

## **PRS Members' Fund**

**Trustees' report and financial statements**

**For the year ended 31 December 2021**

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**PRS Members' Fund**

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## **PRS Members' Fund**

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### **Reference and administrative details of the Charity, its Trustees and advisers For the year ended 31 December 2021**

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**Charity Registration Number**  
1181735

**Address**  
1<sup>st</sup> Floor, Goldings House  
2 Hay's Lane,  
London SE1 2HB

**Patrons**  
Don Black OBE  
Geoffrey Brand  
Wayne Hector  
Jools Holland OBE  
Dr. Brian May CBE  
Heather Small  
Carroll Thompson  
Rick Wakeman CBE  
Errollyn Wallen CBE  
Martyn Ware  
Brian Willey

**Trustees**  
Nicholas Graham (Chair)  
Sarah Rodgers (Deputy Chair)  
Kim Appleby  
Mark Fishlock  
Kim Frankiewicz (from 16<sup>th</sup> September 2021)  
Peter Glenister  
Christopher Gunning (until 19<sup>th</sup> August 2021)  
Nigel Hess (until 19<sup>th</sup> August 2021)  
Peter Knight Jnr  
Mick Leeson  
Eddie Levy  
Michael Lindup  
Paulette Long OBE  
Megg Nicol  
Paul Patterson  
Philip Pope (from 8<sup>th</sup> December 2021)  
Mervyn Winwood

**General Secretary**  
John Logan

**Administrator**  
Christine Keeley

**Welfare and Development Officer**  
Athena Pite

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**PRS Members' Fund**

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**Reference and administrative details of the Charity, its Trustees and advisers  
For the year ended 31 December 2021**

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**Digital Marketing Officer**

Ilaria Piscopo

**Administration Assistant**

Sebastian Willis

**Visitors**

Jane Nelson

Angelina Otoo

**Bankers**

NatWest Bank plc

PO Box 2162

20 Dean Street

London

W1A 1SX

**Auditor**

UHY Kent LLP t/a UHY Hacker Young

Thames House

Roman square

Sittingbourne

Kent ME10 4BJ

**Investment advisers**

Abrdn

Bow Bells House

1 Bread Street

London EC4M 9HH

James Hambro & Partners LLP

45 Pall Mall

London

SW1Y 5JG

**Legal advisers**

Russell-Cooke LLP

Solicitors

2 Putney Hill

London SW15 6AB.

Withers LLP

20 Old Bailey

London EC4M 7AN

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## **PRS Members' Fund**

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### **Eighty Eighth Annual Report of the Trustees For the year ended 31 December 2021**

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#### **A welcome from the Chairman, Nicky Graham**

Welcome to our Annual Report and Financial Statements for 2021. With so much turmoil around the world, and so many challenges and barriers faced by our members, it would be easy to feel despondent. But, no. We are more determined than ever before to move forward with our mission and reach our goals. But this means change.

Despite lockdowns, restrictions, illness, loss and the constantly changing nature of the music industry, we have managed to support the PRS membership, increase awareness of our role in their lives, and invest for the future and secure life-changing support from the most generous individuals. We have looked at how and where we can change what we do and how we do it, asking tough questions about why we exist. We have worked hard to reflect the diversity of our membership, the industry and society. Through our investment choices, more than ever, we are considering the future of the planet, and how we can support a prosperous future.

We know that for PRS members, life can be precarious at the best of times, and it's only with the unwavering commitment of so many generous people that we can be there for them. So I want to say a heartfelt thank you to everyone who has been part of our journey through the last year, and enabled us to be there for every PRS member who needs our support.

I hope you enjoy this look back at 2021, and I look forward to working with you in 2022!

Nicky

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## **PRS Members' Fund**

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### **Eighty Eighth Annual Report of the Trustees (continued) For the year ended 31 December 2021**

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#### **Report of the Trustees**

The PRS Members' Fund Trustees are pleased to share their report and financial statements for the year ended 31st December 2021 to members of the Performing Right Society.

We have prepared the report and financial statements in accordance with the requirements of the Charity's constitution, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) (effective 1st January 2019) (Charities SORP (FRS 102)).

We are excited by the progress we've made in 2021, working in partnership with members and other organisations to learn more about ourselves, and the world, enabling us to provide an even more effective, equitable and essential set of services.

2021 hasn't been easy. Our members continued to have their livelihoods severely limited due to lockdowns and restrictions. For so many people, live music just didn't happen. Bills still needed to be paid, but the money wasn't there. Our Emergency Relief Fund remained a lifeline for hundreds of members, and without the generosity of donors, including those who have left their royalties to the Fund, there'd be a lot more people in even worse circumstances. The emotional support we were able to give members who were getting their career back as some venues opened up was essential and helped them to cope with the anxiety of re-entering the world.

Over the last 12 months, we've really looked under the bonnet and to the horizon, to make sure we're doing all we can for our members. We've reviewed and refreshed our Constitution to support even more of our members in unique circumstances, and to prevent further hardship and poverty. We've put equality, diversity and inclusion at the heart of our agenda, working with leading experts to help us plan and respond in a way that reflects society and our membership. We've scrutinised every element of our financial position, from our investment in fundraising and awareness raising, through the purpose of our support, to how we can ensure our financial position is sustainable for us, and for the planet. We've said goodbye to some excellent friends and are excited to be working with new ones.

Change is the only constant many of us experienced in 2021. We are all living through tough times where we're uncertain of what will come next. And that's when our work is so vital to so many. Here's to the possibility of 2022 and working together to bring the best for our members.

#### **What we do**

For the vast majority of people working in the music industry, it is a life with much financial insecurity. Most songwriters and composers are self-employed without regular pay, sick pay or pensions. Success can be fleeting and is no guarantee of future earnings. When someone in the music industry encounters challenges in their life, such as mental or physical illness, old age, or an accident that stops them working, living can become a serious struggle.

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## **PRS Members' Fund**

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### **Eighty Eighth Annual Report of the Trustees (continued) For the year ended 31 December 2021**

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We provide financial, practical and emotional support and advice for PRS members, former members, and their immediate families when things get tough. We help when someone's in crisis and in need of immediate help with bills, housing, mental or physical health issues. We help those looking for career advice, counselling or coaching. Especially now, we're helping artists get back on track and get back out there, rehearsing, recording and performing and all the issues that come with working in the industry.

We know how demanding and uncertain the music industry can be, and we're experts in understanding the problems that our members can face. That's why we offer essential help with:

- Housing
- Financial support
- Crisis grants
- Career change advice
- Mental health and physical health support
- Winter heating bills
- Sheltered Accommodation
- Regular grants

#### **How we helped in 2021 - our aims and highlights**

This is our last year of working to the 2019-2022 strategy. We're excited about the new strategy development that is already underway, which will renew our objectives, and ensure we remain fully focused on helping as many members as possible with the help they need. 2021 was clearly a challenging year, but we're still proud of the work we did, and the lives we were able to change.

#### **Our aims**

As in 2020, 2021 was another year for us to be there for our members, making a positive difference to their lives and livelihoods, whatever they were facing:

1. Respond appropriately to the trend of the people we help needing our support for longer.
2. Fill gaps in knowledge and data about the people we help through our new Impact Measurement Framework, so we can better tailor our support for them.
3. Expand the services we provide in breadth and depth.
4. Address the mental health crisis among songwriters and composers.

As the landscape changed throughout the year, we had to respond accordingly, being nimble in our processes and dynamic in our outlook. As noted, it's been a tough year, but we've proved to ourselves that the Fund is made of strong stuff, and we're unafraid to make the changes that are needed to continue to help. These highlights give us renewed hope and strength for 2022:

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## PRS Members' Fund

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### Eighty Eighth Annual Report of the Trustees (continued) For the year ended 31 December 2021

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#### 2021 Highlights

##### Emergency Relief Fund

Set up in 2020, the Emergency Relief Fund (ERF) continues to provide vital support for members in crisis caused by the ongoing pandemic. The Fund gives them quick access to financial support to cover immediate and essential needs, acting as a bridge to more sustainable help and support.

The consideration of the assessments and recommendations made by staff were carried out by the Trustees, who we want to thank for all their hard work. Agreed guidelines were created to help assess each case and to ensure there was consistency when looking at individual circumstances.

We launched Phase 3 of the Fund in March 2021, focussing on helping those who had lost their income because they'd been unable to perform live. We invited 5,000 members to apply for emergency grants, receiving 923 eligible applications back. Over £350,000 was distributed between ourselves and PRS for Music.

Although the response to Phase 3 was lower than anticipated, it's still very clear there are literally hundreds of people who rely on our support and thousands more we could help, in different ways. We are now planning how best to deliver the next phase of the Fund's services, so we can reach as many members as possible and provide the most effective support. We want to make sure we've got the right criteria for providing support so the people who need to access funding have the best opportunity to get it.

##### Improving lives

We continued to provide essential financial support to PRS members, ex-members and their families facing tough times, awarding grants totalling £337,986 to those in need. Examples of the additional help provided:

- Our weekly grants are intended to help pay for essentials like food and heating and going hungry or cold. In 2021 we gave 373 weekly grants totalling £152,023 to help people buy food, medication and other essentials.
- Fuel bills continue to rise, and in the winter can become unaffordable for many. This year we gave £23,841 in grants to 52 older and vulnerable members through our winter heating scheme to help with their winter fuel bills.
- For those on low incomes, unexpected and upfront costs can be difficult to manage. We give grants to repair or replace worn out household appliances and furniture, and towards advance rent/deposits and removal costs for members who need to move home because of illness or vulnerability. In 2021 we gave £16,800 to 35 people in need.
- We supported 13 members this year to pay off £7,470 in debts, in some cases preventing them from becoming homeless.



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## **PRS Members' Fund**

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### **Eighty Eighth Annual Report of the Trustees (continued) For the year ended 31 December 2021**

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- Illness can wipe out members' ability to work and earn an income. Our grants provide a safety net. We helped 19 members to buy disability aids, pay for therapy and treatment costs and top up nursing home fees, giving £14,779 in grants.
- We also provide loans to help members with a variety of needs. At the end of 2021 we had 27 loans totalling £206,763, with £66,654 in repayments made during the year.
- The Covid pandemic continued to impact the music profession during 2021. We supported 163 members with crisis grants to cover immediate needs. These totalled £85,635.

#### **Telephone support**

In normal times, our Welfare Officer and regional visitors visit many of the people we help during the year. They can assist members to apply for our grants as well as state or other benefits, organise support with care and health needs and liaise with other organisations on the member's behalf. They also provide a listening ear for any concerns a member has.

COVID-19 meant face-to-face visits were suspended for a second year in 2021. We continued to keep in touch through telephone and Zoom calls. At a time of isolation and restricted social connections, many people told us they welcomed the opportunity to have a friendly chat. We will of course look to reinstate home visits for the more vulnerable members going forward and it is safe to do so. We are grateful to all our visitors for their work during another very difficult year.

#### **Connecting PRS members with sheltered accommodation**

We continued to support and direct members in need of sheltered accommodation to Cyril Wood Court in Bere Regis, Dorset, built for people who have worked in music and other areas of the creative arts.

We made loan funding available to East Boro Housing Trust, who run the accommodation, to make improvements to the development. In return, we are given the right to nominate potential residents.

#### **A Recovery & Rebuild scheme**

Right now, our funding pays to alleviate immediate hardship and help people in crisis. But if we are to support as many members as possible, we need to ensure our help reflects their genuine need.

We're now considering how best to put together a post-pandemic Recovery & Rebuild programme of support that would manage funds for grants to restart careers decimated by the pandemic, and help rebuild lives. Going forward we hope to align our support with the real and pressing needs of members desperate to get back out there and breathe new life into their careers.

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## **PRS Members' Fund**

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### **Eighty Eighth Annual Report of the Trustees (continued) For the year ended 31 December 2021**

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#### **Supporting PRS Foundation's Power Up initiative**

Power Up supports Black musicians and music professionals in making positive change to the industry. The initiative is addressing anti-Black racism and racial disparities in the sector, supporting Black talent, amplifying the work of Black music creators and working for better representation in all parts of the UK music industry. Power Up works in partnership with YouTube Music, Beggars Group, Spotify and the Black Music Coalition to find new approaches that will progress the industry towards equality and equity.

We have been working closely with Power Up to offer support around mental health and financial hardship. We were involved with several Power Up sessions throughout the year, including a partner event where the 40 participants were able to meet the businesses involved, including Creative Scotland, Believe, Simkins plus AIM, the BPI, the FAC, The Ivors Academy, the MMF, the MPA, MPG, The Musicians' Union and PPL.

#### **Music Minds Matter**

For any PRS member who needs emotional support, we continued our partnership with the dedicated mental health support service with Help Musicians UK: Music Minds Matter. (MMM) is a free and confidential 24/7 mental health support line and service for the music industry where PRS members can access counselling, therapies and emotional support.

The ongoing promotion of Music Minds Matter is vital so we can help more members experiencing mental health or wellbeing concerns. We are working closely with PRS to get the messages out through social media, and will ensure the services offered reflect the changing needs of our members through these highly unpredictable times.

#### **Winter Heating Scheme**

From October through to March each year, we run our Winter Heating Scheme for members or past members who are elderly, unwell or living with a health condition. We give them the money they need to stay warm during winter, without having to make impossible sacrifices or fall into debt.

Unfortunately, we were only able to directly contact 963 members about the Scheme; less than a quarter of people we know could have benefited from the assistance on offer by the PRS Members' Fund. We need to get the message to **all** members out there, but because of GDPR restrictions, we're currently unable to get in touch directly with tens of thousands of members. We sincerely hope to be able to email more members directly with this essential offer of help and are working hard with the PRS for Music legal team to make this happen. Meanwhile we keep up a regular social media campaign and high visibility on our website.

#### **Christmas Cash Grant for Grant Holders**

To help get through Christmas 2021, we gave all our regular grant holders a cash grant of £100, totalling £8,400. The money will help alleviate hardship during a traditionally expensive time of the year, and was given out during December 2021.

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## **PRS Members' Fund**

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### **Eighty Eighth Annual Report of the Trustees (continued) For the year ended 31 December 2021**

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#### **COVID-19 support for Jamaica**

For many years we have supported PRS members living in Jamaica. After connecting with Lydia Rose, General Manager of JACAP in Jamaica and hearing first-hand about the situation and suffering across the island, we were compelled to do more. The ongoing threat of the COVID-19 situation on the island has led to increased hospitalisations, continuing lockdowns and price increases in food and medication, making life extremely difficult.

We made additional funds available to local PRS members, many of whom receive help on a regular basis each month towards their living expenses. We'll keep working with JACAP and help wherever we can.

#### **Francis W Reckitt Arts Trust**

The trust gives grants to professional artists, writers and composers to find time and space away from home for creative holidays and periods of recovery. The song writing retreat and R&R scheme opened back up this year, with grants to cover board and lodging for eligible PRS members. £3,000 was made available directly from the Trust.

#### **PRS Staff Career Development Program**

We've been helping PRS staff to learn more about our work and step up their career development. Having already volunteered as part of the ERF, Carol Acquah joined us for six months, working across application processing and identification of specific needs. Carol has been a huge help to our work, and we look forward to welcoming more opportunities for us and PRS to learn from each other.

#### **Support for the British Association of Performing Arts Medicine (BAPAM)**

To ensure the health and wellbeing of PRS members, BAPAM is becoming an increasingly important service. As we support their growth, we've seen them develop significantly over the last few years and they provide a vital first response to members' needs. As a strategic service dedicated to empowering artists and performers to lead healthy and productive lives, we're proud to support BAPAM's work in 2021.

#### **Diversity & Inclusion (D&I)**

We first developed our Diversity & Inclusion (D&I) Pathway to Progress initiative in 2020. One of the aims was to enhance the Fund's reach across all sectors of the PRS membership, to ensure as far as possible equality of access to the Fund's services. In particular this included (though not limited to), members of the Black, Brown and other ethnically diverse communities.

Through our plan and work with various partners, we are increasing our understanding of the issues that matter, and actively exploring the most effective way to find solutions.

Ongoing and regular D&I training has started, with all staff attending unconscious bias training. In addition, staff and trustees also engaged with Dr Joanne Abeiye MBE, a multi-award-winning social impact entrepreneur, journalist, broadcaster and champion of diversity, as well as founder of Blue Moon, a flagship inclusive Diversity and Inclusion Consultancy Practice. So far, the areas covered included how to be anti-racist, understanding micro-aggressions, recognising bias and challenging it and developing

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## PRS Members' Fund

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### Eighty Eighth Annual Report of the Trustees (continued) For the year ended 31 December 2021

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allyship. Going forward, we will continue to look at black leadership in our sector, intersectionality and privilege.

Both our application form and annual survey included questions around ethnicity for the first time. The data obtained will help us set a baseline to measure the success of our reach going forward. We are also currently looking for specialist organisations to partner with who can help us engage further with the black community, raising awareness of our work to ensure more artists of colour can benefit from our support. We are also working on setting a dedicated D&I budget, which will provide grants in line with the need we see arise in the next 12 months.

To celebrate Black History Month, we published articles across our social media and website, including interviews with Patrons Wayne Hector and Heather Small, and a number of our beneficiaries. The focus is on celebrating being Black or Brown - #ProudToBe - and to inspire and share the pride people have in their heritage and culture – in their own way, in their own words.

We have also discussed and learnt from the Black Lives in Music report recently published, based on a survey of the personal experiences of nearly 2,000 Black music creators and industry professionals. The report has produced lots of thoughtful and enlightening insights into the experience of the Black professionals in today's music industry, which we will use to keep progressing our D&I work.

We have partnered with PRS Foundation's "Power Up programme" to create real opportunities for talented Black music creators and industry professionals and will offer mental health and well-being support to PRS member participants including grants towards the cost of specialist treatments and therapies.

We're excited by the progress we've made in 2021, and know we still have a long way to go, but are determined to make sure our D&I work helps us truly reflect the experiences of all our members, and help us be there for each and every one of them.

#### Webinars

To respond to the ongoing lockdown situation faced by our members, we responded by developing a series of useful and accessible webinars that covered mental health, resilience and mental preparation for making a return to live gigs after lockdown. Our **PRS On With The Show** web series and events were a great help to members who were gearing up to get back in front of a crowd. Through the video content, event appearances and additional resources, members gained valuable insight from PRS for Music's industry experts as they returned to the stage. Subjects covered earning royalties from live performances, how they can report a live or DJ performance, and how live royalties work.

We created a series of webinars with our partner, the British Association for Performing Arts Medicine (BAPAM), focussing on creativity and mental wellbeing, which covered important areas such as dealing with loss, managing your own inner critic, finding your unique voice and building a supporting network to keep you connected.

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## **PRS Members' Fund**

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### **Eighty Eighth Annual Report of the Trustees (continued) For the year ended 31 December 2021**

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These webinars were only possible with the fantastic support of lots of different individuals and organisations, including BAPAM, Help Musicians, Music Support and Music and You.

#### **Raising awareness and support**

If we want to help more PRS members who could benefit from our support, it's vital we reach more of them through our communications and campaigns. We are investing in additional resources across staff, technology and activities that will connect us with more PRS members to let them know we're there, and vitally, to let them know we need their support as well.

A report on our 2020 communications has shown a very positive upward trend and that we are steadily increasing our reach. Engagement with our Emergency Relief Fund activities was especially successful, as was our work around wellness and wellbeing.

Not being able to contact members directly because of GDPR restrictions is still our biggest obstacle to helping more people and raising more money. We know it's stopping us helping people right now who are in desperate need of our support with the most basic of costs, for example, for our Winter Heating Scheme. We're working hard on finding a way through these legal issues and hope we can find a fast and effective answer to remove these barriers that are making it harder for us to help those most in need.

#### **Database Development (CRM)**

We are reviewing our Customer Relationship Management (CRM) software to make sure we can make the most of our 7,000 membership contacts. Due to GDPR privacy and communication rules, it's now harder to get in touch directly the Society's 125,000 writer members, but we're working closely with PRS For Music to make sure we can keep in touch with PRS members when and how they would like.

#### **The importance of legacies and donations of royalties.**

2021 was a tough year for so many associated with our industry, not least the Fund. We saw a significant fall in income from royalties due to lockdown, the paralysis of the live music sector, closure of bars and restaurants and other retail outlets that use music. Legacies and donations of royalties are essential to our work, and can help us plan for support now, and into the future. By having more secured funds, we can reach more members with the help they desperately need. They're the best way for us to help those most in need.

#### **Private health care cover**

Due to the ongoing COVID crisis and the extreme pressure the NHS is under, predicted changes to NHS provision, the delays to routine or selective procedures, and the increasing role, and excellence, of other organisations in providing support, we decided that the Fund will, in appropriate circumstances, pay for private medical consultations to speed up a member's access to treatment to help them get back to work. We will also make sure aftercare and treatment follow-up are considered, so each member gets what they need on their road to recovery.

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## PRS Members' Fund

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### Eighty Eighth Annual Report of the Trustees (continued) For the year ended 31 December 2021

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#### **Maintaining partnerships**

Throughout the Covid-19 crisis in 2021 the Fund continued to actively engage with industry partners to ensure that information about our services was widely disseminated across different organisations and platforms. Along with extending our reach, these partnerships meant we could also direct applicants to alternative sources of assistance where needed.

#### *Help Musicians UK (HMUK) and Royal Society of Musicians (RSM)*

We continued to work closely with HMUK and RSM, discussing issues affecting all three charities and exploring initiatives to help our respective communities. PRS members are often entitled to seek help from any one of the three organisations.

#### *Music Minds Matter*

Music Minds Matter, an initiative run by Help Musicians UK, offers a free and confidential 24/7 mental health support line, and a range of therapies for musicians. PRS members have access to these services, and we are aware that 277 members contacted Music Minds Matter in 2021 (although we don't know their identities for confidentiality reasons).

#### *StepChange*

We continued to refer our members in need of debt management advice to the charity StepChange. They can help with budgeting and provide a tailored personal action plan along with ongoing support. It's a confidential service.

#### *Shelter*

Shelter helps millions of people every year struggling with bad housing or homelessness through their advice, support and legal services. We were delighted to carry on working closely with the charity in 2021. Members can access online advice, speak to an adviser through webchat or use local face-to-face services. Once again, the service is confidential.

#### *Macmillan Cancer Support*

Macmillan offers a wide range of support to people with cancer and their families. Our partnership allows Macmillan (with the necessary consent) to refer patients who are PRS members to us if they need financial support.

#### **Thank you**

To do our vital work, we rely heavily on other charities, agencies, businesses and organisations. Thank you to the following for their much-appreciated support and co-operation in 2021: Workjoy, Performance and Media Coaching, East Boro Housing Trust, DES Computer Solutions, Pangaea Consulting, GCEN, Next Rebel Ltd, 56K Productions (Italy), Association of Charitable Organisations, The Ivors Academy, Help Musicians, Music Minds Matter, Royal Society of Musicians, Royal Theatrical Fund, Incorporated Society of Musicians, British Association for Performing Arts Medicine, Music Support, Musicians Union, UK Music, AIM, PRS Foundation, Royal Variety Charity, Francis W Reckitt Arts Trust, FELT Branding and CSL.

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## **PRS Members' Fund**

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### **Eighty Eighth Annual Report of the Trustees (continued) For the year ended 31 December 2021**

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We also remain indebted to affiliated societies overseas and local PRS for Music agencies for helping us assess need and get urgent financial help to local members. These include SAMRO (South Africa), JACAP (Jamaica), ECCO (Eastern Caribbean) and PRS Malta.

We also acknowledge the support received from PRS for Music in the form of donated facilities and services such as rent-free accommodation, heating and lighting. We are thankful too for advice and guidance from PRS's communications, membership, human resources, legal and finance directorates.

We greatly appreciate the efforts of the Fund's staff – John Logan, Christine Keeley, Athena Pite, Ilaria Piscopo and Sebastian Willis. We said farewell to Christopher Rowland during the year who moved on to pastures new and we acknowledge his help and support during his time with us. We wish to place on record our special thanks to our long-serving visitor for Scotland and NE England, Dave Arcari who left us in April.

Finally, we acknowledge the dedicated efforts of all the Trustees, who give their time freely.

#### **Future plans**

In 2022 our plans include:

- Working with the PRS Foundation on year 2 of their pioneering initiative to Power Up black music creators and executives, offering wellbeing support where appropriate to participants.
- Developing a career recovery and rebuild programme of support.
- Continuing to improve the diversity and inclusion of our policies, Trustee board, Patrons and Staff.
- Continuing with our plans to appoint Ambassadors and Patrons.
- Dealing with the increased need for mental health support due to the pandemic.
- Continuing to deal with the challenges to members' physical health (and hence ability to work) as a result of much increased NHS waiting lists.
- Rolling out an annual survey as part of our impact measurement work, so we can touch base with the members we have supported during the year and collect their feedback on how the support has helped them, as well as looking at areas we can improve on.
- Reviewing our annual visiting programme following the lifting of covid-19 restrictions.
- Reviewing our CRM requirements.
- Increasing the Fund's voluntary income through donations, legacies and bequests.
- To increase our giving and funding through greater contact with members and the industry generally.
- Relocating from PRS for Music offices to a new hub.



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## **PRS Members' Fund**

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### **Eighty Eighth Annual Report of the Trustees (continued) For the year ended 31 December 2021**

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#### **Structure and Governance**

Since April 2019, PRS Members' Fund has been registered as a Charitable Incorporated Organisation (CIO) with the Charity Commission.

The CIO is governed by our Trustees. The Trustees control and administer the Fund. However, the General Secretary is the officer directly responsible to the Trustees for the day-to-day management of the Charity, including management of the Fund's small team of staff.

The CIO Trustees Board comprises 15 Trustees. Six are appointed directly by the PRS Board and six by members of PRS at our Annual General Meeting. Up to three Trustees are appointed by the CIO Board under the Constitution, one of which must be a composer, one an author and one a publisher. No one can be appointed a Trustee unless he/she is a voting or principal voting member of PRS. Nicholas (Nicky) Graham continued as Chair of the Trustees in 2020. Trustee Mervyn (Muff) Winwood is eligible for appointment by members at the PRS AGM in May 2022 for a period of three years.

All Trustees receive a copy of the Fund's Constitution and a copy of the Charity Commission's guidance notes on Trustee responsibilities.

Trustees and staff are encouraged to undertake training and development. Details of training programmes and seminars are sent to the Fund by the National Council for Voluntary Organisations, the Association of Charitable Organisations and other commercial and third sector providers. These are circulated to the Trustees and staff. The Charity meets the fees for attending training courses. In 2021 the Fund was represented at seminars dealing with mental health, investments, charity governance and unconscious bias. An appropriate safeguarding course specifically designed for trustees and staff was made available during the year.

During 2021 the Trustees met each month to consider applications for financial assistance, as well as other aspects of the Fund's affairs. Until August, these meetings were held virtually due to the COVID-19 pandemic, as were all meetings of the Charity's sub-committees.

The Trustees deal with all applications in the strictest confidence. All grants are discretionary and are subject to an application process which takes into account income and savings, in line with the levels at which Universal Credit is available from the Department for Work and Pensions. With regard to ERF, this was a bespoke scheme which took into account factors such as lost income through cancelled gigs and tours while awaiting the result of their application for government support.

The Trustees have delegated certain powers in connection with the Fund's administration to sub-committees, as set out below. These sub-committees allow the Fund to consider and draw conclusions on specific issues outside normal monthly meetings of the Trustees. This frees up additional meeting time for consideration of beneficiary issues or applications.

Terms of reference exist for all these sub-committees.



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## **PRS Members' Fund**

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### **Eighty Eighth Annual Report of the Trustees (continued) For the year ended 31 December 2021**

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All work that the Trustees and their duly appointed sub-committees carry out is done voluntarily. Many of the tasks they undertake involve a great deal of work in addition to attending meetings.

#### **Finance Sub-Committee**

The Finance Sub-Committee (Chair: Pete Glenister) continued to have quarterly meetings with the Fund's investment advisers, Aberdeen Standard Capital (now known as Abrdn) and James Hambro & Partners who manage a second and much smaller portfolio of investments. All matters relating to the management and performance of the Fund's two portfolios were reviewed and considered at these meetings. All Trustees are invited to attend Finance Sub-Committee meetings. Regular reports and the minutes of Finance Sub-Committee meetings were submitted to the Trustees.

Peter Glenister (Chair), Nicky Graham, Mick Leeson, Mark Fishlock, and Muff Winwood were re-elected to serve on the Finance Sub-Committee for the year.

#### **Strategy Sub-Committee**

The Trustees re-elected Mick Leeson (Chair), Peter Glenister, Nicky Graham, Mike Lindup, Megg Nicol, Sarah Rodgers and Paulette Long. It met in April to consider diversity and inclusion within the Charity. Meetings of the Strategy Sub-Committee also took place in July and November to consider prevention and poverty, a recovery and rebuild scheme and a revised Constitution.

#### **Staff Sub-Committee**

The Staff Sub-Committee's purpose is to consider specific staff matters that are referred to it by the Trustees. In particular, the Staff Sub-Committee advises the Trustees on issues such as management and staff appraisals; objective setting and reviews; management and staff incentive schemes; and the terms and conditions of employment and remuneration of all Fund personnel.

Sarah Rodgers chairs the Staff Sub-Committee. Mick Leeson, Mike Lindup, Mark Fishlock, Kim Appleby and Nicky Graham were re-appointed members of the Staff Sub-Committee at the beginning of the year. The sub-committee met twice during the year.

#### **Housing Projects Sub-Committee**

This Sub-Committee has existed since 2016 to consider the purchase of properties that could be suitable for use by PRS members and beneficiaries who are in need of affordable accommodation and held as an investment. It is chaired by Nicky Graham.

Members of the sub-committee include Peter Glenister, Eddie Levy and Mark Fishlock.

#### **Emergency Relief Fund Sub-Committee (ERFSC)**

The role of the ERFSC is to ensure that the responsibilities and duties of the Trustees regarding Emergency Relief Fund matters are effectively managed and that the financial support available through the ERF during the pandemic is duly aligned with the Charity's overall objectives and eligibility criteria.

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## **PRS Members' Fund**

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### **Eighty Eighth Annual Report of the Trustees (continued) For the year ended 31 December 2021**

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ERFSC members are Nicky Graham, Sarah Rodgers, Mark Fishlock, Mick Leeson, Paulette Long and Pete Glenister. Nicky, Mick and Paulette are all former PRS directors. The sub-committee met twice during the year.

#### **Mental Health Sub-Committee**

The Mental Health Sub Committee ensures that the responsibilities and duties of the Trustees with regard to the development, implementation and monitoring of services designed to support the mental health and wellbeing of beneficiaries, are effectively managed.

Members of the Mental Health Sub-Committee are Pete Glenister (Chair), Kim Appleby, Mark Fishlock, Mike Lindup, Paulette Long, Megg Nicol, Paul Patterson and Sarah Rodgers.

#### **Fundraising and Concerts Sub-Committee**

The purpose of this sub-committee is to consider and develop specific ideas and projects around voluntary income generation.

Recommendations are made to the Trustees on key issues and progress relating to the Charity's fundraising strategy, incorporating major gifts, individual giving, legacies and community events, the hiring of fundraising staff and volunteers, and the organisation of events, in particular gala concerts.

#### **Trustee changes**

This year, Trustees Christopher Gunning and Nigel Hess have stepped down. From everyone at the Fund, we want to say a huge thank you for all their hard work and dedication. Philip Pope has very kindly stepped up as a Society Board Appointed Trustee. We're really pleased to have Philip as part of the team, and Philip already knows us well after attending meetings as a "PRS Board observer".

#### **Constitutional changes**

A special amendment to the Fund's constitution was necessary to allow the Fund to appoint a successor to Chris Gunning who held a Society Member appointed seat on the trustee Board. The amendment will allow the Fund's CIO Board to co-opt a replacement trustee much sooner than waiting until the AGM in 2022. We were delighted when Kim Frankiewicz accepted our invitation to join the Trustee board.

#### **Fund Prevention & Poverty**

In these unprecedented times, we need to make sure we're helping as many members as possible whose lives could be improved by support from us. We've been unable to match some ERF applications to our current criteria, highlighting a potential gap in provision, and how we determine the scope and type of support we can offer.

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## **PRS Members' Fund**

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### **Eighty Eighth Annual Report of the Trustees (continued) For the year ended 31 December 2021**

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If we want to prevent poverty, we have to move with the times, and respond to the situations we are faced with. We need to help people whose financial situation is bad enough that they have to sell or pawn their musical equipment to pay bills and put food on the table. We need to help with career support or retraining, for those seeking a new direction, and ensure members can keep physically and mentally healthy.

Our refreshed Constitution is shaped by what preventative support could look like. We've looked at the different causes of poverty, the situations Fund schemes currently address and what else we could offer to prevent poverty among PRS members. We know we have a vital role to play in our own right, and have been clear what our responsibilities are, and not to duplicate State support.

We're clear our refreshed Constitution now relates more clearly to our current activities and any future work that might be introduced by the Charity around the prevention and relief of poverty.

#### **Meetings via electronic means**

Our review of the Constitution covered general meetings of the Fund so that all meetings can be held by suitable electronic means, as well as in person.

At the year end, our revised Constitution was awaiting approval by the Charity Commission. This was accepted by the Commission in February 2022.

#### **Appointment of new Auditor**

We appointed UHY Kent LLP t/a UHY Hacker Young as the Fund's auditor for 2021.

#### **Patrons**

In 2021 Martyn Ware was appointed a patron of the Fund, as was Heather Small and Errollyn Wallen CBE, along with Carroll Thompson. We are grateful for their dedicated support.

#### **Financial review**

2021 was another challenging year with its own unique circumstances PRS members had to deal with and adapt to.

Total income, including donations, investment income, and donated facilities such as accommodation, rates, heating and lighting, amounted to £831,988 (2020: £2,172,995). Donated facilities were £9,793 (2020: £39,383) and are included as income within donations and as a corresponding expense within support costs.

Income, excluding the cost of donated facilities, amounted to £822,195 (2020: £2,133,612), comprising Emergency Relief Fund donations of £5,652 (2020: £943,691), regular donations and legacies of £488,352 (2020: £886,086), along with investment and other income amounting to £328,191 (2020: £303,835). Donations and legacy income also included royalty bequests of £306,670 (2020: £544,512).

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## **PRS Members' Fund**

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### **Eighty Eighth Annual Report of the Trustees (continued) For the year ended 31 December 2021**

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Donations continued to be received from our supporters and members to help sustain the Emergency Relief Fund, and these were mostly received through the Charity's JustGiving page.

In 2021 we distributed £337,986 (2020: £317,715) in regular grants, to help those in need, along with £354,867 (2020: £1,965,280) in Emergency Relief Fund grants to help those in need of help during the ongoing global pandemic. Of this, £23,867 (2020: £139,330) was paid out directly by the PRS Members' Fund and £331,000 (2020: £1,825,950) was paid over to PRS to distribute in phase 3 of the Emergency Relief Fund in March.

PRS support has been invaluable in facilitating prompt payment to members on behalf of the Fund, following completion of the grant application process.

Every penny donated to the charity applied totally towards the relief of hardship. The full cost of administering the charity is met from income from our investment portfolio or reserves as necessary in the event of an income shortfall.

We want to say a huge thank you to every member of PRS and their families and loved ones who left the Fund a gift in their Will, or who donated royalties. These gifts are absolutely essential to our work, and we can't provide life-saving services or help without the generosity of these people. They really do make all the difference.

#### **Donated gifts from Wills and royalties**

Proceeds from the Estate of Mike Carter have been received, totalling £104,807.

Royalties from the Estate of Gilberta Furber, successor member to Douglas Furber, writer of popular songs such as Lambeth Walk and Me and My Girl were released by PRS for Music in December.

#### **Public benefit**

The PRS Members' Fund is a registered charity whose charitable purpose, as defined within the Charities Act 2011, is the relief and prevention of poverty. The Trustees believe that the Fund provides public benefit through the financial help and other assistance it gives to past and present members of PRS and their dependents. Dependents do not have to be members of PRS to qualify for help.

Our assistance can be crucial in preventing people falling further into poverty. For members of working age who are sick or injured, our support ensures that any delay in their recovery is kept to a minimum, with consequent savings to the taxpayer in sickness and other benefits.

We follow the Charity Commission guidance on public benefit when reviewing our charitable objectives, achievement and performance and in planning our future activities, as described in this report.

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## **PRS Members' Fund**

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### **Eighty Eighth Annual Report of the Trustees (continued) For the year ended 31 December 2021**

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#### **Conflicts of interest and conflicts of loyalty**

Our Constitution sets out the procedure for the Trustees to follow when a possible conflict of interest has been identified, in line with best practice and the Charity Commission's expectations. The Fund also maintains a register which is updated annually.

#### **Risk management**

Risk management focuses on every aspect of the Fund's activities, including health and safety of staff, financial controls and mandates, electronic payments security, IT and database security, disaster planning, recovery and safeguarding. The Trustees are comfortable with the processes that are in place to mitigate these risks.

The Fund subscribes to policies and procedures as laid down and monitored by PRS for Music Ltd; all Fund personnel are permanently seconded from this holding company.

To comply with current accounting conventions, grants renewed in 2020 for payment in 2021 are recognised as accrued expenditure at year end. Fund staff are members of a contributory defined benefit scheme ('the scheme') operated by MCPS-PRS Alliance Limited. The Fund has been informed that future employer contributions will be affected by a deficit in the scheme and that additional annual contributions of approximately £5,000 will be required to be paid for the next 15 years, together with a share of the final lump sum payment of £75,000 to cover the deficit. At present, these amounts are by no means certain nor agreed with the operator of the scheme. The Trustees will undertake negotiations with the scheme operator to agree the Fund's future contributions. As such, no provision has been made in these financial statements for this commitment until they have been agreed.

#### **Reserves, Endowments and Investments**

The Trustees continue to review their policy on reserves in the light of changing circumstances. The Trustees carry this out as part of the annual budget process. For 2021, the Trustees agreed that the policy should remain as stated: The Fund holds reserves, in the form of listed investments and programme-related 'investments', in order to produce income which can be used, after payment of management expenses, for grant-giving. The Fund aims to sustain and increase its grant-making capability over the long term.

To clarify which of the Fund's assets constitute reserves, and which constitute current funds for immediate use, the Trustees decided to divide the total unrestricted funds into a designated reserve fund and a general fund. It agreed to define the designated reserve fund as being of an amount equal to the value of the Fund's investments as at 31 December. The general fund consists of the remaining balance of the Fund's uncommitted funds and represents an amount of unspent net resources.

The purpose of the designated reserve fund is to generate income which the Fund can use to meet its charitable objectives. Any investment gains or losses will be transferred to the designated reserve fund in the first instance. The Fund's annual budget will therefore normally be set at an amount reflecting the anticipated level of income from the designated reserve fund. The Trustees may, however, transfer funds

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## **PRS Members' Fund**

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### **Eighty Eighth Annual Report of the Trustees (continued) For the year ended 31 December 2021**

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into and out of the designated reserve fund as they see fit in order to further the Fund's objectives. The designated reserve fund, which remains unrestricted, may be drawn on from time to time, at the discretion of the Trustees, to provide funds for major charitable projects which the Fund wishes to support and which cannot be covered out of the annual grants budget and the income arising from investments. Such a situation arose in 2020. We were able to support unprecedented levels of grant-making through the Emergency Relief Fund by drawing down from our reserves. We will continue to liquidate our investment holdings as necessary to support members who are continuing to suffer hardship as a result of the pandemic.

The Trustees consider the level of remaining reserves to be prudent and justified, and necessary to cover fluctuations in income and provide relief to an ever-increasing PRS membership. The Trustees also have in mind the long-term demographic challenges that may be faced when widening its service provision going forward, against an anticipated reduction in investment income due to realisation of assets, as described above, lower yields and our royalty income being adversely affected due to the impact of Covid-19 on the live music sector.

We are pleased to report that during the year under review our investments had recovered to pre-pandemic levels despite a significant grant spend.

#### **Investment Managers**

The Trustees have delegated the management of the Fund's investments to the Finance Sub-Committee which in turn delegated discretionary management to Abrdn (previously known as Aberdeen Asset Management) and to James Hambro & Partners LLP for long-term investment on a discretionary management basis. The two managers have different investment objectives.

The Finance Sub-Committee monitors the performance of the investment managers at its quarterly meetings. The minutes of those meetings are circulated to all Trustees.

#### **Investment performance**

Both the Abrdn and James Hambro portfolios are managed on a total return basis, which includes both income and capital returns.

As at 31 December 2021, our portfolio with Abrdn was valued at £14,145,779 (2020: £12,664,579). Over the course of 2021, 12 income payments were made totalling £310,854.

We are pleased to report that our quality, sustainable growth approach has led to the portfolio outperforming all external benchmarks aligned to the portfolio (peer group, CPI +4%) during the year. On a total return basis, the portfolio returned +14.34% in 2021. This is ahead of the CPI+4% target (+9.86%) and the ARC peer group (+12.22%) and in line with the internal market composite benchmark (+14.34%).

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## PRS Members' Fund

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### Eighty Eighth Annual Report of the Trustees (continued) For the year ended 31 December 2021

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Stock selection has been the primary driver of relative and absolute outperformance against the peer group in 2021, particularly within equities. Tactical asset allocation decisions drove relative outperformance within Fixed Income.

As at 31 December 2021, the portfolio managed by James Hambro & Partners LLP had a value of £1,412,480. The portfolio remained in cash for the period from 31 December 2020 until the middle of August 2021 and was then invested back into markets in-line with the portfolio's investment objectives. 2021 was a very strong year for world equity markets as a whole. Overall, the 12-month period ending 31 December 2021 saw world equities rise +19.3%, gilts fall 5.2% and cash +0.1%. The laggard in this exceptionally strong year for equities was the Emerging Markets Index, which only returned 1% during the full year. Within this bracket, China was particularly weak and returned a negative figure on the back of a government ramp up on numerous national policies, negatively affecting areas in the Chinese market such as large technology companies.

Over the four-month period ending 31 December 2021, when the portfolio was being reinvested, it returned +2.8%, net of fees, which compares to a peer group comparator as measured by ARC Equity Risk indices of +2.0%. The portfolio saw low volatility throughout the year, mainly due to the period of holding 100% cash. During this period, the portfolio outperformed its benchmark with direct equity holdings in tech names in the US performing well. The portfolio has gradually invested into high quality companies for the long term and is now almost in-line with its long term mandate on an asset allocation perspective.

The path of markets this year is likely to be dictated by inflation and the response from central banks. After a strong run-in markets throughout the Covid-19 period and beyond, we remain vigilant and ready to act if circumstances dictate.

#### Investment policy

The Trustees have considered the most appropriate policy for investing funds on a total return basis which considers both the capital growth and the investment income generated. It has issued the investment managers with an Investment Policy Statement (IPS), which allows the asset allocation to move between various investment strategies, depending on prevailing market conditions. The asset classes include bonds and equities for which ISP ranges have been issued and which are subject to scrutiny and review periodically.

Additionally, surplus cash (for which an IPS has also been issued) is held on short-term deposit and is readily available to the Trustees. It enabled the Trustees to create the ERF when the impact of the pandemic on members' incomes began to unfold and PRS members required urgent financial support. We feel this policy should meet the Trustees' strategy of achieving above-average returns through capital growth over the longer term, without taking excessive risk.



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**PRS Members' Fund**

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**Eighty Eighth Annual Report of the Trustees (continued)  
For the year ended 31 December 2021**

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**Responsible Investment Policy (ESG)**

While the Trustees wish to invest to maximise returns, they recognise that many of the issues and challenges the Fund's beneficiaries face are exacerbated by certain sectors. With this in mind, the charity does not invest directly in tobacco or tobacco-related products. Beyond this, the Trustees do expect their investment managers to consider Environmental, Social and Governance (ESG) factors as part of their investment process.

Investment managers are selected based on the above, with progress monitored throughout the year at regular review meetings. Over the course of the year the Trustees were encouraged by the level of company engagement and, beyond this, the changes made to the investments to incorporate a shift in capital allocation as society plans for a lower carbon future. With this in mind, our investment managers are able to invest for a cleaner future while not losing sight of delivering the best investment outcomes for the Fund.

This report was approved by the Board of Trustees on 17 March 2022 and signed on its behalf by:

*Nicky Graham*

Nicholas Graham  
Chairman of the Trustees



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## PRS Members' Fund

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### Eighty Eighth Annual Report of the Trustees (continued) For the year ended 31 December 2021

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The Fund owes a deep debt of gratitude to all, past and present, who have generously made bequests and donations, large or small, to help the Fund and its work:

Ira Aldridge	Michael Gerald Lane via Patricia A Stanley
Christopher Anderson	Bert Lee
Doris Arnold via H.S. Pepper	Harry Leon aka Art Noel
Dorothea Barcroft	Edward F. Lockton via E.C. Lockton
Eily Kathleen Beadell	E.M. Lockwood
Donald Morgan Bowden	J.P. Long via Ethel Maud Blair
Frank Bridge via E.E. Bridge	Claudine Lordan
Ronald Bridges	Billy Mayerl via E.G. Mayerl
Helen Brown	Stella Morgan
Elizabeth Bryce-Romain	Joseph Murrells
Mabel Buchanan	Norman Murrells
Ivy Burgess	Cecil Norman
Rex Burrows via E Burrows	Desmond O'Connor
Sir Alfred Butt via Lady Vilma Butt	Daphne Oram
Desmond Carter	Leslie Herbert Osborne
Austin Coates via Yim Kim Fung	Panda Music via Monica Lawrence
Eric Coates via Yim Kim Fung	Harry S. Pepper
Les Condon	Sid Phillips via Marie Phillips
Samuel Cope	Charles W. Prentice via Phyllis Prentice
Thomas Dando via Elizabeth Dando	Leonard Rafter via Beryl Rafter
Michael Dawney	Gordon Reed via M. Reed
Luigi Denza	Gordon Reid via Joyce Reid
Leslie Elliott	Margaret Reizenstein
W.M. Farren via Maud Farren	Stan Reynolds
Marc Feld aka Marc Bolan	Sydney Rosenbloom
David Ferguson	Frederick Rosse
Andrew Fenner	Paul A. Rubens via E. Burlinson
Len Fillis via D. James	Cecil James Sharp via Briony A Jose
Marjorie Finck	Reginald Somerville
Reginald Fogwell via A.E. Fogwell	W.H. Squire
Percy E. Fletcher via Marie Fletcher	Thomas P. Sutton
Peter Foss via Mrs Olive Foss	Ivy St Helier
Douglas Furber via Gilberta Furber	Phyllis Tate
Max Gartman via P. Desmond	Helen Taylor via S.H. Rothschild
Carroll Gibbons via Brian Lidstone	Madeline Chase Thomas
Percy Greenbank via Phyllis Greenbank	Henry (Harry) Thorne
Johnnie Gray	Michael Trelford
Maurice Grew via G. Grew	Charles Williams via M Williams
Michael Head	Charles Windeatt via Jessie Windeatt
William Henly via J. Reynolds	
Geoffrey Henman via Mrs S Boeckmann	
Leslie Holmes via Ellen Joan Kilpatrick	
Michael Hurd	
Albert W. Ketelbey via M. Ketelbey	
C.S. Lang via W.M. Fox	

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**PRS Members' Fund**

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**Eighty Eighth Annual Report of the Trustees (continued)**  
**For the year ended 31 December 2021**

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**Statement of Trustees' Responsibilities**

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity 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 Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper 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 financial statements comply with the Charities Act 2011. 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.

Financial statements are published on the Charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Approved by order of the members of the board of Trustees on 17 March 2022 and signed on their behalf by:



Nicholas Graham  
Chairman of the Trustees

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## **PRS Members' Fund**

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### **Independent auditors' report to the Members of PRS Members' Fund**

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#### **Opinion**

We have audited the financial statements of PRS Members' Fund (the 'charity') for the year ended 31 December 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 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 Charities Act 2011.

#### **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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

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

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## **PRS Members' Fund**

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### **Independent auditors' report to the Members of PRS Members' Fund (continued)**

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#### **Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' 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.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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## PRS Members' Fund

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### Independent auditors' report to the Members of PRS Members' Fund (continued)

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#### Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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:

*How the audit was considered capable of detecting irregularities including fraud:*

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the Fund through discussions with management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the Fund, including the Charities Act 2011;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Fund's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management and representatives of Trustees as to actual and potential litigation and claims.

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## **PRS Members' Fund**

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### **Independent auditors' report to the Members of PRS Members' Fund (continued)**

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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

#### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

#### **UHY Kent LLP**

Chartered Accountants  
Statutory Auditors  
Thames House  
Roman Square  
Sittingbourne  
Kent  
ME10 4BJ

20 April 2022

UHY Kent LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

## PRS Members' Fund

### Statement of financial activities For the year ended 31 December 2021

		Restricted funds 2021	Unrestricted funds 2021	Total funds 2021	Total funds 2020
	Note	£	£	£	£
<b>Income from:</b>					
Donations and legacies	3	3,000	500,797	503,797	1,869,160
Investments	4	-	328,191	328,191	303,835
<b>Total income</b>		<u>3,000</u>	<u>828,988</u>	<u>831,988</u>	<u>2,172,995</u>
<b>Expenditure on:</b>					
Raising funds:	5,6				
Publicity and fundraising		-	148,212	148,212	172,338
Investment management		-	69,986	69,986	74,471
Charitable activities	8	-	847,536	847,536	2,457,371
<b>Total expenditure</b>		<u>-</u>	<u>1,065,734</u>	<u>1,065,734</u>	<u>2,704,180</u>
<b>Net income/(expenditure) before net gains on investments</b>		<u>3,000</u>	<u>(236,746)</u>	<u>(233,746)</u>	<u>(531,185)</u>
Net gains on investments		-	1,579,422	1,579,422	924,668
<b>Net movement in funds before other recognised gains</b>		<u>3,000</u>	<u>1,342,676</u>	<u>1,345,676</u>	<u>393,483</u>
<b>Other recognised gains:</b>					
Gains on revaluation of fixed assets		-	23,000	23,000	13,000
<b>Net movement in funds</b>		<u>3,000</u>	<u>1,365,676</u>	<u>1,368,676</u>	<u>406,483</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward		-	15,538,119	15,538,119	15,131,636
Net movement in funds		3,000	1,365,676	1,368,676	406,483
<b>Total funds carried forward</b>		<u>3,000</u>	<u>16,903,795</u>	<u>16,906,795</u>	<u>15,538,119</u>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 32 to 49 form part of these financial statements.

## PRS Members' Fund

### Balance sheet As at 31 December 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investments	15	15,378,838	12,420,893
Social investments	16	312,783	376,937
Investment property	14	250,000	227,000
		<u>15,941,621</u>	<u>13,024,830</u>
<b>Current assets</b>			
Debtors	17	3,254	123,435
Investments	18	178,802	1,617,663
Cash at bank and in hand		921,263	903,958
		<u>1,103,319</u>	<u>2,645,056</u>
Creditors: amounts falling due within one year	19	(138,145)	(131,767)
<b>Net current assets</b>		<u>965,174</u>	<u>2,513,289</u>
<b>Total net assets</b>		<u><u>16,906,795</u></u>	<u><u>15,538,119</u></u>
<b>Charity funds</b>			
Restricted funds	21	3,000	-
Unrestricted funds	21	16,903,795	15,538,119
<b>Total funds</b>		<u><u>16,906,795</u></u>	<u><u>15,538,119</u></u>

The financial statements were approved and authorised for issue by the Trustees on 17 March 2022 and signed on their behalf by:

*Mervyn Winwood*

*Mark Fishlock*

.....  
Mervyn Winwood  
Trustee

.....  
Mark Fishlock  
Trustee

The notes on pages 32 to 49 form part of these financial statements.



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**PRS Members' Fund**


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**Statement of cash flows**  
**For the year ended 31 December 2021**


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	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	23	(435,378)	(885,688)
<b>Cash flows from investing activities</b>			
Dividends, interests and rents from investments		328,191	303,835
Proceeds from sale of investments		1,500,555	5,633,000
Purchase of investments		(2,881,578)	(2,801,000)
Repayment of loans from beneficiaries		66,654	44,474
<b>Net cash (used in)/provided by investing activities</b>		(986,178)	3,180,309
<b>Cash flows from financing activities</b>			
<b>Net cash provided by financing activities</b>		-	-
<b>Change in cash and cash equivalents in the year</b>		(1,421,556)	2,294,621
Cash and cash equivalents at the beginning of the year		2,521,621	227,000
<b>Cash and cash equivalents at the end of the year</b>	24	1,100,065	2,521,621

The notes on pages 32 to 49 form part of these financial statements

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## PRS Members' Fund

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### Notes to the financial statements For the year ended 31 December 2021

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#### 1. General information

The PRS Members' Fund is a Charitable Incorporated Organisation (CIO) registered with the Charity Commission for England and Wales. The Fund's registered office is 1st Floor, Goldings House, 2 Hay's Lane, London, SE1 2HB.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

PRS Members' Fund meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

There are no significant areas of judgement or key assumptions that affect items in the financial statements other than those included within the accounting policies described below. With respect to the next reporting period for the year ended 31 December 2021, the most significant areas of uncertainty that affect the carrying value of assets held by the Fund are the level of investment return and the performance of the investment markets (see the investment policy and performance and risk management sections of the Report of the Trustees for more information).

##### 2.2 Going concern

The Trustees consider that there are no material uncertainties about the Fund's ability to continue as a going concern.

##### 2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations and royalty bequests are credited to the SOFA when received or when the amount can be quantified with reasonable accuracy, if earlier.

Donated services and facilities are included at the value to the Fund where this can be quantified.

Legacies are recognised when they are measurable, probate has been granted and entitlement is clear. Where deemed appropriate, a discount is made for expected costs within the estate.

Investment income is credited gross to the SOFA on the date it becomes payable with the exception of income from fixed interest bonds which is credited over the period of the bonds.

##### 2.4 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Fund to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

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## PRS Members' Fund

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### Notes to the financial statements For the year ended 31 December 2021

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## 2. Accounting policies (continued)

### 2.4 Expenditure (continued)

All expenditure is charged to the SOFA on an accruals basis.

Grants to beneficiaries are charged to the SOFA on the date approved by the Trustees or on the date of any conditions or requests being met, if later.

Pension contributions are charged to the SOFA as they become payable.

Support costs are allocated to costs of raising funds and charitable activities on the basis consistent with the use of these resources.

### 2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

### 2.6 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 of the Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge has arisen in the year.

### 2.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised and valued at historic cost. Depreciation is provided using the following rates and bases, which reflect the anticipated useful lives of the assets and their residual value

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Software	-	33%
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### 2.8 Investments

All investments are carried at their fair value. Investments in bonds, equities, property and alternative investments are all traded in quoted public markets, primarily the London Stock Exchange. The basis of fair value for quoted investments is equivalent to the market value, using mid-market price. Asset sales and purchases are recognised at the date of trade at cost (i.e. their transaction value).

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**PRS Members' Fund**

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**Notes to the financial statements  
For the year ended 31 December 2021**

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**2. Accounting policies (continued)****2.9 Investment property**

Investment property is measured at fair value at each reporting date. An impairment review is carried out annually and the fair value adjusted for any impairment identified.

**2.10 Programme related investments**

Programme related investments are concessionary loans provided for the benefit of the Fund's beneficiaries and loans made to a Trust under a scheme to provide practical help for the Fund's older beneficiaries. Such loans are initially recognised and measured at the amount paid, with the carrying amount adjusted at each balance sheet date to reflect repayments and any accrued interest, less any impairment.

**2.11 Gains/losses on investment assets**

All gains and losses are taken to the Statement of Financial Activities as they arise.

Unrealised gains and losses on investment assets represent the difference between their fair value at the end of the year and their fair value at the beginning of the year, or transaction value if acquired during the year.

**2.12 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.13 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.14 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

**2.15 Financial instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

## PRS Members' Fund

### Notes to the financial statements For the year ended 31 December 2021

## 2. Accounting policies (continued)

### 2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

## 3. Income from donations and legacies

	Restricted funds 2021	Unrestricted funds 2021	Total funds 2021	Total funds 2020
	£	£	£	£
<b>Donations</b>				
Donations	3,000	319,842	322,842	1,496,524
Donated services and facilities	-	9,793	9,793	39,383
<b>Total donations</b>	<b>3,000</b>	<b>329,635</b>	<b>332,635</b>	<b>1,535,907</b>
Legacies	-	171,162	171,162	333,253
<b>Total 2021</b>	<b>3,000</b>	<b>500,797</b>	<b>503,797</b>	<b>1,869,160</b>
<i>2020 Total by fund</i>	<i>-</i>	<i>1,869,160</i>	<i>1,869,160</i>	

Donated services and facilities relates to non-exchange transactions in respect of rent and other services provided by PRS for Music Limited to the Fund.

Donations received in 2021 include £5,652 (2020: £943,691) in relation to the Emergency Relief Fund campaign.

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**PRS Members' Fund**


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**Notes to the financial statements**  
**For the year ended 31 December 2021**


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**4. Investment income**

	<b>Unrestricted funds 2021</b>	<b>Total funds 2021</b>	<i>Total funds 2020</i>
	<b>£</b>	<b>£</b>	<b>£</b>
Rental income	9,900	9,900	10,000
Dividends	314,589	314,589	290,406
Interest	3,702	3,702	3,429
<b>Total 2021</b>	<u>328,191</u>	<u>328,191</u>	<u>303,835</u>
<i>2020 Total by fund</i>	<u>303,835</u>	<u>303,835</u>	

**5. Expenditure on raising funds****Publicity and fundraising activities**

	<b>Unrestricted funds 2021</b>	<b>Total funds 2021</b>	<i>Total funds 2020</i>
	<b>£</b>	<b>£</b>	<b>£</b>
Marketing and communications	1,024	1,024	8,273
Support costs (Note 10)	37,551	37,551	60,404
Salaries (Note 11)	109,637	109,637	103,661
<b>Total 2021</b>	<u>148,212</u>	<u>148,212</u>	<u>172,338</u>
<i>2020 Total by fund</i>	<u>172,338</u>	<u>172,338</u>	

## PRS Members' Fund

### Notes to the financial statements For the year ended 31 December 2021

#### 6. Investment management costs

	Unrestricted funds 2021	Total funds 2021	Total funds 2020
	£	£	£
Investment managers fees	67,198	67,198	71,156
Investment property expenses	2,788	2,788	3,315
	<u>69,986</u>	<u>69,986</u>	<u>74,471</u>
<i>2020 Total by fund</i>	<u>74,471</u>	<u>74,471</u>	

#### 7. Analysis of grants

	Grants to Institutions 2021	Grants to Individuals 2021	Total funds 2021	Total funds 2020
	£	£	£	£
Grants to beneficiaries	<u>9,150</u>	<u>692,853</u>	<u>702,003</u>	<u>2,290,495</u>
<i>Analysis of 2020 Total</i>	<u>7,500</u>	<u>2,282,995</u>	<u>2,290,495</u>	

Grants to institutions represent the grant issued by the Fund to the British Association for Performing Arts Medicine in the year in the sum of £9,150 (2020: £7,500).

Included in grants to beneficiaries are grants made as part of the Emergency Relief Fund totalling £354,867 (2020: £1,965,280). An analysis of grants issued in the year is provided in the Trustees' Report at the front of these financial statements.

## PRS Members' Fund

### Notes to the financial statements For the year ended 31 December 2021

#### 8. Analysis of expenditure on charitable activities

##### Summary by fund type

	Unrestricted funds 2021	Total funds 2021	Total funds 2020
	£	£	£
Direct costs	847,536	847,536	2,457,371
<i>2020 Total by fund</i>	<i>2,457,371</i>	<i>2,457,371</i>	

#### 9. Analysis of expenditure by activities

	Activities undertaken directly 2021	Grant funding of activities 2021	Support costs 2021	Total funds 2021	Total funds 2020
	£	£	£	£	£
Direct costs	107,981	702,003	37,552	847,536	2,457,371
<i>Analysis of 2020 Total</i>	<i>106,471</i>	<i>2,290,495</i>	<i>60,405</i>	<i>2,457,371</i>	

##### Analysis of direct costs

	Total funds 2021	Total funds 2020
	£	£
Cost of programme of visits (Note 11)	104,750	103,659
Staff training	2,500	-
Travel and motor expenses	448	2,364
Website costs	283	448
	<u>107,981</u>	<u>106,471</u>



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**PRS Members' Fund**


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**Notes to the financial statements**  
**For the year ended 31 December 2021**


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**10. Support costs**

	<b>Unrestricted funds 2021</b>	<b>Total funds 2021</b>	<i>Total funds 2020</i>
	<b>£</b>	<b>£</b>	<b>£</b>
Accountancy and bookkeeping	9,600	9,600	6,699
Printing, postage and stationery	76	76	299
Sundries	8,643	8,643	7,163
Travel and motor expenses	1,346	1,346	1,867
Irrecoverable VAT	17,738	17,738	18,172
Insurance	2,707	2,707	2,118
Business rates	(6,829)	(6,829)	11,255
Rent and services provided by PRS	9,793	9,793	39,383
IT costs	19,034	19,034	6,972
Auditors' remuneration	7,250	7,250	10,000
Legal fees	4,369	4,369	12,580
Trustees' meeting expenses	1,201	1,201	451
Impact measurement project	175	175	3,850
	<u>75,103</u>	<u>75,103</u>	<u>120,809</u>
<i>Total 2020</i>	<u>120,809</u>	<u>120,809</u>	

Support costs are apportioned to the following activities based on an estimate of staff time spent on each activity.

**Allocation of support costs**

	<b>2021 £</b>	<b>2020 £</b>
Publicity and fundraising activities	37,551	60,404
Charitable activities	37,552	60,405
	<u>75,103</u>	<u>120,809</u>

## PRS Members' Fund

### Notes to the financial statements For the year ended 31 December 2021

#### 11. Staff costs

Staff are employed by an administration company of the Performing Rights Society Limited, who also charge the Fund with the total related costs, including VAT. The pension scheme is also administered by that company.

	<b>2021</b> £	<i>2020</i> £
Wages and salaries	165,268	162,424
Social security costs	14,982	16,977
Pension contributions	20,897	11,619
Irrecoverable VAT on above costs	13,240	16,300
	<u>214,387</u>	<u>207,320</u>

The average number of persons employed by the Charity during the year was as follows:

	<b>2021</b> No.	<i>2020</i> No.
Administration	<u>5</u>	<u>5</u>

The Fund has 2 full-time staff (2020: 2), 3 part-time staff members (2020: 3) and 3 contracted visitors (2020: 3) and, in addition, uses temporary staff and volunteers as required.

The Fund considers its key management personnel comprises the Trustees. The Trustees did not receive any remuneration or other financial benefits for the year, directly or indirectly, from the Charity's funds (2020: £Nil).

#### Allocation of staff costs

Staff costs are apportioned to the following activities based on an estimate of time spent on each activity.

	<b>2021</b> £	<i>2020</i> £
Publicity and fundraising activities	109,637	103,661
Charitable activities	104,750	103,659
	<u>214,387</u>	<u>207,320</u>

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**PRS Members' Fund**


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**Notes to the financial statements**  
**For the year ended 31 December 2021**


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**12. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

15 Trustees (2020: 15) were reimbursed for travel expenses for the amount of £1,346 in the year (2020: £1,867).

**13. Tangible fixed assets**

	<b>Computer equipment £</b>
<b>Cost</b>	
At 1 January 2021	17,271
At 31 December 2021	<u>17,271</u>
<b>Depreciation</b>	
At 1 January 2021	17,271
At 31 December 2021	<u>17,271</u>
<b>Net book value</b>	
At 31 December 2021	<u><u>-</u></u>
At 31 December 2020	<u><u>-</u></u>

**14. Investment property**

	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 January 2021	227,000
Surplus on revaluation	23,000
At 31 December 2021	<u><u>250,000</u></u>

The property was valued by Freeman Forman Estate Agents, trading as part of the Countrywide Estate Agents group on an open market basis.

## PRS Members' Fund

### Notes to the financial statements For the year ended 31 December 2021

#### 15. Fixed asset investments

	<b>Listed investments £</b>	
<b>Valuation</b>		
At 1 January 2021		12,420,894
Additions		2,881,578
Disposals		(1,503,056)
Revaluations		1,579,422
At 31 December 2021		<u>15,378,838</u>
	<b>2021 £</b>	<b>2020 £</b>
<b>Investments at market value comprise:</b>		
UK Fixed interest securities	1,021,069	1,752,000
Equities	13,044,863	9,636,000
Other investments	1,312,906	1,033,000
	<u>15,378,838</u>	<u>12,421,000</u>

All investments are carried at their fair value. Investments in bonds, equities, property and alternative investments are all traded in quoted public markets, primarily the London Stock Exchange. The basis of fair value for quoted investments is equivalent to the market value, using mid-market price. Asset sales and purchases are recognised at the date of trade at cost (i.e. their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Fund is considered in the financial review and investment policy and performance sections of the Report of the Trustees.

The main risk to the Fund from financial instruments lies in the combination of uncertain investment markets and volatility in yield. The Fund is reliant on dividend yield in part to finance its work and this leads to greater exposure to international companies, the values of which, together with their yield, are exposed to exchange rate risk when converting the holdings into sterling.

The Fund manages these investment risks by retaining expert advisers and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Fund does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer-term yield total return.

## PRS Members' Fund

### Notes to the financial statements For the year ended 31 December 2021

#### 16. Social investments

	Programme related investments £
<b>Cost</b>	
At 1 January 2021	376,937
Accrued interest	2,500
Repayments	(66,654)
<b>Cost at 31 December 2021</b>	<b>312,783</b>

Social investments comprise:

#### Programme related investments

	Loans 2021	Total 2021	Total 2020
	£	£	£
Loans to beneficiaries	206,763	206,763	258,352
East Boro Housing Trust Limited	106,020	106,020	118,585
<b>Total</b>	<b>312,783</b>	<b>312,783</b>	<b>376,937</b>

#### 17. Debtors

	2021 £	2020 £
<b>Due within one year</b>		
Sundry debtors	3,254	123,435
	<b>3,254</b>	<b>123,435</b>

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**PRS Members' Fund**


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**Notes to the financial statements**  
**For the year ended 31 December 2021**


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**18. Current asset investments**

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<b>£</b>
Unlisted investments (liquid)	178,802	1,617,663
	<u>178,802</u>	<u>1,617,663</u>

**19. Creditors: Amounts falling due within one year**

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<b>£</b>
Other taxation and social security	22,650	36,736
Accruals and deferred income	115,495	95,031
	<u>138,145</u>	<u>131,767</u>

**20. Financial instruments**

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	16,728,903	15,169,514
	<u>16,728,903</u>	<u>15,169,514</u>

Financial assets measured at fair value through income and expenditure comprise listed investments, investment property and cash and cash equivalents.

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**PRS Members' Fund**


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**Notes to the financial statements**  
**For the year ended 31 December 2021**


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**21. Statement of funds****Statement of funds - current year**

	<b>Balance at 1 January 2021 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers in/out £</b>	<b>Gains/ (Losses) £</b>	<b>Balance at 31 December 2021 £</b>
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Investments	12,648,119	310,854	(67,198)	1,134,641	1,602,422	15,628,838
Winter heating scheme	-	-	-	197,180	-	197,180
	<u>12,648,119</u>	<u>310,854</u>	<u>(67,198)</u>	<u>1,331,821</u>	<u>1,602,422</u>	<u>15,826,018</u>
<b>General funds</b>						
General fund	<u>2,890,000</u>	<u>518,134</u>	<u>(998,536)</u>	<u>(1,331,821)</u>	<u>-</u>	<u>1,077,777</u>
<b>Total Unrestricted funds</b>	<u>15,538,119</u>	<u>828,988</u>	<u>(1,065,734)</u>	<u>-</u>	<u>1,602,422</u>	<u>16,903,795</u>
<b>Restricted funds</b>						
Francis W Reckitt fund	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000</u>
<b>Total of funds</b>	<u><u>15,538,119</u></u>	<u><u>831,988</u></u>	<u><u>(1,065,734)</u></u>	<u><u>-</u></u>	<u><u>1,602,422</u></u>	<u><u>16,906,795</u></u>

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## PRS Members' Fund

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### Notes to the financial statements For the year ended 31 December 2021

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#### 21. Statement of funds (continued)

The purpose of the charity's funds are as follows:

##### **Unrestricted funds**

###### General fund

The general fund represents the funds of the Charity which are not designated for particular purposes.

##### **Designated funds**

###### Investments

The investments fund represents the fair value at the Balance Sheet date of both the Fund's listed investments and investment property.

###### Winter heating scheme

In 2021 the Trustees of the Fund agreed to designate monies to assist beneficiaries with increasing home fuel costs. These monies are expected to be spent over subsequent winters.

##### **Restricted funds**

###### Francis W Reckitt fund

The Francis W Reckitt Arts Trust gives grants to professional artists, writers and composers to find time and space away from home for creative holidays and periods of recovery. The song writing retreat and R&R scheme opened back up in 2021. The Trust made a £3,000 grant to the Fund to cover board and lodging for eligible PRS members.

##### **Transfers between funds:**

At the year end, £197,180 was transferred from the general fund to designated funds to create the new Winter Heating scheme created by the Trustees. A further £1,134,641 was transferred from the general fund to the designated investments fund to bring the value of that fund in-line with the fair value as presented on the Balance Sheet.



## PRS Members' Fund

### Notes to the financial statements For the year ended 31 December 2021

#### 21. Statement of funds (continued)

##### Statement of funds - prior year

	<i>Balance at 1 January 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2020 £</i>
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Investments	14,542,000	304,119	(70,000)	(3,066,000)	938,000	12,648,119
<b>General funds</b>						
General fund	587,000	1,869,000	(2,632,000)	3,066,000	-	2,890,000
<b>Total Unrestricted funds</b>	<u>15,129,000</u>	<u>2,173,119</u>	<u>(2,702,000)</u>	<u>-</u>	<u>938,000</u>	<u>15,538,119</u>

#### 22. Analysis of net assets between funds

##### Analysis of net assets between funds - current year

	<b>Restricted funds 2021 £</b>	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Fixed asset investments	-	15,378,838	15,378,838
Investment property	-	250,000	250,000
Social investments	-	312,783	312,783
Current assets	3,000	1,100,319	1,103,319
Creditors due within one year	-	(138,145)	(138,145)
<b>Total</b>	<u>3,000</u>	<u>16,903,795</u>	<u>16,906,795</u>

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**PRS Members' Fund**


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**Notes to the financial statements**  
**For the year ended 31 December 2021**


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**22. Analysis of net assets between funds (continued)**
**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2020</i>	<i>Total funds 2020</i>
	£	£
Fixed asset investments	12,420,893	12,420,893
Investment property	227,000	227,000
Social investments	376,937	376,937
Current assets	2,645,056	2,645,056
Creditors due within one year	(131,767)	(131,767)
<b>Total</b>	<u><u>15,538,119</u></u>	<u><u>15,538,119</u></u>

**23. Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2021</b> £	2020 £
Net income for the year (as per Statement of Financial Activities)	1,345,676	393,483
<b>Adjustments for:</b>		
Gain on investments	(1,579,422)	(924,668)
Dividends, interests and rents from investments	(328,191)	(303,835)
Decrease/(increase) in debtors	120,181	(48,435)
Increase/(decrease) in creditors	6,378	(2,233)
<b>Net cash used in operating activities</b>	<u><u>(435,378)</u></u>	<u><u>(885,688)</u></u>

**24. Analysis of cash and cash equivalents**

	<b>2021</b> £	2020 £
Cash in hand	921,263	903,958
Dealing account deposit	178,802	1,617,663
<b>Total cash and cash equivalents</b>	<u><u>1,100,065</u></u>	<u><u>2,521,621</u></u>

## PRS Members' Fund

### Notes to the financial statements For the year ended 31 December 2021

#### 25. Analysis of changes in net debt

	At 1 January 2021	Cash flows	At 31 December 2021
	£	£	£
Cash at bank and in hand	903,958	17,305	921,263
Liquid investments	1,617,663	(1,438,861)	178,802
	<u>2,521,621</u>	<u>(1,421,556)</u>	<u>1,100,065</u>

#### 26. Contingent liabilities

The five staff are not directly employed by the Fund, and given that there is no separate valuation of the scheme's assets and actuarial liabilities that relate to the Fund's staff, contributions to the scheme are treated as if the scheme was a defined contribution scheme. Full details of the scheme and its deficit are included in the financial statements of PRS For Music Limited.

Employer contributions are affected by the deficit in the scheme and the Fund has been asked to pay additional annual contributions of approximately £5,000 for the next 14 years, together with a share of the final lump sum payment, estimated at around £70,000. The amount of this future commitment is still subject to negotiation and agreement between the Fund and the scheme operator. As the additional annual contribution amounts could vary and the final lump sum is subject to agreement, it is not possible to reliably measure the current value of the liability and for this reason, a liability has not been recognised in the accounts.

#### 27. Operating lease commitments

At 31 December 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	-	42,320
Later than 1 year and not later than 5 years	-	169,281
Later than 5 years	-	144,005
	<u>-</u>	<u>355,606</u>

The Fund had no commitments under non-cancellable operating leases at 31 December 2021.

#### 28. Related party transactions

With the exception of those transactions disclosed in Note 11, there were no other related party transactions during the year ended 31 December 2021 (2020: £Nil).