



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

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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.

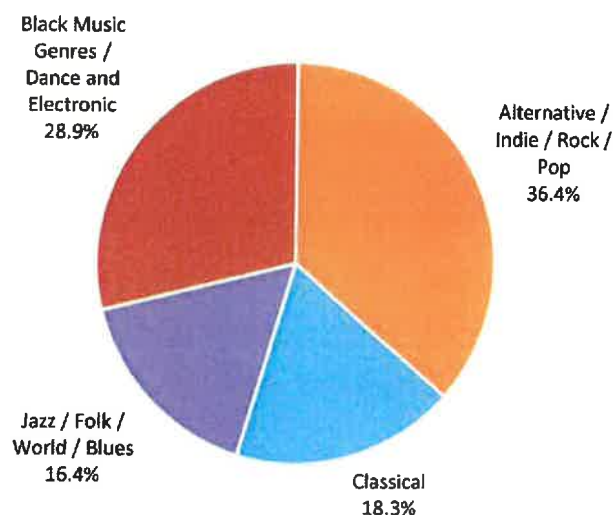
But aforementioned barriers including the increased cost of touring, Brexit-related barriers, bullying, harassment and discrimination and mental health impacts on creators cannot be underestimated. PRS Foundation truly understands the needs of songwriters and composers, consulting regularly with applicants, 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

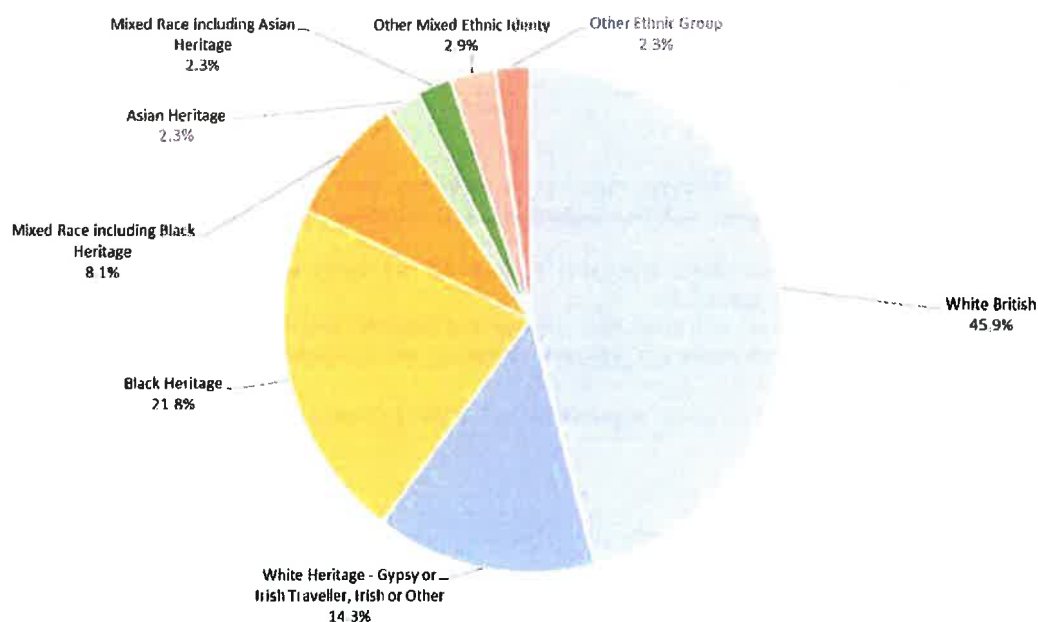
- 18% of music creator and industry professional grantees identifying as disabled or having a long-term health condition which affects their day-to-day life (vs. 18% in 2022, 15% in 2021 and 10% in 2020).

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, **Freya 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:

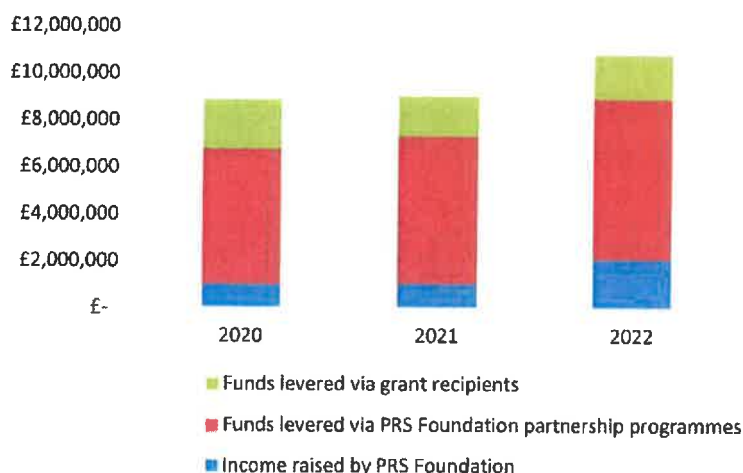
We continue to monitor the economic impact of PRS Foundation's support and although the pandemic and resulting economic downturn has had an impact on most grantees' ability to produce such strong results in the short-term, grantees are maintaining some common tangible outcomes, including:

- 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

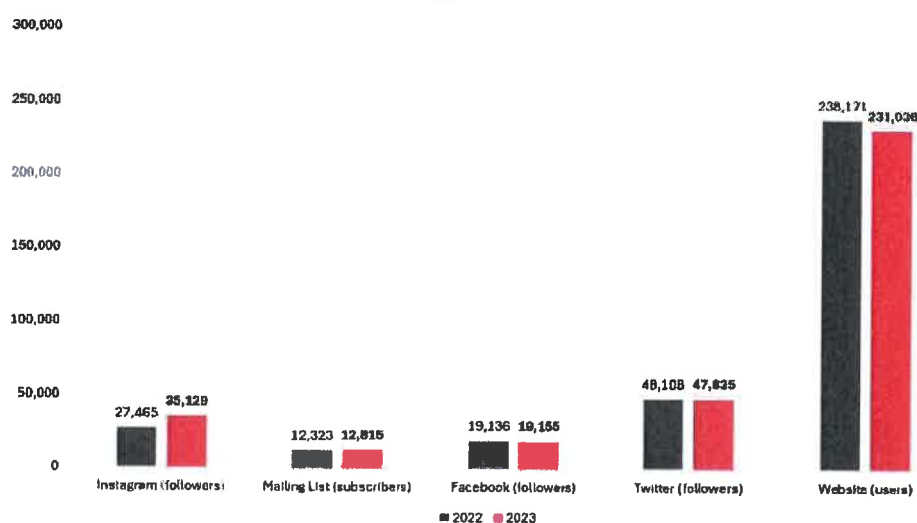


PR and Profile

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:

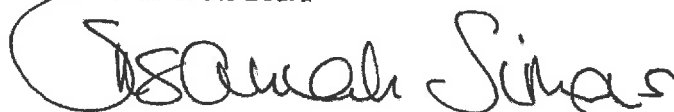
- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- that each Trustee has taken all the steps that ought to have taken as a trustee in order to be aware of any relevant audit information and to establish that the company's 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) that 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)
Commitments carried forward (note 14)	<u>2,856,948</u>	<u>2,936,437</u>

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)
	<hr/>	<hr/>
Surplus or (deficit)	(17,058)	17,058
	<hr/>	<hr/>

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.