



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

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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.

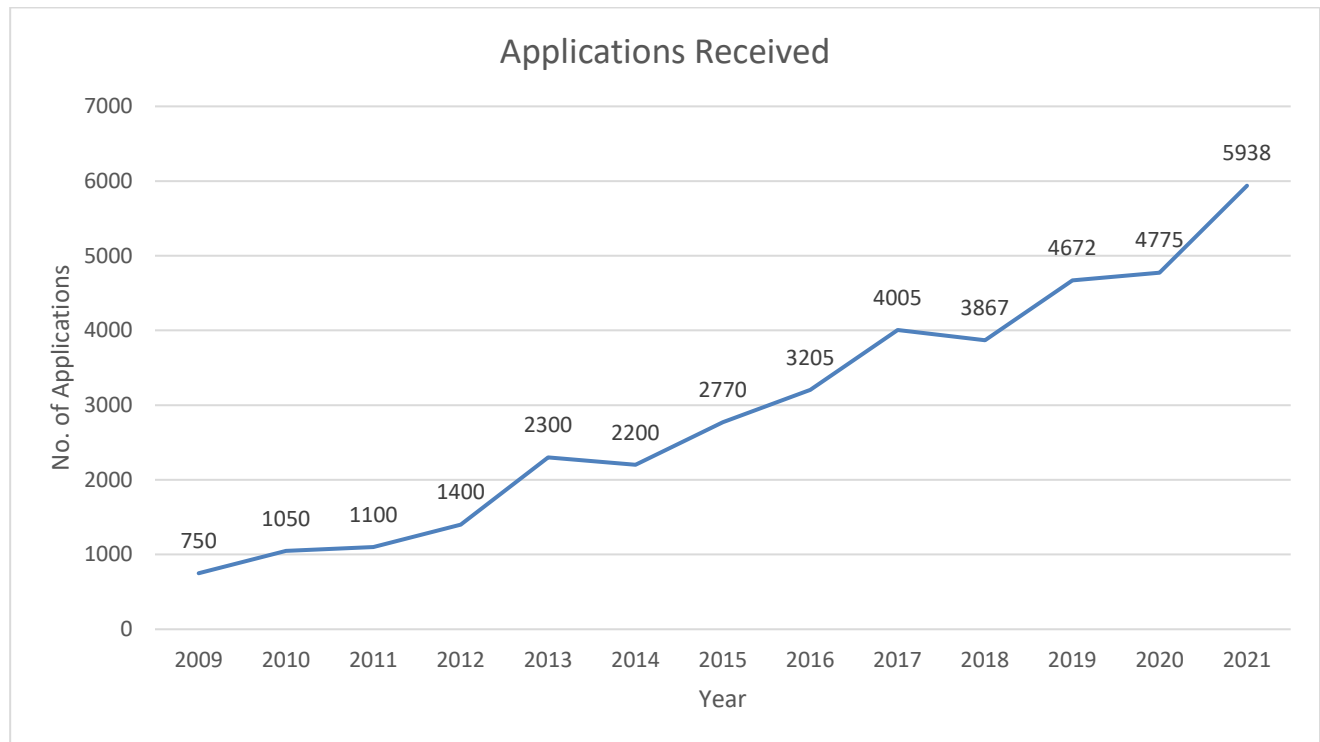
Although we ran fewer deadlines than in 2020 and did not repeat interventions such as the Spotify-supported Sustaining Creativity Fund, we experienced a 20% increase in demand year-on-year (5,939 vs. 4,775 in 2020). This is an average of 16 applications per day of the year, and 144 applications per funding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

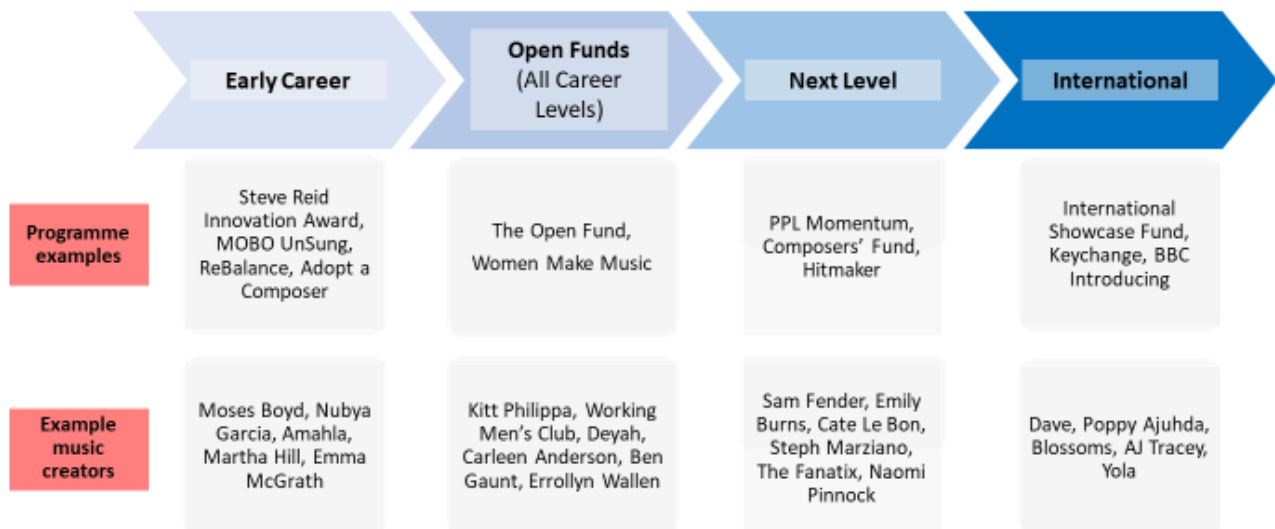
For over 20 years, PRS Foundation investment has enabled songwriters and composers to develop and grow in ways which would not otherwise have been possible.

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

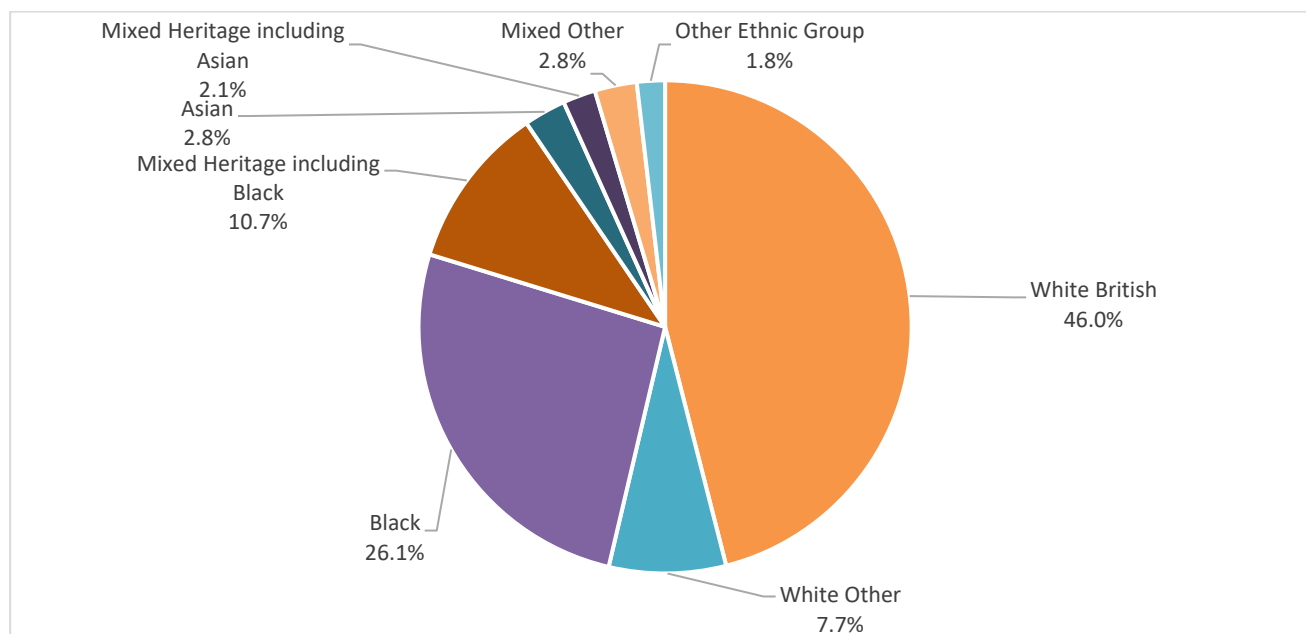
Gender

- 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**.

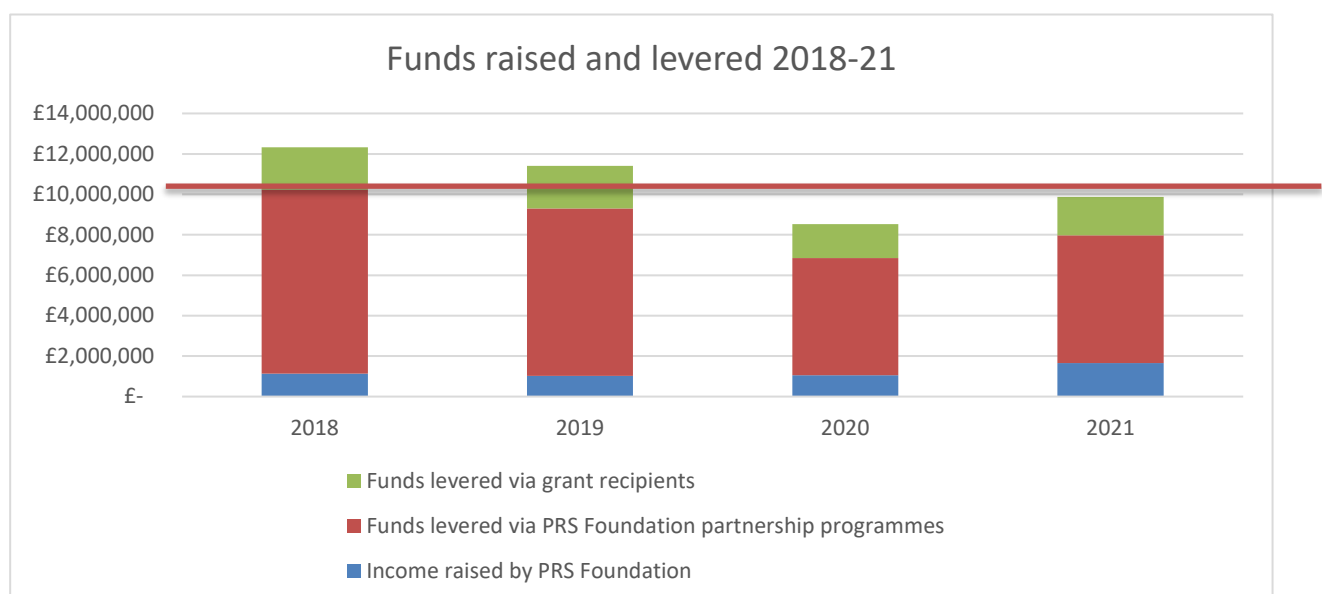
The profile of many of our grantees has transcended strictly music outlets into mainstream culture: Lava La Rue (PPL Momentum) starred in and composed for the Virgin Media Advert; Keychange participant Jamz Supernova has a new permanent show on BBC 6Music on Saturdays; POWER UP participants, KG and Kwa 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.

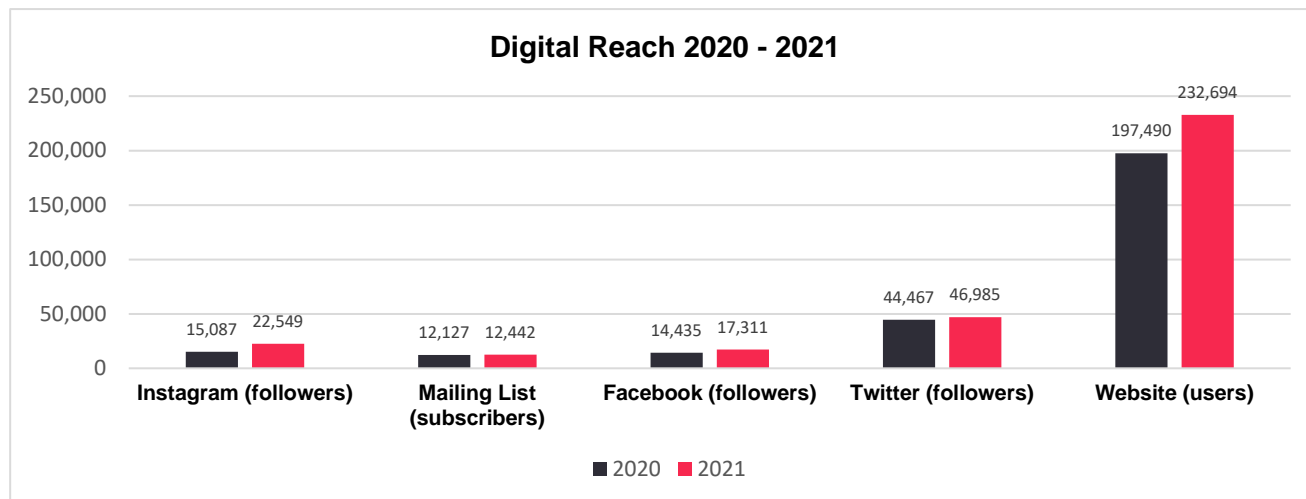
Thanks to the quality of the music creators and organisations supported, every £1 invested by PRS generated an additional £3.59 (2020: £3.10) for the sector: £1,656,916 from fundraising undertaken by the Foundation (2020: 1,059,038), £6,318,356 (2020: £5,785,266) in match funding, cash and in-kind, levered 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.

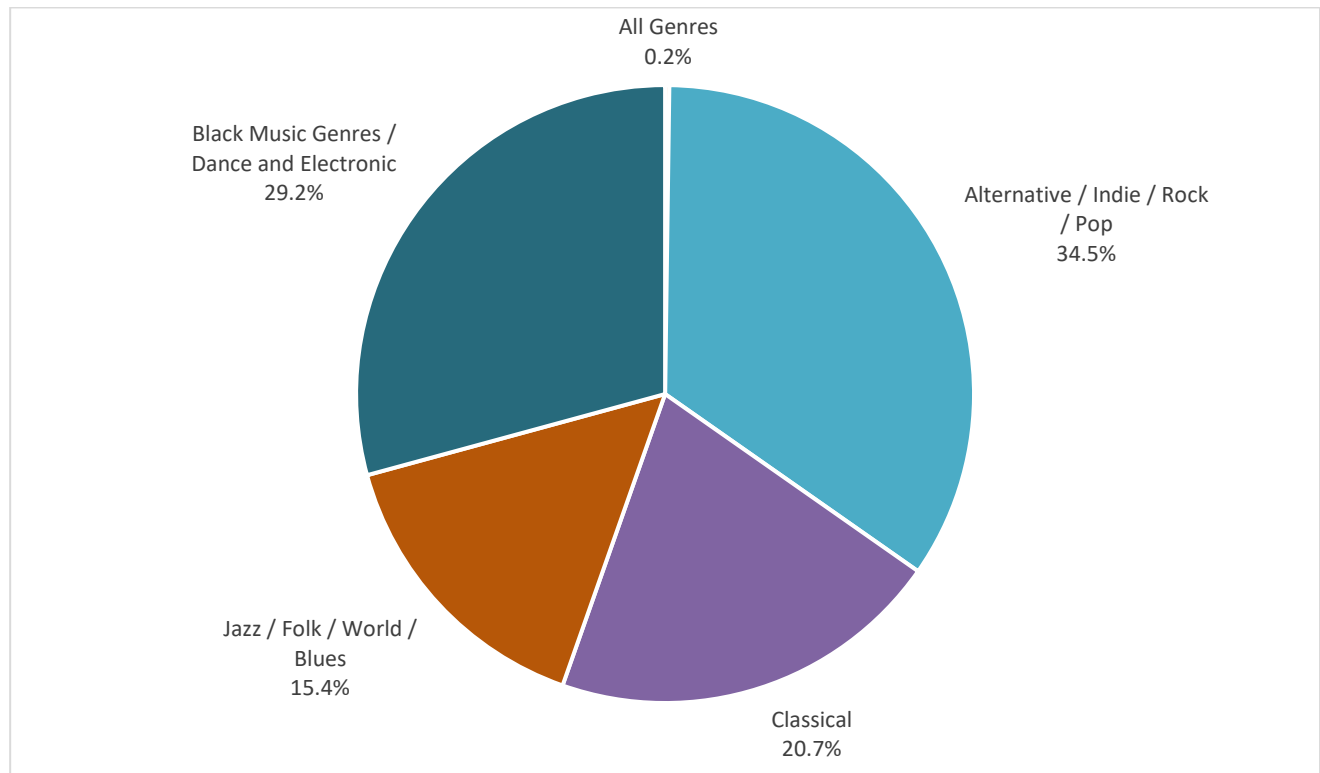


Our reach across social media platforms continues to grow, providing powerful ways for us to promote the achievements of those we support.

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.

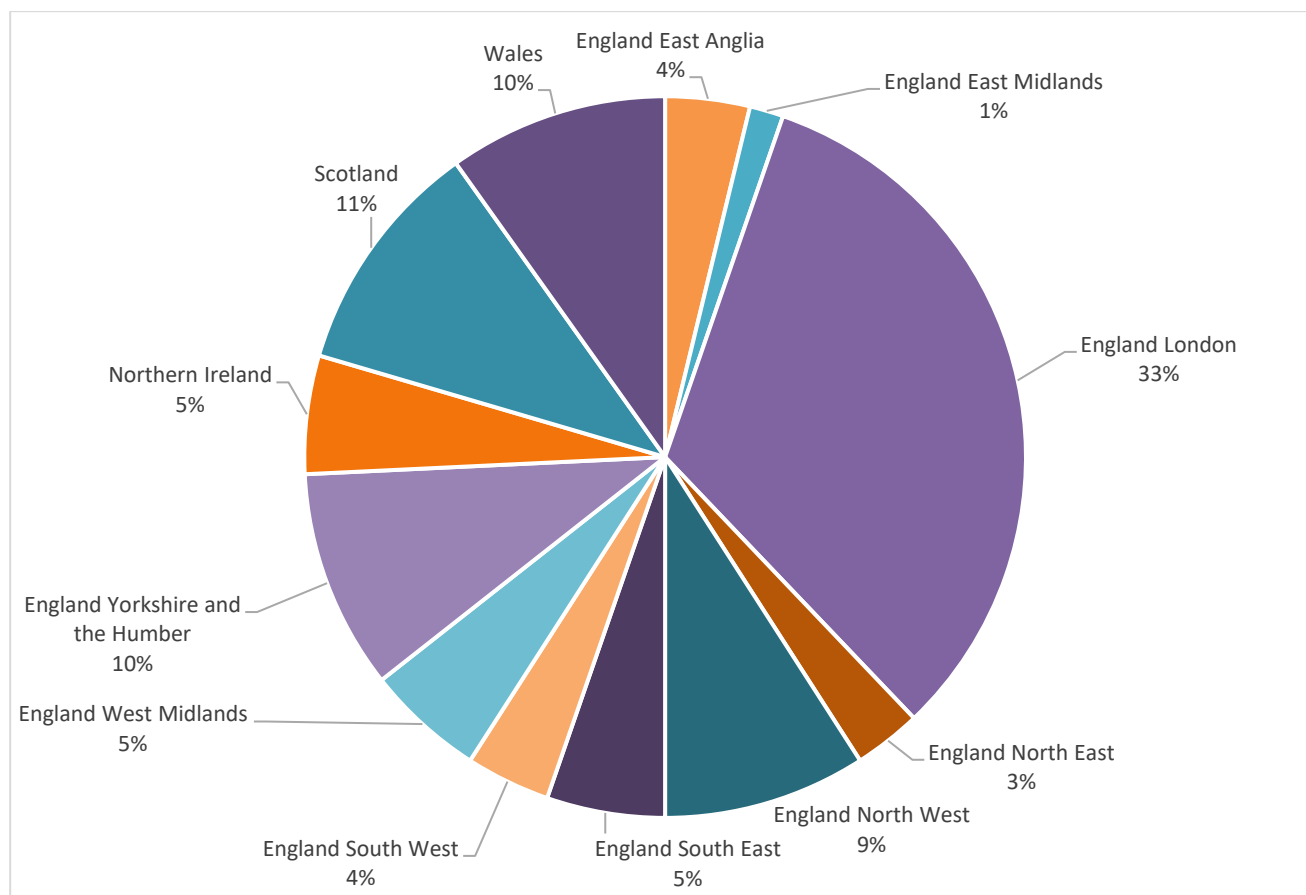
The pandemic has of course impacted organisations significantly, particularly those in the live sector. We have helped many to adapt, innovate and find new ways to reach audiences.

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.

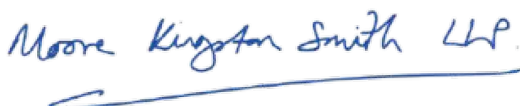
Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

- 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.

A handwritten signature in blue ink that reads "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: 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.