditure on programmes needs to be adjusted where necessary. The trustees will work with management to look for new fundraising opportunities.

The trustees believe that the charitable company is well placed to manage its business risks and has considerable financial resources including cash balances. It is therefore appropriate to prepare these accounts on the going concern basis.

Income

(i) *Income- donations and grants*

Donations and grants are recognised where there is entitlement, probability of receipt and the amount can be measured reliably. Such income is only deferred when:

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

(ii) *Donated services and facilities*

Where services are provided to the Foundation as a donation that would normally be purchased from suppliers, this contribution is included in the financial statements as an estimate based on the value of the contribution to the Foundation. Donated services and facilities are discussed in Note 19.

(iii) *Investment income*

Investment income is recognised on a receivable basis.

1 Accounting Policies (continued)

Expenditure

Expenditure, which is charged in the Statement of Financial Activities on an accrual basis, has been classified under headings that aggregate all costs related to the type of activity. Where costs cannot be directly attributed to a particular activity (i.e. support costs) they have been allocated to them on a basis consistent with use of the resources. Support costs have been allocated on the basis of staff time spent on the various activities as this is felt to be a measure of the relative proportion of resources consumed.

Grant obligations are recognised on an accruals basis once the grant offer has been communicated to the recipient.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets, acquired at a cost of more than £1,000, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Computer equipment 3 years

The useful economic lives and residual values of all tangible assets are re-assessed annually. Impairment reviews are also carried out annually.

Value Added Tax

The charity is registered for value added tax.

Pensions

Contributions to personal pension schemes are charged to the Statement of Financial Activities as they become payable in accordance with the individual schemes.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 Accounting Policies (continued)

Recognition basis

Basic financial assets are initially measured at transition price and subsequently carried at amortised cost. Basic financial liabilities are initially recognised at transition price and subsequently measured at amortised cost.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received, where this is material to the accounts.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In the opinion of the trustees there are no sources of estimation uncertainty as at the reporting date that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the next reporting period.

3 Voluntary income

	Unrestricted £	Restricted £	2021 £
Donations 2021			
Performing Right Society Limited	2,525,986	-	2,525,986
Public funding	-	482,069	482,069
Trusts and Foundations	-	30,825	30,825
Other	1,948	823,022	824,970
	<u>2,527,934</u>	<u>1,335,916</u>	<u>3,863,850</u>

'Public funding' comprises donations from Arts Council Wales, Arts Council Northern Ireland, British Council, Creative Scotland, Liverpool City Council, and Department for International Trade.

'Other' includes donations from PPL, Crowdfunder, British Underground, Beggars Group, Musicians' Union, FACTOR Canada, Believe Direct Limited and STEF (Iceland).

3 Voluntary income (continued)

	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>2020</i> £
Donations 2020			
<i>Performing Right Society Limited</i>	2,847,371	20,150	2,867,521
<i>Public funding</i>	-	127,360	127,360
<i>Trusts and Foundations</i>	-	75,656	75,656
<i>Other</i>	27	682,777	682,804
	<u>2,847,398</u>	<u>905,943</u>	<u>3,753,341</u>

'Public funding' comprises donations from Arts Council Ireland, Arts Council Northern Ireland, British Underground, Creative Scotland, Creative Wales, Wales Arts International, and Department for International Trade.

4 Government grants

During the year income of £26,500 (2020: £16,500) was received from Department for International Trade relating to the International Showcase Fund.

No unfulfilled conditions or contingencies attached to the grant have been recognised as income.

5 Cost of generating funds

	<i>2021</i> £	<i>2020</i> £
Staff costs	58,399	56,907
Direct costs	11,738	25,499
Support costs (see note 8)	543	407
Consultancy costs	1,023	1,062
	<u>71,703</u>	<u>83,875</u>

6 Charitable activities costs

	Direct activities £	Grants (See note 7) £	Support costs (See note 8) £	Total 2021 £
Project / activity 2021				
Talent Development	330,984	1,897,707	23,829	2,252,520
Open Funds	119,363	782,653	17,258	919,274
International	262,026	278,017	13,199	553,242
UK Collaboration	24,016	168,590	2,475	195,081
Other Partnerships	46,215	15,000	3,189	64,404
	<u>782,604</u>	<u>3,141,967</u>	<u>59,950</u>	<u>3,984,521</u>

Within the above, 'direct activities' is comprised of expenditure on grants awarded and the direct costs of supporting charitable activities. This includes an allocation of staff costs on the basis of staff time spent on the various activities as this is felt to be a measure of the relative proportion of resources consumed.

Support costs, which cannot be directly attributed to a particular activity, have been allocated on the same basis.

Included within the above are grants to 222 institutions (2020: 180 institutions), which include bands, orchestras, festivals and promoters totalling £1,931,484 (2020: £1,968,987).

Included within the above are grants to 235 individuals (2020: 367 individuals) totalling £1,243,523 (2020: £1,139,586).

Also included within the above are deductions for 17 grant reclaims (2020: 1) totalling £33,040 (2020: £5,000).

Further details about these programmes can be found at www.prsfoundation.com

	Direct activities £	Grants (See note 7) £	Support costs (See note 8) £	Total 2020 £
Project / activity 2020				
Talent Development	232,467	2,007,325	55,236	2,295,028
Open Funds	106,884	920,099	39,050	1,066,033
International	169,855	51,149	26,421	247,425
UK Collaboration	13,584	-	5,109	18,693
Other Partnerships	35,852	125,000	9,723	170,575
	<u>558,642</u>	<u>3,103,573</u>	<u>135,539</u>	<u>3,797,754</u>

7 Grants awarded

	2021 £	2020 £
Commitments brought forward	2,417,501	2,273,237
Grants pledged in year	3,175,007	3,108,573
Grant commitments reclaimed	(33,040)	(5,000)
Grantee debtors	160,727	-
Grant payments made	(2,822,241)	(2,959,309)
	<u>2,897,954</u>	<u>2,417,501</u>
Commitments carried forward (note 14)		

8 Support costs

	2021 £	2020 £
Fundraising and activities to generate funds	543	407
Charitable activities	<u>59,950</u>	<u>135,539</u>
	<u>60,493</u>	<u>135,946</u>

Support costs, included in the above, are detailed below

Accommodation	30,804	100,560
Governance costs	12,313	13,839
Staff training	5,185	7,839
Staff costs	4,259	4,151
Consultancy	1,023	1,062
Travel and subsistence	535	379
Personnel services	173	642
Other office running costs	<u>6,201</u>	<u>7,474</u>
	<u>60,493</u>	<u>135,946</u>

9 Net movement in funds

	2021 £	2020 £
Net resources are stated after charging:		
Depreciation- owned assets	905	905
Auditors' remuneration- current year	9,600	9,010
External auditors' other services	-	-

10 Trustees' remuneration and benefits

The trustees did not receive any remuneration as statutory directors of the company.

During the year no trustees were reimbursed expenses for travel and subsistence.

The following expenses were incurred during the year: £147 (2020: £0) on trustee/ staff entertaining and £100 (2020: £222) on leaving/ thank you gifts for trustees.

11 Staff costs

	2021 £	2020 £
Salaries	365,399	348,908
Social security costs	31,497	29,442
Pension costs	19,613	19,517
	<u>416,509</u>	<u>397,867</u>

Included in the above costs are £64,618 of salaries (2020: £66,865) and £4,091 of social security costs (2020: £4,033) that are funded by restricted income.

The average number of monthly employees during the year was as follows:

	2021	2020
Fundraising and activities to generate funds	0.7	0.7
Charitable activities	9.3	8.4
Governance	0.1	0.1
Total	<u>10.1</u>	<u>9.2</u>

One employee received emoluments, excluding pension contributions, of between £60,000-£70,000 (2020: one employee).

Employer pension contributions for this employee totalled £4,097 (2020: £4,017).

In addition to remuneration, including pension contributions, for three key management personnel of £185,700 (2020: £177,866), there are two additional members of key management personnel who were paid £20,460 (2020: £21,222) and £35,393 (2020: £0) on a consultancy basis.

12 Tangible fixed assets

	Computer equipment £
Cost	
At 1st January 2020	2,717
Additions	-
Disposals	-
At 31st December 2020	<u>2,717</u>
Depreciation	
At 1st January 2020	1,018
Charge for year	905
Eliminated on disposal	-
At 31st December 2020	<u>1,923</u>
Net book value	
At 31st December 2021	<u><u>794</u></u>
At 31st December 2020	<u><u>1,699</u></u>

13 Debtors

	2021 £	2020 £
Prepayments and accrued income	670,533	247,958
Trade debtors	145,659	198,500
Other debtors	244	1,003
Grantee debtors	160,727	-
Bad debt provision	<u>(50,000)</u>	<u>-</u>
	<u><u>927,163</u></u>	<u><u>447,461</u></u>

14 Creditors: Amounts falling due within one year

	2021 £	2020 £
Taxation and Social Security	6,077	5,754
VAT	11,454	41,000
Grants payable	2,897,954	2,417,501
Trade creditors	23,146	44,012
Other creditors	2,769	3,469
Accruals	91,399	22,727
Deferred income	100,909	643,526
	<u>3,133,708</u>	<u>3,177,989</u>
Deferred income		
At 1st January 2021	643,526	
Income deferred	85,909	
Income released to Statement	(628,526)	
At 31st December 2021	<u>100,909</u>	

15 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Fixed assets	794	-	794
Current assets	2,070,337	2,284,084	4,354,421
Current liabilities	(1,952,259)	(1,181,449)	(3,133,708)
	<u>118,872</u>	<u>1,102,635</u>	<u>1,221,507</u>
	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Fixed assets	1,699		1,699
Current assets	1,580,956	2,688,215	4,269,171
Current liabilities	(1,477,394)	(1,700,595)	(3,177,989)
	<u>105,261</u>	<u>987,620</u>	<u>1,092,881</u>

16 Operating lease commitments

The following operating lease payments are committed to be paid in total as at 31 December 2021:

	2021 £	2020 £
Total payable:		
Less than 1 year	-	14,656
Between 2-5 years	-	-
	<u>-</u>	<u>14,656</u>

17 Movement in funds

	At 1 January 2021 £	Incoming resources £	Resources expended £	Transfers £	At 31 December 2021 £
Unrestricted funds 2021					
General	105,261	2,527,934	(1,036,504)	(1,477,819)	118,872
Restricted funds 2021					
(a) BBC Introducing	81,653	-	(18,412)	34,739	97,980
(b) Beyond Borders	44,252	(12,000)	(5,266)	5,266	32,252
(c) The Composers' Fund	126,911	20,000	(81,766)	95,291	160,436
(d) The Hitmaker Fund	8,795	50,000	(150,633)	122,221	30,383
(e) International Showcase Fund	221,554	217,750	(358,423)	129,652	210,533
(f) Keychange	73,537	127,375	(197,883)	78,803	81,832
(g) NFTS Scholarships	-	-	(1,354)	6,354	5,000
(h) New Music Biennial	-	92,000	(196,508)	58,018	(46,490)
(i) POWER UP	3,010	372,396	(497,895)	94,597	(27,892)
(j) PPL Momentum Accelerator	-	29,000	(53,409)	11,637	(12,772)
(k) PPL Momentum Music Fund	362,388	589,500	(560,391)	104,035	495,532
(l) Rebalance	12,808	-	(3,015)	3,015	12,808
(m) Resonate	50,802	-	(8,048)	8,048	50,802
(n) Steve Reid InNOVation Award	-	-	(1,044)	1,044	-
(o) Sustaining Creativity Fund	1,910	-	-	-	1,910
(p) Talent Development Partners	-	170,895	(885,673)	725,099	10,321
Total restricted funds	987,620	1,656,916	(3,019,720)	1,477,819	1,102,635
	At 1 January 2020 £	Incoming resources £	Resources expended £	Transfers £	At 31 December 2020 £
Unrestricted funds 2020					
General	110,623	2,852,520	(1,129,412)	(1,728,470)	105,261
Restricted funds 2020					
BBC Introducing	48,805	-	(6,015)	38,863	81,653
Beyond Borders	44,252	-	(5,891)	5,891	44,252
The Composers' Fund	167,399	20,000	(169,651)	109,163	126,911
Glastonbury Festival	-	5,000	(10,000)	5,000	-
The Hitmaker Fund	43,846	-	(153,270)	118,219	8,795
International Showcase Fund	47,720	188,050	(158,085)	143,869	221,554
Keychange	46,881	51,253	(91,940)	67,343	73,537
Lynsey de Paul Prize	5,504	-	-	(5,504)	-
National Film and TV School	-	5,000	(11,053)	6,053	-
New Music Biennial	-	-	(18,719)	18,719	-
POWER UP	-	15,000	(28,673)	16,683	3,010
PPL Momentum Accelerator	-	9,137	(19,571)	10,434	-
PPL Momentum Music Fund	425,198	555,750	(739,413)	120,853	362,388
ReBalance	9,222	-	(6,471)	10,057	12,808
Resonate	115,802	-	(74,274)	9,274	50,802
Steve Reid InNOVation Award	(2,300)	-	(1,263)	3,563	-
Sustaining Creativity Fund	-	143,181	(179,504)	38,233	1,910
Women Make Music	-	16,667	(228,377)	211,710	-
Talent Development Partners	-	50,000	(850,047)	800,047	-
Total restricted funds	952,329	1,059,038	(2,752,217)	1,728,470	987,620

17 Movement in funds (continued)

(a) BBC Introducing and PRS Foundation partnership

A partnership between PRS Foundation and BBC Introducing since 2014, which brings emerging talent to showcases worldwide. Selected through the Introducing Uploader network and curated and presented by BBC DJs, artists are supported international events including Eurosonic, Winter Jazzfest, SXSW, Reeperbahn Festival and Montreal Jazz Festival.

(b) Beyond Borders

As a flagship programme, Beyond Borders stimulates and strengthens cross-border collaborations between music creators, performers and presenters. It supports the creation, touring and promotion of innovative and high-quality new music across all genres and encourages engagement with audiences across England, Scotland, Wales, Northern Ireland, and since 2014, the Republic of Ireland through multiple performances and digital activities. Support is given to up to 8-10 projects per year with funding of up to £15,000 available for projects that include new commissions, recordings and repeat performances of music written in the past five years. It is managed and funded by PRS Foundation with funds also from Creative Scotland, Arts Council of Wales, and Arts Council of Wales.

(c) The Composers' Fund

The Composers' Fund is an opportunity for composers with a strong track record to gain direct access to funding at pivotal stages in their career. Grants of up to £10,000 are available to no more than 15 composers per year who are already making a significant cultural contribution in the UK and have the potential for greater impact in the UK and overseas. Previous projects have included recordings, the promotion and performance of existing works, international co-commissions and development, performer collaboration, residencies, sabbaticals or childcare costs and project or promotional support. It is managed and funded by PRS Foundation with funds from Jerwood Arts.

(d) The Hitmaker Fund

The Hitmaker Fund offers an opportunity for songwriters and producers working in popular music genres to further develop their careers and writing/production with grants of between £5,000 - £10,000. It is managed and funded by PRS Foundation. Spotify became the exclusive digital partner for Hitmaker in 2021.

(e) International Showcase Fund

The International Showcase Fund (ISF) offers support for music creators to take their first steps into international territories. It is managed and funded by the Foundation with funds also from partners: Department for International Trade (DIT), British Underground, Arts Council England, PPL, Creative Scotland, Wales Arts International and Arts Council of Wales, Arts Council of Northern Ireland and Invest NI and the Musicians' Union. Grants and support from fund partners enable artists to perform at key showcasing events and conferences around the world such as Eurosonic (Europe), SXSW (North America), Reeperbahn Festival (Europe), Zandari Festival (Asia), Womex (Europe), Americana Fest (North America), JazzAhead (Europe) and Mutek (North America).

17 Movement in funds (continued)

(f) Keychange

Keychange is a pioneering international initiative which transforms the future of music whilst encouraging festivals and music organisations to include 50% women and underrepresented genders in programming, staffing and beyond. Initiated by PRS Foundation and European partners, Keychange is led by Reeperbahn Festival, PRS Foundation and Musikcentrum Ost, supported by the Creative Europe programme of the European Union, in partnership with Tallinn Music Week, Iceland Airwaves, BIME, Oslo World, Linecheck/Music Innovation Hub, Ireland Music Week, SACEM, Liverpool Sound City, Way Out West, Spring Break, MAMA, Mutek and Breakout West.

(g) National Film and Television School Scholarships (NFTS)

In partnership with Alan Hawkshaw, we support two scholarships per year for emerging composers at the National Film and Television School.

(h) New Music Biennial

New Music Biennial is a PRS Foundation initiative, presented in partnership with Coventry City of Culture 2022, Southbank Centre, BBC Radio 3 and NMC Recordings. It supports and provides a platform for talented organisations and music creators who are pushing the boundaries of new music in the UK. The project is funded and managed by the Foundation with funds also from Arts Council England, Arts Council Northern Ireland, and Paul Hamlyn Foundation.

(i) POWER UP

POWER UP is an ambitious, long term initiative which will support Black music creators and industry professionals and executives, as well as addressing anti-Black racism and racial disparities in the music sector. Co-founded by PRS Foundation and Ben Wynter and managed by the Foundation in partnership with YouTube Music, Beggars Group, Spotify and the Black Music Coalition, the initiative brings together several music industry partners and goes beyond solidarity, with new approaches which foster meaningful change. Other supporters include Creative Scotland, Amazon, Believe and Simkins LLP.

(J) PPL Momentum Accelerator

PPL Momentum Accelerator's long term approach supports the development of outstanding artists and bands outside of London who face regional/national barriers to reaching the crucial career tipping point criteria which applies to the PPL Momentum Music Fund due to infrastructure issues in the talent pipeline as opposed to musical quality. Partners provide support for a number of future industry professionals such as managers, promoters, record labels, music publishers, booking agents, supporting sustainable regional scenes across the UK. Launched as a pilot in Liverpool in 2019, PPL Momentum Accelerator ran in two areas of the UK in 2020-21, Yorkshire and Liverpool City Region, supporting projects by songwriters, artists, bands, and performers who are writing their own music based in Yorkshire and Liverpool City Region. PPL Momentum Accelerator is managed by PRS Foundation in partnership with PPL, Music:Leeds and Liverpool City Region.

(k) PPL Momentum Music Fund

The PPL Momentum Music Fund offers grants of £5,000 to £15,000 for UK based artists/bands to break through to the next level of their careers. Activities eligible for support include recording, touring and marketing. The PPL Momentum Music Fund is run by PRS Foundation in partnership with PPL, Creative Wales, Arts Council of Northern Ireland, Invest NI, Creative Scotland and Spotify. PRS Foundation and Arts Council England initiated The Momentum Music Fund in 2013.

17 Movement in funds (continued)

(l) ReBalance

In partnership with Festival Republic, ReBalance is a pioneering 3-year programme, providing one-week studio recording time to a core UK-based female music creator each month in 2018, 2019 and 2020. The support includes studio time and engineer as well as accommodation and travel. At the end of each year, successful acts will be presented with a slot at a Festival Republic or Live Nation Festival. In addition, studio apprenticeships are offered to female sound engineering and production. ReBalance is managed and funded by PRS Foundation also with funds from Festival Republic.

(m) Resonate

Resonate is a fund and resource which encourages professional orchestras to program into their repertoire the best pieces of British music from the past 25 years. Grants up to £10,000 are available to orchestras who commit to exploring contemporary UK repertoire as part of a season / tour and longer-term audience development programme. It is funded and managed by PRS Foundation in partnership with the Association of British Orchestras and in association with broadcast partner BBC Radio 3.

(n) Steve Reid InNOVation Award

As a partnership between the Steve Reid Foundation and PRS Foundation, the Steve Reid InNOVation Award supports outstanding emerging artists through expert mentorship and vital bursaries. This innovative creative development project is open to anyone writing and performing across all genre and is currently unsigned and unmanaged, and mentors have included Gilles Peterson, Floating Points and Four Tet. It is managed and funded by the Foundation also with funds from the Steve Reid Foundation.

(o) Sustaining Creativity Fund

Thanks to the Spotify COVID-19 Music Relief Fund and generous donations from members of the public, PRS Foundation launched the Sustaining Creativity Fund to support artists, songwriters and composers to create and develop when they need it most. For those experiencing significant impact on their work, income and ability to complete planned musical activities, we wanted to enable creativity and to help grantees to be in a good position to fulfil creative and career potential, breaking down the huge barriers presented by the Covid-19 pandemic.

(p) Talent Development Partners

Talent Development Partners (TDP) receive a grant from the Foundation for their year-round activity. They also work closely and with PRS Foundation to address talent pipeline gaps through joint work and signposting. The TDP Network is funded and managed by PRS Foundation also with funds from the National Foundation for Youth Music.

18 Net cash outflow from operating activities

	2021 £	2020 £
Net income as per Statement of Financial Activities	128,626	29,929
Adjustments for:		
Investment income	-	(5,122)
Depreciation of tangible fixed assets	905	905
Amortisation of intangible fixed assets	-	-
Decrease / (increase) in debtors	(479,702)	349,182
Increase / (decrease) in creditors	(44,281)	842,921
Net cash used in operating activities	(394,452)	1,217,815

19 Related parties

During the year the charity received a donation of £2,500,000 (2020: £2,750,000) from a member, the Performing Right Society Limited, of which £2,500,000 was received by the end of December 2021 (2020: £2,750,000).

The Foundation has the use of PRS's premises and a range of associated services. This has been funded by PRS to the value of £25,986 (2020: £87,371).

During the year the charity made grants to the following institutions who share a common trustee or key management personnel with the Foundation:

	2021 £	2020 £
Urban Development	-	23,500
Roundhouse Trust	-	23,000
Heart n Soul	-	20,000
Future Bubblers / Brownswood Music	-	17,000

Due to trustee retirement, Urban Development, Roundhouse Trust, Heart n Soul and Future Bubblers are no longer related parties.

During the year the charity made no grants to individuals (2020: £24,000 to 3 individuals), who are represented by publishers who are trustees of the charity.

20 Legal status

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

THE PERFORMING RIGHT SOCIETY FOUNDATION

England & Wales - Charity number 1080837

Accounts

THE PERFORMING RIGHT SOCIETY FOUNDATION

(A company limited by guarantee and not having a share capital)

Trustees' Report and Financial Statements

For the year ended 31 December 2020

Company number: 03901665
Charity number: 1080837

	Page
Trustees' Report	1 - 18
Independent Auditor's Report	19 - 22
Legal and administrative information	23
Statement of Financial Activities	24
Balance Sheet	25
Statement of Cash Flows	26
Notes to the accounts	27 - 40

About PRS Foundation

PRS Foundation ("The Foundation") is the UK's leading charitable funder of new music and talent development across all genres. We invest in the future of music. We do this by enabling composers and songwriters of all backgrounds to make outstanding new music and reach audiences across the world. Since our establishment in 2000, we have awarded over £38m to over 7,800 new music initiatives, benefitting tens of thousands of UK songwriters and composers and hundreds of organisations dedicated to promoting new music.

We award grants which support the development of UK based songwriters and composers, the creation of outstanding, original music and its promotion to audiences across the UK. We also deliver, in partnership with like-minded partners, strategic programmes that respond to sector challenges which are not being addressed by other funders.

PRS Foundation is known as an indispensable contributor to the UK's music funding ecology. We are recognised by applicants for our user-friendly grant making systems and our team's expertise. Through our specialist networks and cost-effective systems, we enable partners to reach a broad range of music creators which otherwise would be beyond their reach. We are grateful for the input of our Ambassador network and independent Advisory Council which consists of over 600 music advisors, working in different music genres and UK regions. They give us expert advice and assistance and help us to realise our aim of reaching composers and songwriters of all backgrounds from every part of the UK.

OBJECTIVES AND ACTIVITIES

PRS Foundation's charitable objectives are to support, sustain and further the creation and performance of new music in the UK and increase the public's appreciation of and education in new music. Our 2020-23 Strategic Priorities were to:

- invest in the development of exceptional, diverse music creators at crucial stages
- support pioneering organisations and talent development experts to enable those working in all genres across the UK to fulfil their potential
- spearhead new ways to connect music creators with organisations and partners to address talent pipeline gaps and fast-track career progression
- champion grantees and the way we work to add value, influence policy and attract increased external investment
- cement our reputation as the UK's most accessible, inclusive and collaborative music funder

Major activities which delivered on these objectives were:

- supporting 545 projects (11.4% of applicants), investing approximately £3m in grants pledged (average £5,509) – more grants than in 2019, with easy-to-access grants pledged to 122 Organisations supporting talent development (9% of grants), and 423 to individual songwriters, composers and other music creators (91%)
- expanding our network of Talent Development Partners to include 49 organisations, strengthening our reach and impact across the UK
- expanding Keychange, which now has over 400 gender-equality pledge signatories around the world and adapted to support 74 Phase 2 participants from 12 countries in new ways thanks to the flexibility of Creative Europe and other funding partners and sponsors to support women and gender minority artists and innovators

OBJECTIVES AND ACTIVITIES (continued)

- receiving a record number of applications: 4,775
- cementing our reputation as the most inclusive music funder in the UK – with 53% of music creator grantees supported being women, mixed gender groups or gender minorities; 44.7% of music creator grantees being Black, Asian or ethnic minority, and 10% of music creator grantees identifying as disabled
- sustaining our strong working relationship with Performing Right Society Limited (“PRS”) and other partners, adapting to meet changing needs through the pandemic while focussing on sustaining creativity and talent development
- developing our partnership with Phonographic Performance Limited (“PPL”) further, rebranding a flagship programme to the ‘PPL Momentum Music Fund’
- launching the Sustaining Creativity Fund in response to professional hardship experienced by UK based music creators
- developing Power Up – PRS Foundation’s ambitious, long-term response to the Black Lives Matter movement and anti-Black racism in the music sector
- adapting our International Showcase Fund to ensure export-ready talent could take advantage of new platforms and opportunities where international travel was not permitted
- celebrating grantee adaptability, resilience and commercial and critical success, including high-profile Award wins and nominations (see below).

Context

The Covid-19 pandemic had a huge impact on the music creators and organisations we serve and the above headlines only tell part of the story in a year which has been about adaptability, sustainability and collaboration.

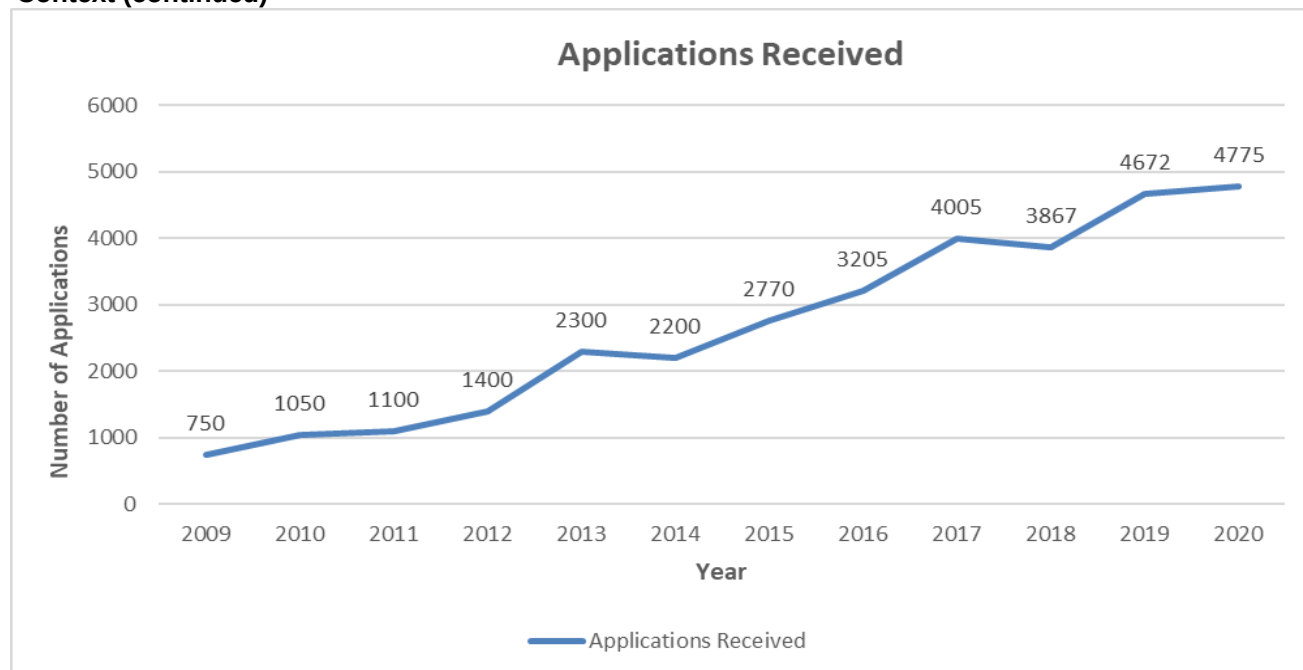
Following 2019’s record levels of demand (20% up on 2018) to 45 available funding deadlines, 2020 far exceeded that level, with 4,775 applications. This is an increase of 2.2% year on year but in the context of holding far fewer deadlines (due to the cancellation of some programmes and prioritisation of a streamlined pandemic response) represents a 43% increase in demand for our 32 available deadlines (149 applications per deadline in 2020 vs. 104 in 2019).

The reduction in the number of deadlines was in part due to ongoing efforts to streamline our programmes but mostly is a negative Covid-19 related result since some programmes - particularly those which focus on live performances such as Beyond Borders, Resonate and New Music Biennial - had to be postponed/deferred until such activity is allowed again. Income from sources other than PRS was impacted, though our resilience shone through thanks to increased support from the likes of PPL and Creative Europe and unexpected support from Spotify whose Covid-19 Music Relief Fund allowed us to launch the Sustaining Creativity Fund and support approximately 200 songwriters and composers.

These adaptations meant we supported fewer Organisations than in 2019 but a record number of Music Creators. Overall, we were able to support 11.4% of applicants, though our Open Fund for Music Creators experienced such high demand that we were only able to support 5.8% of applicants.

The pandemic and other world events also shone a light on inequities in music which, since we have a strong track-record for inclusivity, meant the Foundation was able to build on that reputation and launch initiatives to tackle inequity head-on.

Context (continued)



THE IMPACT OF OUR WORK

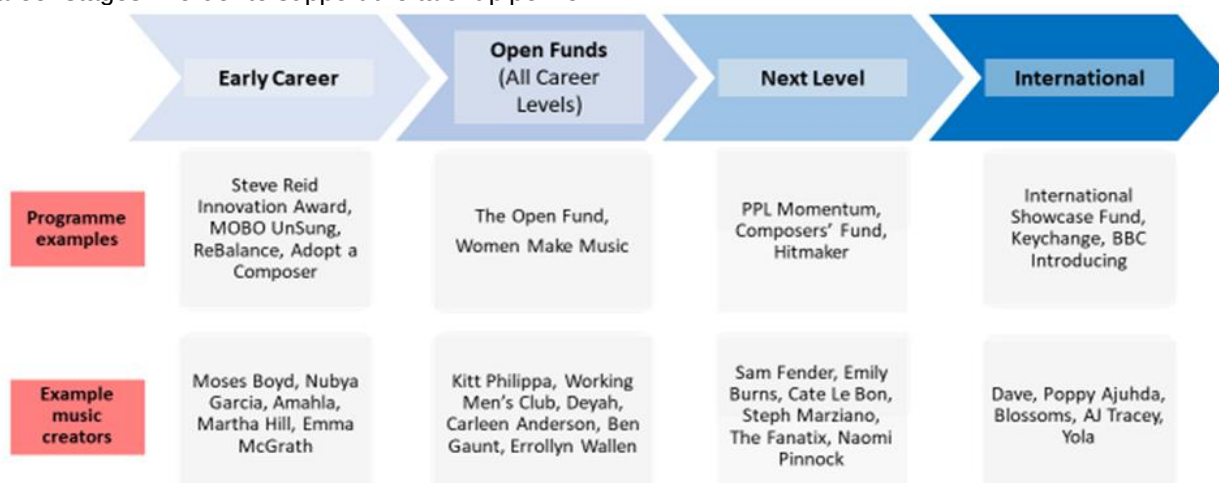
For over 20 years, PRS Foundation investment has enabled songwriters and composers to develop and grow in ways which would not otherwise have been possible.

Our funding complements a changed investment landscape and reflects changing needs. Some music creators are likely to face bigger challenges than others and there is significant inequality between people of different socio-economic, ethnic and gender backgrounds. This is why PRS investment is important - it supports a diversity of outstanding music creators and opens up the music industry.

Investment in PRS Members at different career stages - the Talent Pipeline

2020 was a particularly rewarding year for grantees when it comes to Award nominations and Award wins which recognise the high quality of PRS Foundation-funded output.

Our open programmes and targeted schemes are designed to reach songwriters and composers at different career stages in order to support the talent pipeline:



THE IMPACT OF OUR WORK (continued)

Early Career Support for New and Future PRS Members

We continue to invest in grassroots talent development through targeted schemes, partnerships (e.g. MOBO UnSung, Adopt a Music Creator and Girls I Rate), through our Open Fund and through organisations funding. Success stories from these awards include:

- in 2020, Open Fund grantee, Kitt Philippa won the Northern Ireland Music Prize, and Women Make Music grantee Deyah won the Welsh Music Prize
- having built her team and secured high profile shows through the Lynsey de Paul Prize, Amahla was nominated for 2020's the Ivor Novello Rising Star Award
- Steve Reid Innovation Award grantees Nubya Garcia, Femi Koleoso, Moses Boyd and Sarathy Korwar continue to build successful international careers, touring regularly, signing bigger label deals and releasing critically and commercially successful albums.

Tipping point/Next Level Music Creators

The PPL Momentum Music Fund continues to significantly impact the careers of music creators at crucial career tipping points, supporting artists across all 4 UK nations. To date, Momentum has supported over 400 grantees, 250 albums and 280 UK tours, generating over £18m for the UK music industry.

Our Hitmaker programme funds behind the scenes songwriters including Steph Marziano (produced and co-wrote recent Hayley Williams solo material), The Fanatix (David Guetta/Nicki Minaj/Popcaan) and Jay Weathers (Mabel, now published by Universal). And The Composers' Fund continues to support 'next level' composers. Gavin Higgins, James Weeks, Charlotte Bray and Hilda Paredes won Ivors Composer Awards in 2019, 9 grantees were nominated for 2020's Awards, and Naomi Pinnock and Frank Deyner received RPS Awards.

We monitor closely our impact as a charitable foundation and regularly report on the development of our beneficiaries and the wider impact of our work.

DIVERSITY AND INCLUSION

Gender

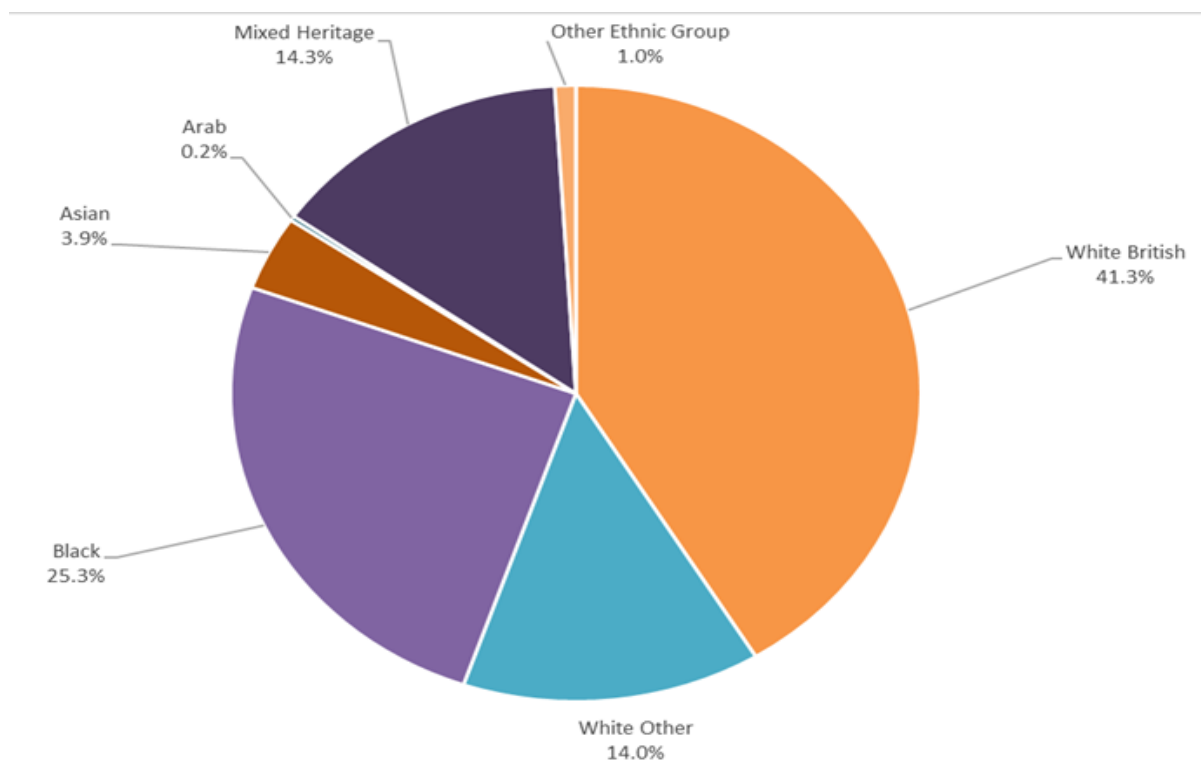
- 53% of Music Creators supported were women (47%), mixed gender groups (4%) or gender minority (2%)
- 47% were men

We continue to meet gender balance targets across our programmes, though the pandemic meant new grantees were not selected for gender balance focussed programmes, including Keychange and ReBalance, which reduced the proportion of women, mixed gender groups and gender minority creators by 1.7%.

Ethnicity

As per Black Lives Matter related commitments made in June 2020, PRS Foundation, like many, committed to no longer using the label "BAME" which doesn't accurately reflect the experiences and racial barriers faced by different ethnic groups. Where we reported in 2019 that 45% of Music Creator grantees were "BAME", the majority were Black and our immediate response of a targeted Sustaining Creativity Fund for Black music creators further increased representation of Black talent which we expect to continue as we have launched our longer-term programme, Power Up.

Ethnicity (continued)



In 2020:

- 55.3% of Music Creator grantees were White
41.3% were *White British* (vs. 55% in 2019); 14% were *White - Other*
- 25.3% of Music Creator grantees were Black
- 14.3% of Music Creator grantees were of Mixed Heritage
10.1% were *Mixed - including Black*; 0.5% were *Mixed - including Asian*; 3.7% were *'Mixed - Other'*
- 3.9% of Music Creator grantees were Asian
- 0.2% were Arab
- 1% identified as belonging to an 'Other Ethnic Group'.

Disability and Access

- 10% of Music Creator grantees identified as Disabled.

SIGNIFICANT OUTCOMES

PRS Foundation's grantees received many Award wins and nominations in 2019, and such critical acclaim was built on in 2020, recognizing the high quality of PRS Foundation-funded output.

Highlights

- Mercury Music Prize: 5 grantees nominated: Anna Meredith, Georgia, Lanterns on the Lake, Moses Boyd and Sports Team (4 x Momentum artists)
- 27 nominations at The Ivors Composer Awards including 6 directly supported pieces: Renell Shaw, Claire M Singer, Khyam Allami, Sam Eastmond, Edmund Finnis and Timothy Cooper
- 3 Grammy nominees: Jessica Agombar, Tiana Major9 and Thomas Adès

Highlights (continued)

- 21 nominations at the AIM Awards including 9 winners: Arlo Parks, AJ Tracey, Little Simz, Sarathy Korwar, Jazz re:refreshed, Howl & the Hum, Lafawndah and Freya Ridings
- 15 nominations at the RPS Awards including five winners: Frank Denyer, Naomi Pinnock, King's Place, City of London Sinfonia, Scottish Ensemble
- Grantees were selected for Album of the Year Prizes in Northern Ireland (Kitt Philippa) and Wales (Deyah) for their directly funded records.

Other Music Creator Awards and Nominations

- BRIT Award for Dave
- 13 Jazz FM Awards 2020 nominees and 5 winners
- 15 grantee nominations received for MOBO Awards 2020
- 4 grantees in the BBC Sounds of 2020 list
- Music Moves Europe Talent Award 2020 nomination: Squid
- Winner of Album of the Year at UK Blues Awards 2020: Elles Bailey
- Winner of Best Opera at the Irish Times Theatre Awards 2020: Belfast Ensemble.

Other Tangible Outcomes

Common tangible outcomes for PRS members who receive our support include creation of new works, signing publishing and record deals, securing future commissions, recording and releasing hundreds of albums, EPs and singles each year, live bookings which allow for increased performance of members' work, significant income generation, audience growth, developing teams around music creators, attracting sync attention, and securing media coverage and DSP support.

A number of recently supported grantees have signed deals this year as a result of our support, including Danny Shah (Universal Music Publishing), Kitt Philippa (Faber Alt), James Vickery (Roc Nation Publishing), Jealous of the Birds (Atlantic Records), Emma Ruth Richards and Liz Johnson (Composers Edition), Jessica Agombar (Stellar Songs/Sony ATV), and TK The Producer (BMG).

In classical music, composers are sustaining and developing their careers, creating high quality, critically acclaimed work through our support for orchestra performances, recordings, commissions and artist development programmes. Successes include:

- our critically acclaimed New Music Biennial festival received 4**** in The Observer and 4 NMB pieces were nominated for 2020 RPS Awards
- through our collaborative touring programme Beyond Borders, the work created and performed by violinist Rakhi Singh and electronic artist Vessel received 4.5**** review in The Quietus
- composer Edmund Finnis who has received our support through our Open Fund and New Music Biennial initiative released the album 'The Air, Turing' which received a 5***** review in the BBC Music Magazine
- Sally Beamish (Women Make Music) received an OBE in the Queen's Birthday Honours list for services to music
- The Peter Maxwell Davies Commission will be composed by Ninfea Cruttwell-Reade (Composers' Fund).

Chart and sales success for our grantees and continued positive reviews and recognition of releases in the media underline how our support is nurturing the creation of exceptional new music. Chart and sales highlights in 2020 include:

- Jessica Agombar (Momentum) co-wrote smash hit and Grammy-nominated track, 'Dynamite' for BTS which broke YouTube viewing records and has been No. 1 in 16 countries
- Leo Kalyan (Momentum) co-wrote UK and International No. 1 song 'Head & Heart' with Joel Corry & MNEK

Other Tangible Outcomes (continued)

- Grantees Dave (ISF), Sam Fender (Momentum, ISF) and IDLES (ISF) all released Official UK Album Chart No. 1 albums between 2019-20, and Sports Team (Momentum) debut album reached No.2.

The profile of many of our grantees has transcended strictly music outlets into mainstream culture:

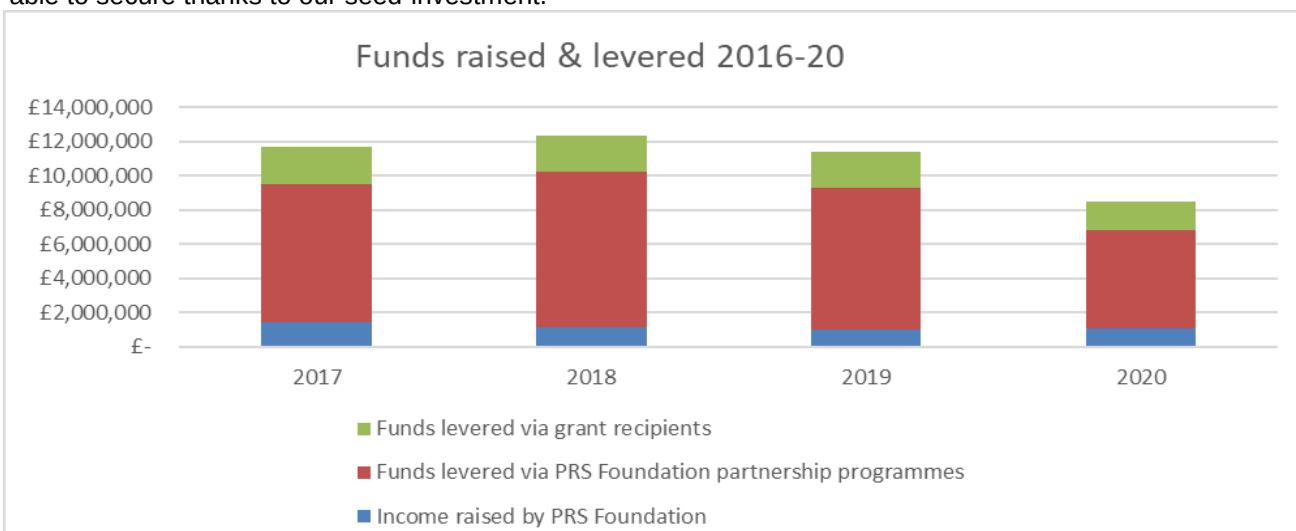
- AJ Tracey (ISF) featured in the JD Sports Christmas 2020 Advert
- TrueMendous (ReBalance) featured in the 2020 Pepsi Max and McVities adverts
- Knicks (Momentum) signed to a modelling agency
- Moses Boyd (Steve Reid Innovation Award) was featured on the front cover of GQ Magazine and co-presented the revived BBC show 'Jazz 625' with Jamz Supernova (a Keychange Innovator)
- MOBO UnSung 2018 winner, Graft won 2020's BBC Rap Game UK. The series was presented by PRS Foundation advisor, DJ Target and also featured grantees Ms. Banks, The Fanatix and Yungen as guest mentors.

Economic value

We continue to monitor economic impact of PRS Foundation support and know based on 2018 analysis that PRS Foundation grantees' annual PRS income since 2015 demonstrates that Songwriter and Composer members increase their PRS income by 284% within 2-3 years of receiving a grant. While the pandemic and resulting economic downturn has an impact on most grantees' ability to produce such strong results in the short-term, grantees are maintaining some common tangible outcomes, including:

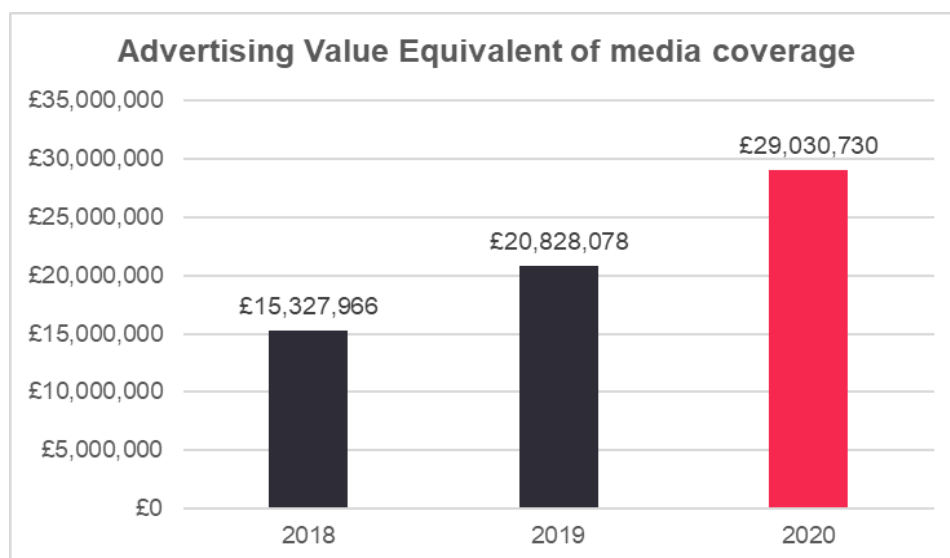
- creation of new works
- securing publishing deals and deals with record labels
- classical composers securing future Commissions
- recording and release of hundreds of albums, EPs and singles each year
- securing future live bookings
- growing teams, which includes management, booking agents, lawyers and others to help sustain long-term careers
- attracting Sync attention
- significant media attention and DSP support.

Thanks to the quality of the music creators and organisations supported, every £1 invested by PRS generated an additional £3.10 (2019: £3.80) for the sector: £1,059,038 from fundraising undertaken by the Foundation (2019: 1,026,600), £5,785,266 (2019: £8,276,576) in match funding, cash and in-kind, levered through our leadership of partnership programmes and £1,680,000 (2018: £2,100,000) through funds grantees have been able to secure thanks to our seed-investment.

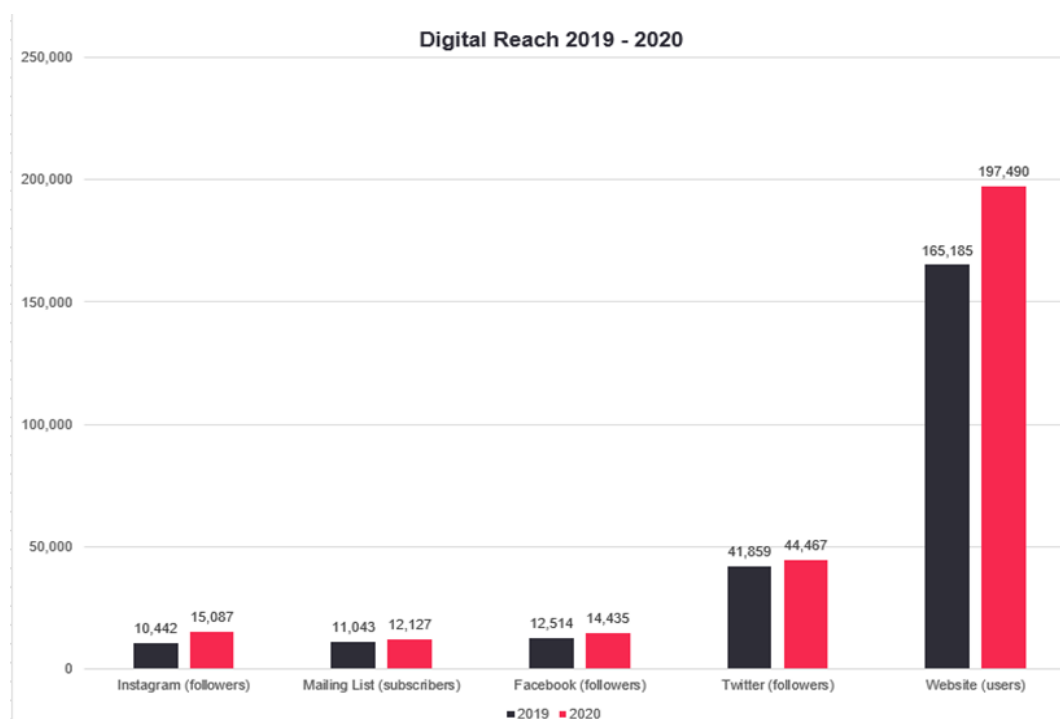


Reach and A.V.E.

Our reach and Advertising Value Equivalency increased from £20,828,078 2019 to £27,467,368 in 2020 and continues to generate high levels of positive PR for PRS, demonstrating PRS' commitment, through the Foundation, to the development of PRS members and others in the ecosystem.

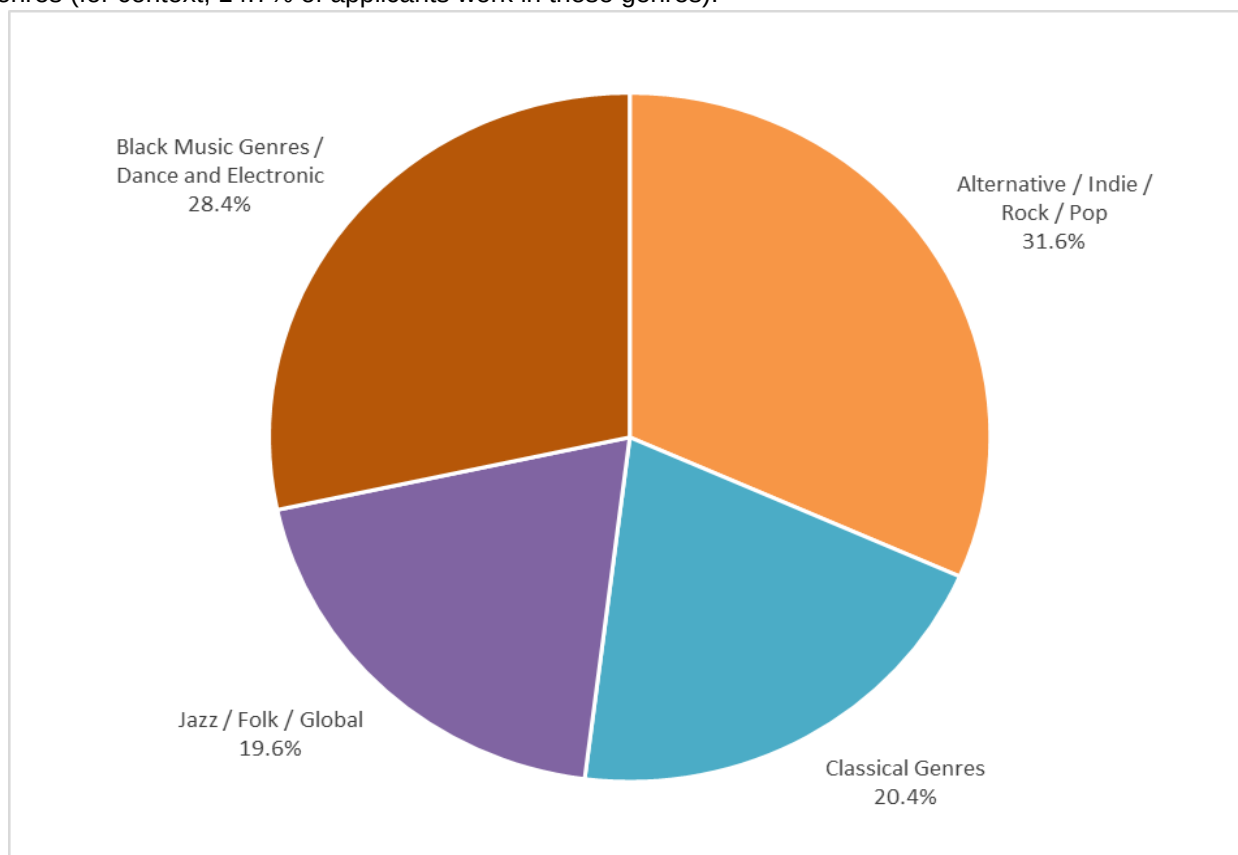


Our reach across social media platforms is continuing to grow, providing powerful ways for us to promote the achievements of PRS members we support and the impact the PRS donation is having on the industry.



2020 Grantee Genre Splits

Although grantees working in Alternative/Indie, Rock and Pop genres make up the greatest proportion of grantees (31.6% when combined vs. 38% in 2019), there was a significant shift towards supporting those working in other genres. This included supporting a greater proportion of Music Creator and Organisation grantees working primarily in Black Music genres and Electronic genres (from 25% to 28.4%), and Jazz/Folk/Global/Blues grantees (from 17% to 19.6%). Over 20% of grants went to those working in Classical genres (for context, 14.7% of applicants work in these genres).



FUNDING FOR ORGANISATIONS

Our Organisations funding (project grants for venues, promoters, festivals, orchestras and non-profit talent development organisations) ensures that PRS Foundation supports organisations UK-wide to develop a more sustainable and extensive role, to leverage additional investment, and to be more effective in reaching and offering meaningful support to talent from all backgrounds.

For our organisation grantees, investment provides:

- a validating role, instilling confidence for those working at the grassroots
- opportunities for dialogue and signposting between talent development organisations across the UK
- as a consequence of funding, organisations are better connected within the music industry and more resilient (77% say grants have helped to improve connections in the music industry)
- support helps grantees to secure additional funding - an average of £62,000 has been levered by organisation grantees, and an average in-kind investment of over £37,000 has also been secured.

In terms of new music development and impact on music creators:

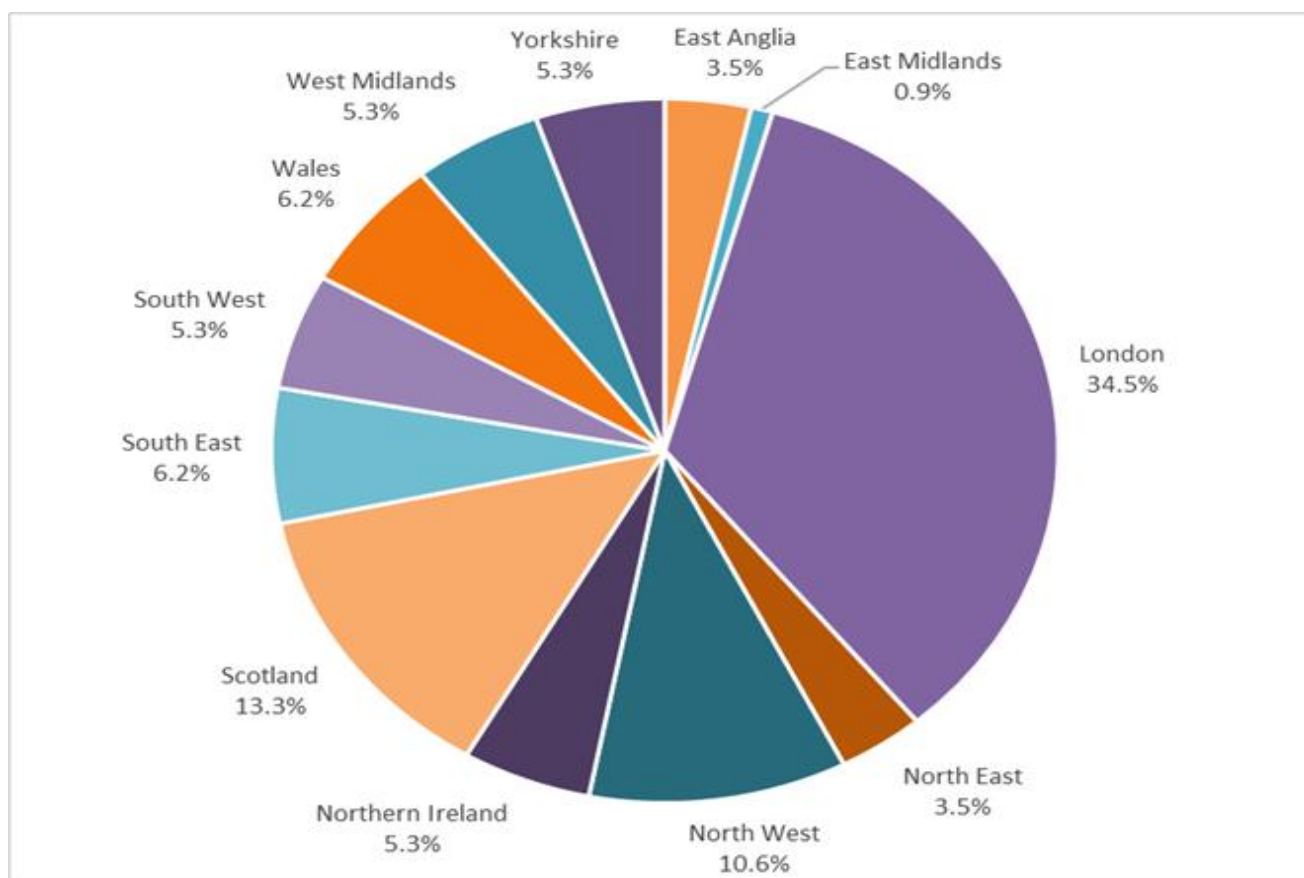
- organisation grantees support various aspects of creation and performance, from live shows and touring to creative development and the commissioning of new work

FUNDING FOR ORGANISATIONS (continued)

For our organisation grantees, investment provides:

- 90% of organisations say the PRS Foundation grants have helped or helped significantly to improve their approach to creative development
- Organisations investment opens access to music creators across all genres who will otherwise be out of reach or will struggle to find support to develop and grow as composers and songwriters
- investment in organisations helps build ecosystems, alongside investment in music creators which enables the ecosystems to thrive
- PRS Foundation's strategic approach to funding organisations results in effective signposting of creators to music creator grants and other career progression opportunities.

2020 Organisations Grantees - Regional Split



For Organisation grantees, we continue our broad reach across regions and genres. Only 34.5% of Organisation grantees in 2020 were based in London (vs. 42% in 2019). There was a significant increase in the proportion of Scotland based organisation grantees (from 8% to 13.3%), while we maintained strong representation in Wales (6.2%) and Northern Ireland (5.3%). Our 2020-23 Strategic Priorities include maintaining a strong regional and national split and it should be noted that 89% of London based organisations' delivery reaches music creators and audiences nationally or internationally.

PUBLIC BENEFIT

We have referred to the Charity Commission's general guidance on public benefit (including the guidance 'public benefit: running a charity, PB2') when reviewing our aims and objectives and in setting our grant making policy for the year. Public benefit is implicit in the criteria we use to assess grants which focus on the extent to which the projects we support will benefit a broad range of music creators, result in high quality music and be enjoyed by a large and diverse audience.

The Foundation accepts funding applications from all kinds of music creators. Details of the Foundation's activities are easily available on www.prsfoundation.com, including grant-making policies, priorities for each funding programme and application forms.

Our emphasis on transparency, and our staff's ability to give expert advice to potential applicants, is a crucial part of the grant-making process. We also work in partnership with other organisations to extend our reach and impact, particularly in relation to any music genres and UK regions which are under-represented in our funding portfolio. Please see "Looking Ahead" (page 13) for details of our targets for 2021.

MONITORING, EVALUATION AND LEARNING

Our bespoke Flexi-Grant funding platform allows us to monitor current grants projects and we were able to implement more consistent Evaluations Reporting systems so that we are gathering the same information for all schemes to measure the impact of funding from an economic, cultural and social impacts perspective.

The team discusses results with Trustees and we are able to see that the vast majority of grantees meet intended outcomes and achieve additional unexpected positive outcomes.

We also commit to at least one long-term impact evaluation report per year, engaging the services of external evaluation experts each year. In 2020-21, this includes our deeper, long-term '20th Anniversary' impact evaluation which would have been launched in 2020 but due to the Covid-19 pandemic was pushed back, updated to include our response and how we adapt to meet the changing needs of PRS members, and will be published later in 2021.

Upcoming long-term impact evaluation reporting will include a '10 years of Women Make Music' report in 2022 and a deeper evaluation of the impacts of Classical-sector specific programmes.

We share learning and outcomes through our website, social media and regular mailings as well as via panel discussions at relevant industry conferences in the UK and overseas.

COVID-19 AND PRS FOUNDATION'S RESPONSE

The impacts of the pandemic present songwriters and composers with unprecedented challenges. Many fell into immediate financial hardship and the impact on music creators' work, income and ability to create and perform was clear for all to see. There has also been an impact on organisations, most notably venues, festivals, promoters and orchestras unable to deliver live performance activity as planned.

On a macro-level, the pandemic puts much of UK music's success at risk. Our support this year has been more vital than ever.

Guiding principles though the pandemic:

- remain an open, inclusive and accessible funder
- support grantees and applicants through this difficult time
- mitigate against risk for PRS Foundation, funding partners, grantees and applicants
- fulfil our duty of care as a responsible funder

Guiding principles through the pandemic: (continued)

- uphold our core values (Enabling, Collaborative, Pioneering, Inclusive)
- continue to meet funding priorities:
 - i) to support the creation, performance and promotion of outstanding new music in any genre
 - ii) to enable the UK's most talented music creators to realise their potential
 - iii) to inspire audiences.

Our approach so far

Several grantees have been impacted. Liaising with funding partners, grantees and trade associations, we were the first arts funder to launch a simple, effective system in March to support and advise existing grantees and applicants, offering up-to-date guidance and launching an 'Exceptional Circumstances' system so grantees could liaise with our team and keep us updated on project progress.

We worked efficiently, flexibly and collaboratively to ensure many grantees were still in a position to meet funding objectives and to sustain music creator development. Where cancelled/postponed activities could be rescheduled, or acceptable alternative activities were proposed, grants could still be honoured. We have been sensibly cautious and the further into the pandemic we have been, the more we encourage applicants to avoid risky activity, prioritise creative development and to innovate.

Where activities have been cancelled and satisfactory alternative activities are not possible, we assess expenditure and music creator impacts and reclaim a fair portion of a grant without forcing the music creators into further debt or loss.

This process has resulted in several reclaims within 2020, and savings made allowed us to donate to the PRS Emergency Relief Fund ("ERF") and we project further savings from reclaims in 2021 relating to live performance cancellations. The ERF is an initiative between PRS and PRS Members Fund to provide financial support to PRS writer members experiencing extreme hardship as a result of the measures to tackle Covid-19.

Meeting changing music creator needs:

- we contributed £100,000 to the PRS Emergency Relief Fund
- we launched the Sustaining Creativity Fund to support music creators experiencing professional hardship from loss of work, receiving 1,400 applications and offering timely £750 grants to 198 outstanding music creators who have been able to survive, adapt and sustain creative careers
- for most funding programmes, we maintained regular deadlines and fast decision-making so that crucial support has been available throughout the year
- programmes adapted to meet new financial and creative needs. For example, our Open Programme currently enables high quality pre-recorded or live-stream performances, purchase of equipment (up to 20% of project budget) and increased flexibility while maintaining our priority of creator development and fair creator fees
- we continue to listen to the songwriting community and to others in the ecosystem – creating listening groups to learn and adapt our approach. We have regular conversations with Talent Development Partners, sponsors and with other funding bodies.

We will continue to adapt in 2021 and we know that we will play a vital role in stimulating recovery - building back better to create a strong, diverse and more connected music sector.

LOOKING AHEAD

Priorities for 2021 include:

- successfully launching Power Up, meeting fundraising targets and selecting 40 Participants for Year 1 of the long-term programme
- continuing to respond effectively to Covid-19 related barriers to support the creation and performance of new music, music creator development and sector recovery
- continue adaptations to our International Showcase Fund to ensure export-ready talent takes advantage of opportunities to forge global careers when Covid-19 and Brexit make funding support more vital than ever
- celebrating our relationship with PRS and the wider impact of our work through the launch of our long-term impact evaluation report.

Long-term impact evaluation and 2021 launch

From late 2019 to mid-2020, we commissioned independent evaluators Tom Fleming Creative Consultancy to carry out a 360° impact report, taking a deep look at the economic impact of our funding, the creative and career impacts for songwriters and composers, the impact for PRS for Music and the impact for the wider sector and music industry.

Key findings and case studies were going to be presented at our 20th Anniversary event at Abbey Road Studios in the summer of 2020. We decided that the evaluation report should be updated to reflect our Covid-19 and Black Lives Matter responses, our recovery role in 2021. As such a revised report will be launched in 2021 as PRS Foundation celebrates 21 years of support from PRS.

As per the new Strategic Priorities for 2020-23 (outlined above), some of PRS Foundation's longer-term objectives include:

- to be the UK's most accessible and inclusive funder of new music
- to implement a vastly streamlined programme by 2023
- connect music creators showing potential to organisations we fund and industry partners to fast-track career progression
- address regional talent development pipeline gaps and reduce the proportion of music creator grantees in London to 35% within the next 5 years
- better address the international needs of creators beyond showcasing
- to increase total donations to over £5m p.a. by 2024 which will better meet demand, with approximately 15% of applications being supported.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

PRS Foundation was established as a charity and company limited by guarantee in 2000. The organisation is governed by the Board of Trustees which comprises individuals who are both trustees of the charity and non-executive directors of the company. The Members of the PRS Foundation are the directors and the Performing Right Society Limited.

The Foundation's partnerships with other public funders, charities and private sector companies are central to the way we work. These partnerships enable us to share or pool resources, grow our impact and initiate pioneering programmes which support sector development.

Governance

The Foundation monitors the terms of office of all trustees, and carries out skills audits on a regular basis. Trustees serve for three-year terms and are eligible to be re-elected for a maximum of three terms. As of July 2015, the Members amended the Articles so that if a trustee is retiring after a period of continuous service exceeding nine years, the trustees may allow the retiring trustee to be re-elected for a maximum continuous period of twelve months, in order to help with induction and mentoring of successor trustee. At the end of the reappointed period the retiring trustee shall not be eligible for re-election.

In 2020 the Foundation made amendments to the Memorandum of Association, updating the wording better to reflect the charitable objectives. An additional clause was added to enable the Foundation to donate to PRS's Emergency Relief Fund which supports PRS's songwriter and composer members' hardship needs as a result of Covid-19.

The Foundation has provision for not more than fifteen trustees of whom up to seven Trustees (or no more than half of the total number of trustees if fewer than fifteen) shall be nominated by the Board of the Performing Right Society Limited. Other trustees shall be independent individuals with relevant experience relating to the role of the Foundation. Chris Butler, Michelle Escoffery, Richard King, and Mark Poole are PRS-nominated Trustees.

Our new Chair of the Board, Nitin Sawhney began his tenure in 2020 and with some current Trustees coming to the end of their 9 year maximum tenure in 2021, a sub-committee Chaired by Nitin Sawhney has been formed to act upon a recent Skills Audit so that we can recruit 3 replacement Trustees.

Grant-making process

Final decisions regarding grant-making resourced by unrestricted funds are made by the trustees, following recommendations and advice from the management team which is informed by the Advisory Council. The Foundation pays advisors a fee for specific services, which are set out in a letter or email confirming these services when required. As part of the grant-making process, Link Trustees take an active part in the Foundation's grant-making procedures. At Board meetings, the Link Trustee is asked by the Chair to present an overview of the Advisory Panel's discussions to the Board, highlighting strategic priorities addressed by the grant recommendations and confirming that due process was followed.

Trustees are required to ratify (rather than approve) grants made through partnership-funded schemes such as Momentum Music Fund, International Showcase Fund and Beyond Borders. These funding decisions are recommended by specialist programme advisors and/or funding partners.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Management

Day-to-day management is the responsibility of an administrative team of nine full time and four part time staff, led by Chief Executive Joe Frankland, who has authority, within terms of delegation approved by the directors, for all operational matters.

The team was expanded in early 2021 when we appointed Yaw Owusu to the recently created Senior Management position of Senior Power Up Programme Manager.

RISK MANAGEMENT

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

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

- a wide and appropriate level of professional skills and experience within the Board of Trustees
- the employment of professionally qualified staff and the engagement of professional services for legal, financial and human resource requirements
- the employment of an increasingly broad range of independent advisors who help to assess the Foundation's applications
- collaboration with relevant PRS departments to support our finance and personnel policies
- good internal communications and controls.

COVID-19 RESPONSE

In the period from March 2020 to the date of approval of this report, we have been proactively supporting grantees and applicants whose projects are impacted by the COVID-19 pandemic. Music creators and organisations we work with can access an up-to-date Guidance and FAQ page, a simple-to-use Exceptional Circumstances Form in order to outline project impact and changes, and the Grants Team are able to respond and support those submitting within 14 days, sharing information when relevant with partners, Senior Management and the Board. We benchmarked our approach against policies published by Arts Councils and other Trusts and Foundations.

Using remote decision panels, the Grants Team have been able to mitigate against significant delays to deadlines or decision-making dates. The level of risk associated with project plans submitted before the pandemic is factored into advisor scoring and panel discussion, and grant recommendations are shared with the CEO, Board and Partners with the risk assessment.

The pandemic also resulted in the new PRS Emergency Relief Fund, and support from Spotify which enabled PRS Foundation to set up the new Sustaining Creativity Fund which so far has raised over £135,000 in donations and has supported almost 150 grantees across 2 deadlines.

We continue to monitor Covid-19's impact on other programmes so that we can adjust models to meet the needs of creators at all career levels, across the UK and working in all genres.

COVID-19 RESPONSE (continued)

Aside from the impact on grantees and on music creator development, the biggest impact so far has been on fundraising projections.

With UK-based Arts Councils prioritising emergency sector relief, in some cases public funding contributions to programmes such as New Music Biennial, International Showcase Fund and the PPL Momentum Music Fund has been impacted. Each programme is able to adjust, and we seek to secure re-commitment at later dates from Arts Councils while exploring new fundraising opportunities. In some cases, there will be fewer grantees, but a priority is ensuring each programme continues and continues to support exciting talent across the UK.

Sponsorship is more at risk as commercial company sponsorship budgets are reduced. In some cases, new opportunities are presented but within scenario planning for programmes such as Keychange (2019-2024), we decreased sponsorship expectations for 2020 and increased targets for future years.

Covid-19 may also present PRS Foundation with fundraising challenges relating to future commitments from our main donor, PRS. The society expects the most significant impact will be on its public performance business and the royalties it collects internationally, but at this stage the exact financial impact, and how this will affect individual members, is extremely difficult to fully predict. PRS is closely monitoring the situation from every angle possible and taking proactive steps to safeguard royalties and mitigate risk throughout this period of significant disruption. While the level of donation is secure for 2020 and 2021, Trustees are working with management to ensure pre-existing Strategic Priorities of stabilising investment from PRS are not affected by Covid-19. Our 20th Anniversary plans are on hold until 2021 but our Impact Evaluation reporting is still on target and we spent 2020 proving the impact and value of our work - PRS Foundation will play an increasingly vital role in the coming years to help exciting and diverse PRS members to sustain careers and recovery better.

Demand for creative and career development has increased despite Covid-19 related project uncertainty, with as many applications from music creators in the 12 weeks since lockdown began than we would normally receive in 6 months. Risks around supporting a smaller proportion of applicants are more relevant during the pandemic. While unavoidable in the short-term, it is important our long-term fundraising targets remain ambitiously high in order to meet demand and needs.

Our budget reforecasting in 2020 realistically reflects the fundraising situation but Trustees are satisfied we can mitigate against risks, and Trustees have confirmed there is significant unrestricted funding in place for the coming years.

FINANCIAL REVIEW

Income

Total income for the year 2020 was £3,911,558 compared with £4,121,756 in 2019.

The Foundation is extremely grateful for the generosity and support from all of the funders listed in this report. This includes the membership and Board of PRS which has shown their continued commitment to the Foundation's charitable activities and the importance of our work to songwriters, composers, performance groups, bands, festivals, promoters and other organisations making new music across the UK. We also acknowledge the generous support of our other major donor, PPL which is supporting our Momentum Music Fund and International Showcase Fund.

Expenditure

Total expenditure in the year was £3,881,629 compared with £4,306,282 in 2019. Expenditure incurred to generate income is minimal (2.1% of funds raised) as the fundraising function is integrated with the Chief Executive's responsibility to work strategically with a broad range of funding partners who share our objectives. PRS Foundation does not engage external professional fundraisers or commercial participators to carry out fundraising activity and does not engage in face-to-face or telephone fundraising.

As part of its preparation for the General Data Protection Regulation that came into force in May 2018, PRS Foundation has reviewed and updated its Privacy Notices. These notices, published on our website, clearly states what personal data the Foundation holds in relation to supporters and how this data will be used. It sets out how individuals can raise concerns or complaints. The Foundation has received no complaints about its fundraising activities either during the financial year or subsequently.

RESERVES

The total year end funds are £1,092,881 compared to £1,062,952 in 2019. This amount is split between £105,261 of unrestricted funds and £987,620 of restricted funds. The net of movement in funds for 2020 is a surplus of £29,929 (2019: deficit of £184,527), which is due to the timing of income recognition and grants expenditure between years.

The Foundation also has confirmed funding partnerships that have been deferred until 2021. The trustees intend that our free reserves i.e. the unrestricted reserves of the Foundation, excluding those designated or tied up in fixed assets, will cover the operating costs of the charity for the first quarter of the following year. The trustees believe that the Foundation should aim to award the majority of its funds to grantees and not to build up large reserves. The free reserves at 31 December 2020 stand at £103,562. For these purposes, the charity's operating costs cover salaries and support costs, but not grant payments and are estimated at approximately £101,697 for the first quarter of 2021. The reason for holding reserves is as a buffer in case of adverse events and/or loss of income.

TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of The Performing Right Society Foundation 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.)

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 of the incoming resources and application of resources, including 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;
- comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the 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 which 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.

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.

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

The auditors, Moore Kingston Smith LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

On behalf of the Board

A handwritten signature in blue ink, appearing to read "N. Sawhney".

Nitin Sawhney (Chair)
Trustee

Date: 17th June 2021

Opinion

We have audited the financial statements of The Performing Right Society Foundation ('the company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Summary Income and Expenditure account, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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 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.

Other information (continued)

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 matter 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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 18, 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Auditor's responsibilities for the audit 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance, particularly in relation to the adoption of the accounting policies considered to be most relevant to the charitable company's financial reporting.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP.

.....
James Saunders, FCCA DChA (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 5 July 2021

Name and status:	The Performing Right Society Foundation ("PRS Foundation") is a company limited by guarantee, being governed by its memorandum and articles of association and has no share capital.
Company number:	03901665
Charity number:	1080837
Principal and registered office:	2 Pancras Square London N1C 4AG
Trustees:	Chris Butler Lorna Clarke Michelle Escoffery Christine Geissmar Hannah Kendall - resigned 3 March 2021 Richard King Caroline Norbury Simon Platz (Chair) - resigned 29 April 2020 Mark Poole John Reid Nitin Sawhney (Chair) – appointed 29 April 2020 Ameet Shah Susannah Simons Vanessa Swann - resigned 13 October 2020
Principal staff:	Joe Frankland, Chief Executive Fiona Harvey, Senior Manager, Operations Becci Scotcher, Senior Grants and Programmes Manager Liam McMahon, Senior Communications Manager Yaw Owusu, Senior Power Up Programme Manager
Secretary:	Fiona Harvey
Auditors:	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Bankers:	Santander UK plc Bridle Road Bootle L30 4GB

Statement of Financial Activities
(Incorporating the Summary Income and Expenditure
account) For the year ended 31st December 2020

	Note	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
		£	£	£	£
INCOME:					
Income and endowments from:					
Donations and legacies	3	2,847,398	905,943	3,753,341	4,014,778
Corporate sponsorship		-	153,095	153,095	88,000
Investments		5,122	-	5,122	18,978
Total income		<u>2,852,520</u>	<u>1,059,038</u>	<u>3,911,558</u>	<u>4,121,756</u>
EXPENDITURE:					
Raising funds	5	(14,926)	(68,949)	(83,875)	(92,973)
Charitable activities	6	(1,114,486)	(2,683,268)	(3,797,754)	(4,213,310)
Total expenditure		<u>(1,129,412)</u>	<u>(2,752,217)</u>	<u>(3,881,629)</u>	<u>(4,306,283)</u>
Net income / (expenditure)		1,723,108	(1,693,179)	29,929	(184,527)
Transfers between funds	17	<u>(1,728,470)</u>	<u>1,728,470</u>	-	-
Net movement in funds		(5,362)	35,291	29,929	(184,527)
Reconciliation of funds					
Total Funds Brought Forward		<u>110,623</u>	<u>952,329</u>	<u>1,062,952</u>	<u>1,247,479</u>
Total Funds Carried Forward		<u>105,261</u>	<u>987,620</u>	<u>1,092,881</u>	<u>1,062,952</u>

The notes on pages 27 to 40 form an integral part of these accounts.

Balance Sheet
As at 31st December 2020



	Notes	2020	2020	2019	2019
		£	£	£	£
Fixed Assets					
Tangible fixed assets	12	1,699	-	2,604	-
Current Assets					
Debtors	13	447,461		796,643	
Cash at bank and in hand		<u>3,821,710</u>		<u>2,598,773</u>	
		4,269,171		3,395,416	
Creditors: Amounts falling due within one year	14	(3,177,989)		(2,335,068)	
Net Current Assets			<u>1,091,182</u>		<u>1,060,348</u>
Total Net Assets			<u><u>1,092,881</u></u>		<u><u>1,062,952</u></u>
The funds of the charity	17				
Unrestricted funds			105,261		110,623
Restricted funds			987,620		952,329
Total charity funds			<u><u>1,092,881</u></u>		<u><u>1,062,952</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The notes on pages 27 to 40 form an integral part of these accounts.

17th June 2021

Approved by the Board of Trustees, authorised for distribution, on
and signed on their behalf by:

Nitin Sawhney, Trustee, Chair

Company Registration Number: 03901665

Statement of Cash Flows
For the year ended 31st December 2020



		2020	2019
	Note	£	£
Net cash used in operating activities	18	1,217,815	(39,640)
Cash flows from investing activities:			
Dividends, interest and rent from investments		5,122	18,978
Purchase of tangible fixed assets		-	(2,717)
Net cash provided by investing activities		<u>5,122</u>	<u>16,261</u>
Change in cash and cash equivalents in the reporting period		1,222,937	(23,379)
Cash and cash equivalents at the beginning of the reporting period		<u>2,598,773</u>	<u>2,622,152</u>
Cash and cash equivalents at the end of the reporting period		<u><u>3,821,710</u></u>	<u><u>2,598,773</u></u>

1 Accounting Policies

Statement of compliance

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The Charities SORP (FRS102)) published on 16 July 2014.

Basis of Preparation of the Financial Statements

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound. The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted, which have been consistently applied to all the years presented, are set out below.

Going Concern

The financial statements are prepared on a going concern basis which assumes that the charitable company will continue in operational existence for a period of at least twelve months from the date of approval of these financial statements.

We have been scenario planning for most programmes and trustees have reviewed reforecast budgets for 2021 which include assessments of the probability of reaching fundraising targets, using percentage indicators, particularly in the context of the impact of the COVID-19 pandemic on the charitable company's priorities.

Trustees are assured that unrestricted income is confirmed from PRS in 2021 (£2,500,000) and 2022 (£2,500,000) and that expenditure on programmes is not begun until funds have been confirmed.

Senior management is in constant communication with funders and funding partners with regard to future funding which has helped our scenario planning. The Foundation is very experienced at adapting to changing needs and trustees accept that expenditure on programmes needs to be adjusted where necessary. The trustees will work with management to look for new fundraising opportunities.

The trustees believe that the charitable company is well placed to manage its business risks and has considerable financial resources including cash balances. It is therefore appropriate to prepare these accounts on the going concern basis.

Income

(i) *Income- donations and grants*

Donations and grants are recognised where there is entitlement, probability of receipt and the amount can be measured reliably. Such income is only deferred when:

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

(ii) *Donated services and facilities*

Where services are provided to the Foundation as a donation that would normally be purchased from suppliers, this contribution is included in the financial statements as an estimate based on the value of the contribution to the Foundation. Donated services and facilities are discussed in Note 19.

(iii) *Investment income*

Investment income is recognised on a receivable basis.

1 Accounting Policies (continued)

Expenditure

Expenditure, which is charged in the Statement of Financial Activities on an accrual basis, has been classified under headings that aggregate all costs related to the type of activity. Where costs cannot be directly attributed to a particular activity (i.e. support costs) they have been allocated to them on a basis consistent with use of the resources. Support costs have been allocated on the basis of staff time spent on the various activities as this is felt to be a measure of the relative proportion of resources consumed.

Grant obligations are recognised on an accruals basis once the grant offer has been communicated to the recipient.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets, acquired at a cost of more than £1,000, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Computer equipment 3 years

The useful economic lives and residual values of all tangible assets are re-assessed annually. Impairment reviews are also carried out annually.

Value Added Tax

The charity is registered for value added tax.

Pensions

Contributions to personal pension schemes are charged to the Statement of Financial Activities as they become payable in accordance with the individual schemes.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 Accounting Policies (continued)

Recognition basis

Basic financial assets are initially measured at transition price and subsequently carried at amortised cost. Basic financial liabilities are initially recognised at transition price and subsequently measured at amortised cost.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received, where this is material to the accounts.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In the opinion of the trustees there are no sources of estimation uncertainty as at the reporting date that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the next reporting period.

3 Voluntary income

	Unrestricted £	Restricted £	2020 £
Donations 2020			
Performing Right Society Limited	2,847,371	20,150	2,867,521
Public funding	-	127,360	127,360
Trusts and Foundations	-	75,656	75,656
Other	27	682,777	682,804
	<u>2,847,398</u>	<u>905,943</u>	<u>3,753,341</u>

'Public funding' comprises donations from Arts Council Ireland, Arts Council Northern Ireland, British Underground, Creative Scotland, Creative Wales, Wales Arts International, and Department for International Trade.

3 Voluntary income (continued)

	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>2019</i> £
Donations 2019			
<i>Performing Right Society Limited</i>	3,063,638	-	3,063,638
<i>Public funding</i>	-	453,673	453,673
<i>Trusts and Foundations</i>	4,762	5,000	9,762
<i>Other</i>	7,778	479,927	487,705
	<u>3,076,178</u>	<u>938,600</u>	<u>4,014,778</u>

'Public funding' comprises donations from Arts Council Ireland, Arts Council Northern Ireland, British Underground, Creative Scotland, Department for International Trade, and the Welsh Government.

4 Government grants

During the year income of £16,500 (2019: £85,000) was received from Department for International Trade, relating to the International Showcase Fund.

No unfulfilled conditions or contingencies attached to the grant have been recognised as income.

5 Cost of generating funds

	<i>2020</i> £	<i>2019</i> £
Staff costs	56,907	70,255
Direct costs	25,499	15,793
Support costs (see note 8)	407	5,947
Consultancy costs	1,062	978
	<u>83,875</u>	<u>92,973</u>

6 Charitable activities costs

	Direct activities £	Grants (See note 7) £	Support costs (See note 8) £	Total 2020 £
Project / activity 2020				
Talent Development	232,467	2,007,325	55,236	2,295,028
Open Funds	106,884	920,099	39,050	1,066,033
International	169,855	51,149	26,421	247,425
UK Collaboration	13,584	-	5,109	18,693
Other Partnerships	35,852	125,000	9,723	170,575
	<u>558,642</u>	<u>3,103,573</u>	<u>135,539</u>	<u>3,797,754</u>

Within the above, 'direct activities' is comprised of expenditure on grants awarded and the direct costs of supporting charitable activities. This includes an allocation of staff costs on the basis of staff time spent on the various activities as this is felt to be a measure of the relative proportion of resources consumed.

Support costs, which cannot be directly attributed to a particular activity, have been allocated on the same basis.

Included within the above are grants to 180 institutions (2019: 275 institutions), which include bands, orchestras, festivals and promoters totalling £1,963,987 (2019: £2,310,121).

Included within the above are grants to 367 individuals (2019: 226 individuals) totalling £1,139,586 (2019: £972,679).

Further details about these programmes can be found at www.prsfoundation.com

	Direct activities £	Grants (See note 7) £	Support costs (See note 8) £	Total 2019 £
Project / activity 2019				
Talent Development	234,460	1,668,925	45,667	1,949,052
Open Funds	98,900	1,030,982	33,336	1,163,218
International	304,390	476,796	29,899	811,085
UK Collaboration	110,158	81,097	5,665	196,920
Other Partnerships	57,361	25,000	10,674	93,035
	<u>805,269</u>	<u>3,282,800</u>	<u>125,241</u>	<u>4,213,310</u>

7 Grants awarded

	2020 £	2019 £
Commitments brought forward	2,273,237	2,125,906
Grants pledged in year	3,108,573	3,285,300
Grant commitments reclaimed	(5,000)	(2,500)
Grant payments made	(2,959,309)	(3,135,469)
	<u>2,417,501</u>	<u>2,273,237</u>
Commitments carried forward (note 14)		

8 Support costs

	2020 £	2019 £
Fundraising and activities to generate funds	407	5,947
Charitable activities	<u>135,539</u>	<u>125,241</u>
	<u>135,946</u>	<u>131,188</u>

Support costs, included in the above, are detailed below

Accommodation	100,560	74,637
Governance costs	13,839	16,139
Staff training	7,839	4,974
Staff costs	4,151	5,180
Consultancy	1,062	978
Personnel services	642	5,607
Travel and subsistence	379	5,673
Legal services	-	2,995
Other office running costs	<u>7,474</u>	<u>15,005</u>
	<u>135,946</u>	<u>131,188</u>

9 Net movement in funds

	2020 £	2019 £
Net resources are stated after charging:		
Depreciation- owned assets	905	113
Auditors' remuneration- current year	9,010	11,100
External auditors' other services	-	4,605

10 Trustees' remuneration and benefits

The trustees did not receive any remuneration as statutory directors of the company.

During the year no trustees were reimbursed expenses for travel and subsistence.

11 Staff costs

	2020 £	2019 £
Salaries	348,908	341,073
Social security costs	29,442	30,570
Pension costs	19,517	18,084
Settlement payment	-	14,672
	<u>397,867</u>	<u>404,399</u>

Included in the above costs are £66,865 of salaries (2019: £47,526) and £4,033 of social security costs (2019: £3,554) that are funded by restricted income.

The average number of monthly employees during the year was as follows:

	2020	2019
Fundraising and activities to generate funds	0.7	0.7
Charitable activities	8.4	8.5
Governance	<u>0.1</u>	<u>0.1</u>
Total	<u>9.2</u>	<u>9.3</u>

One employee received emoluments, excluding pension contributions, of between £60,000-£70,000 (2019: no employees).

Employer pension contributions for this employee totalled £4,017 (2019: £0).

In addition to remuneration, including pension contributions, for three key management personnel of £177,866 (2019: £173,386), there is one additional member of key management personnel who was paid £21,222 (2019: £19,537) on a consultancy basis.

12 Tangible fixed assets

	Computer equipment £
Cost	
At 1st January 2020	2,717
Additions	-
Disposals	-
At 31st December 2020	<u>2,717</u>
Depreciation	
At 1st January 2020	113
Charge for year	905
Eliminated on disposal	-
At 31st December 2020	<u>1,018</u>
Net book value	
At 31st December 2020	<u><u>1,699</u></u>
At 31st December 2019	<u><u>2,604</u></u>

13 Debtors

	2020 £	2019 £
Prepayments and accrued income	446,458	764,550
Other debtors	<u>1,003</u>	<u>32,093</u>
	<u><u>447,461</u></u>	<u><u>796,643</u></u>

14 Creditors: Amounts falling due within one year

	2020 £	2019 £
Taxation and Social Security	5,754	8,921
VAT	41,000	-
Grants payable	2,417,501	2,273,237
Accruals	70,208	50,410
Deferred income	643,526	2,500
	<u>3,177,989</u>	<u>2,335,068</u>
Deferred income		
At 1st January 2020	2,500	
Income deferred	643,526	
Income released to Statement	(2,500)	
At 31st December 2020	<u>643,526</u>	

15 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Fixed assets	1,699		1,699
Current assets	1,580,956	2,688,215	4,269,171
Current liabilities	(1,477,394)	(1,700,595)	(3,177,989)
	<u>105,261</u>	<u>987,620</u>	<u>1,092,881</u>
	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Fixed assets	2,604	-	2,604
Current assets	1,752,245	1,643,171	3,395,416
Current liabilities	(1,644,226)	(690,842)	(2,335,068)
	<u>110,623</u>	<u>952,329</u>	<u>1,062,952</u>

16 Operating lease commitments

The following operating lease payments are committed to be paid in total as at 31 December 2020:

	2020 £	2019 £
Total payable:		
Less than 1 year	14,656	37,600
Between 2-5 years	-	131,858
	<u>14,656</u>	<u>169,458</u>

17 Movement in funds

	At 1 January 2020 £	Incoming resources £	Resources expended £	Transfers £	At 31 December 2020 £
Unrestricted funds 2020					
General	110,623	2,852,520	(1,129,412)	(1,728,470)	105,261
Restricted funds 2020					
(a) BBC Introducing	48,805	-	(6,015)	38,863	81,653
(b) Beyond Borders	44,252	-	(5,891)	5,891	44,252
(c) The Composers' Fund	167,399	20,000	(169,651)	109,163	126,911
(d) Glastonbury Festival	-	5,000	(10,000)	5,000	-
(e) The Hitmaker Fund	43,846	-	(153,270)	118,219	8,795
(f) International Showcase Fund	47,720	188,050	(158,085)	143,869	221,554
(g) Keychange	46,881	51,253	(91,940)	67,343	73,537
(h) Lynsey de Paul Prize	5,504	-	-	(5,504)	-
(i) National Film and TV School	-	5,000	(11,053)	6,053	-
(j) New Music Biennial	-	-	(18,719)	18,719	-
(k) Power Up	-	15,000	(28,673)	16,683	3,010
(l) PPL Momentum Accelerator	-	9,137	(19,571)	10,434	-
(m) PPL Momentum Music Fund	425,198	555,750	(739,413)	120,853	362,388
(n) ReBalance	9,222	-	(6,471)	10,057	12,808
(o) Resonate	115,802	-	(74,274)	9,274	50,802
(p) Steve Reid InNOVation Award	(2,300)	-	(1,263)	3,563	-
(q) Sustaining Creativity Fund	-	143,181	(179,504)	38,233	1,910
(r) Women Make Music	-	16,667	(228,377)	211,710	-
(s) Talent Development Partners	-	50,000	(850,047)	800,047	-
Total restricted funds	952,329	1,059,038	(2,752,217)	1,728,470	987,620
	At 1 January 2019 £	Incoming resources £	Resources expended £	Transfers £	At 31 December 2019 £
Unrestricted funds 2019					
General	182,253	3,095,156	(1,979,219)	(1,187,567)	110,623
Restricted funds 2019					
BBC Introducing	48,258	-	(71,421)	71,968	48,805
Beyond Borders	42,849	72,000	(106,707)	36,110	44,252
The Composers' Fund	127,911	-	(58,323)	97,811	167,399
The Hitmaker Fund	81,599	-	(160,211)	122,458	43,846
International Showcase Fund	89,339	265,169	(457,483)	150,695	47,720
Keychange	83,865	126,948	(235,388)	71,456	46,881
Lynsey de Paul Prize	7,604	-	(2,100)	-	5,504
MiR: China (evaluation)	-	15,000	(15,926)	926	-
National Film and TV School	-	5,000	(10,687)	5,687	-
New Music Biennial	7,101	20,320	(96,559)	69,138	-
New Music Plus...UK	11,563	-	-	(11,563)	-
PPL Momentum Music Fund	403,366	464,530	(767,744)	325,046	425,198
ReBalance	3,266	7,800	(22,610)	20,766	9,222
Resonate	154,505	-	(109,664)	70,961	115,802
Royal Opera House	4,000	-	(3,310)	(690)	-
Steve Reid InNOVation Award	-	-	(6,562)	4,262	(2,300)
Women Make Music	-	49,833	(202,369)	152,536	-
Total restricted funds	1,065,226	1,026,600	(2,327,064)	1,187,567	952,329

17 Movement in funds (continued)

(a) BBC Introducing and PRS Foundation partnership

A partnership between PRS Foundation and BBC Introducing since 2014, which brings emerging talent to showcases worldwide. Selected through the Introducing Uploader network and curated and presented by BBC DJs, artists are supported international events including Eurosonic, Winter Jazzfest, SXSW, Reeperbahn Festival and Montreal Jazz Festival.

(b) Beyond Borders

As a flagship programme, Beyond Borders stimulates and strengthens cross-border collaborations between music creators, performers and presenters. It supports the creation, touring and promotion of innovative and high-quality new music across all genres and encourages engagement with audiences across England, Scotland, Wales, Northern Ireland, and since 2014, the Republic of Ireland through multiple performances and digital activities. Support is given to up to 8-10 projects per year with funding of up to £15,000 available for projects that include new commissions, recordings and repeat performances of music written in the past five years. It is managed and funded by PRS Foundation with funds also from Creative Scotland, Arts Council of Wales, and Arts Council of Northern Ireland.

(c) The Composers' Fund

The Composers' Fund is an opportunity for composers with a strong track record to gain direct access to funding at pivotal stages in their career. Grants of up to £10,000 are available to no more than 15 composers per year who are already making a significant cultural contribution in the UK and have the potential for greater impact in the UK and overseas. Previous projects have included recordings, the promotion and performance of existing works, international co-commissions and development, performer collaboration, residencies, sabbaticals or childcare costs and project or promotional support. It is managed and funded by PRS Foundation with funds from Jerwood Arts.

(d) Glastonbury Festival Emerging Talent Competition

The Competition gives new UK and Ireland-based acts of any musical genre the chance to compete for a slot on one of the main stages at the Glastonbury Festival. The winners of the free-to-enter competition are awarded a £5,000 Talent Development prize from PRS Foundation to help take their songwriting and performing to the next level. Two runners-up are each awarded a £2,500 PRS Foundation Talent Development prize. The Glastonbury Festival Emerging Talent Competition is supported by PRS Foundation also with funds from PRS.

(e) The Hitmaker Fund (formerly the Writer Producer Fund)

The Hitmaker Fund offers an opportunity for songwriters and producers working in popular music genres to further develop their careers and writing/production with grants of between £5,000 - £10,000. It is managed and funded by PRS Foundation.

(f) International Showcase Fund

The International Showcase Fund (ISF) offers support for music creators to take their first steps into international territories. It is managed and funded by the Foundation with funds also from partners: Department for International Trade (DIT), British Underground, Arts Council England, PPL, Creative Scotland, Wales Arts International and Arts Council of Wales, Arts Council of Northern Ireland and Invest NI and the Musicians' Union. Grants and support from fund partners enable artists to perform at key showcasing events and conferences around the world such as Eurosonic (Europe), SXSW (North America), Reeperbahn Festival (Europe), Zandari Festival (Asia), Womex (Europe), Americana Fest (North America), JazzAhead (Europe) and Mutek (North America).

17 Movement in funds (continued)

(g) Keychange

Keychange is a pioneering international initiative which transforms the future of music whilst encouraging festivals and music organisations to include 50% women and underrepresented genders in programming, staffing and beyond. Initiated by PRS Foundation and European partners, Keychange is led by Reeperbahn Festival, PRS Foundation and Musikcentrum Ost, supported by the Creative Europe programme of the European Union, in partnership with Tallinn Music Week, Iceland Airwaves, BIME, Oslo World, Linecheck/Music Innovation Hub, Ireland Music Week, SACEM, Liverpool Sound City, Way Out West, Spring Break, MAMA, Mutek and Breakout West.

(h) Lynsey de Paul Prize

The Lynsey de Paul Prize was an opportunity for emerging female solo music creators, set up in collaboration with the PRS Members' Fund, in memory of the critically acclaimed and award winning Lynsey de Paul.

(i) National Film and Television School Scholarships (NFTS)

In partnership with Alan Hawkshaw, we support two scholarships per year for emerging composers at the National Film and Television School.

(j) New Music Biennial

New Music Biennial is a PRS Foundation initiative that supports and provides a platform for talented organisations and music creators who are pushing the boundaries of new music in the UK. It builds on the successes of New Music Biennial 2014 and 2017 and Cultural Olympiad programme, New Music 20x12, and creates a world class programme of commissions, performed across the UK, broadcast by BBC Radio 3.

(k) Power Up

Power up is a new ambitious, long term initiative which will support Black music creators and industry professionals and executives, as well as addressing anti-Black racism and racial disparities in the music sector. Set up and managed by PRS Foundation in partnership with YouTube Music, Beggars Group and the Black Music Coalition, the initiative brings together several music industry partners and goes beyond solidarity, with new approaches which foster meaningful change. PRS for Music supported the development of Power Up in 2020.

(l) PPL Momentum Accelerator

PPL Momentum Accelerator's long term approach supports the development of outstanding artists and bands outside of London who face regional/national barriers to reaching the crucial career tipping point criteria which applies to the PPL Momentum Music Fund due to infrastructure issues in the talent pipeline as opposed to musical quality. Partners provide support for a number of future industry professionals such as managers, promoters, record labels, music publishers, booking agents, supporting sustainable regional scenes across the UK. Launched as a pilot in Liverpool in 2019, PPL Momentum Accelerator will run in two areas of the UK in 2020-21, Yorkshire and Liverpool City Region, supporting projects by songwriters, artists, bands, and performers who are writing their own music based in Yorkshire and Liverpool City Region. PPL Momentum Accelerator is managed by PRS Foundation in partnership with PPL, Music:Leeds and Liverpool City Region.

(m) PPL Momentum Music Fund

The PPL Momentum Music Fund offers grants of £5,000 to £15,000 for UK based artists/bands to break through to the next level of their careers. Activities eligible for support include recording, touring and marketing. The PPL Momentum Music Fund is run by PRS Foundation in partnership with PPL, Creative Wales, Arts Council of Northern Ireland, Invest NI and Spotify. PRS Foundation and Arts Council England initiated The Momentum Music Fund in 2013.

17 Movement in funds (continued)

(n) ReBalance

In partnership with Festival Republic, ReBalance is a pioneering 3-year programme, providing one-week studio recording time to a core UK-based female music creator each month in 2018, 2019 and 2020. The support includes studio time and engineer as well as accommodation and travel. At the end of each year, successful acts will be presented with a slot at a Festival Republic or Live Nation Festival. In addition, studio apprenticeships are offered to female sound engineering and production. ReBalance is managed and funded by PRS Foundation also with funds from Festival Republic.

(o) Resonate

Resonate is a fund and resource which encourages professional orchestras to program into their repertoire the best pieces of British music from the past 25 years. Grants up to £10,000 are available to orchestras who commit to exploring contemporary UK repertoire as part of a season / tour and longer-term audience development programme. It is funded and managed by PRS Foundation in partnership with the Association of British Orchestras and in association with broadcast partner BBC Radio 3.

(p) Steve Reid InNOVation Award

As a partnership between the Steve Reid Foundation and PRS Foundation, the Steve Reid InNOVation Award supports outstanding emerging artists through expert mentorship and vital bursaries. This innovative creative development project is open to anyone writing and performing across all genre and is currently unsigned and unmanaged, and mentors have included Gilles Peterson, Floating Points and Four Tet. It is managed and funded by the Foundation also with funds from the Steve Reid Foundation.

(q) Sustaining Creativity Fund

Thanks to the Spotify COVID-19 Music Relief Fund and generous donations from members of the public, PRS Foundation launched the Sustaining Creativity Fund to support artists, songwriters and composers to create and develop when they need it most. For those experiencing significant impact on their work, income and ability to complete planned musical activities, we wanted to enable creativity and to help grantees to be in a good position to fulfil creative and career potential, breaking down the huge barriers presented by the Covid-19 pandemic.

(r) Women Make Music

In response to the low representation of professional female songwriters and composers in the UK, Women Make Music was launched in 2013 and is now managed and funded by PRS Foundation also with funds from AWAL. Women Make Music supports the development of outstanding women and gender minority music creators of all genres and backgrounds at different stages of their career. The grants have supported a range of activities that help music creators develop their careers including tours, recordings, commissions, residencies, promotion and marketing, new collaborations and childcare.

(s) Talent Development Partners

PRS Foundation Talent Development Partners (TDP) are organisations working at the frontline of talent development in the UK, supporting a broad range of individual music creators across different music genres and UK regions. The TDPs have been selected for the quality and range of opportunities they are offering in their region/music specialism and the year-round impact their work is having on the music creators they support. Each TDP receives a grant from the Foundation for their year-round activity. They also act as PRS Foundation Ambassadors, signposting music creators not currently aware of our support to our funds for individual music creators. The TDP Network is managed and funded by PRS Foundation also with funds from the National Foundation for Youth Music.

18 Net cash outflow from operating activities

	2020 £	2019 £
Net income as per Statement of Financial Activities	29,929	(184,527)
Adjustments for:		
Investment income	(5,122)	(18,978)
Depreciation of tangible fixed assets	905	113
Amortisation of intangible fixed assets	-	-
Decrease / (increase) in debtors	349,182	31,180
Increase / (decrease) in creditors	842,921	132,572
Net cash used in operating activities	1,217,815	(39,640)

19 Related parties

During the year the charity received a donation of £2,750,000 (2019: £3,000,000) from a member, the Performing Right Society Limited, of which £2,750,000 was received by the end of December 2020 (2019: £3,000,000).

The Foundation has the use of PRS's premises and a range of associated services. This has been funded by PRS to the value of £87,371 (2019: £63,137).

During the year the charity made grants to the following institutions who share a common trustee or key management personnel with the Foundation:

	2020 £	2019 £
Urban Development	23,500	-
Roundhouse Trust	23,000	-
Heart n Soul	20,000	-
Future Bubblers / Brownswood Music	17,000	-
Royal Liverpool Philharmonic Orchestra	-	-
Carwyn Ellis/Colorama	-	4,000
Honeyblood	-	8,000
LIFE	-	4,220

During the year the charity also made grants totalling £24,000 to 3 individuals (2019: £42,230 to 4 individuals), who are represented by publishers who are trustees of the charity.

20 Legal status

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