

## **The Royal Society of Musicians of Great Britain**

Founded 1738 Incorporated by Royal Charters 1790 & 1987 (revised 2019) and registered as Charity No: 208879  
26 Fitzroy Square, London W1T 6BT

### **Trustees' Annual Report**

#### **For the year ended 31 July 2021**

The Trustees of The Royal Society of Musicians of Great Britain (the Society) present their Annual Report for the year ended 31 July 2021.

#### **Objectives and Activities**

The objects of the Society as set out in the Royal Charters of 1790 and 1987, as amended at the AGM on 16 December 2018 are the relief of poverty and sickness among:

- a) Professional musicians and individuals professionally active in the world of music;
- b) Former professional musicians, individuals who were professionally active in the world of music and persons aspiring and intending to embark on careers as professional musicians; and
- c) The families and dependants of any of the foregoing (priority being given to Members of the Society, or, as the case may be, to the families and dependants of such Members or deceased Members, over persons who are not Members of the Society).

To achieve its objects, the Society operates a grant-making programme open to all applicants fitting the basic criteria, but not to those who are suffering from want of employment. The continuing objective of the Society is to meet all reasonable needs presented to it. Applications from non-members must be supported by a Member or Honorary Member of the Society, an approved organisation, or a report by the Caseworker.

Membership of the Society confers on Members the right and duty to notify the Society of colleagues in distress, and to promulgate the existence of the Society. In order to be able to identify and respond swiftly to those in need, the Society actively seeks to recruit new Members from across the music profession. Originally established as an insurance scheme for Members, membership is nowadays considered purely for altruistic reasons and many Members generously donate over and above their annual subscription. The Society relies heavily on Members to inform them of colleagues in need and without the voluntary assistance of its Members the Society would be far less able to provide the current levels of support.

The Trustees are aware of their duty to have regard to Charity Commission guidance on public benefit and have no doubt that, since the Supplemental Charter of 1987 opened assistance to non-members, their work is conducted for the benefit of the public. In the year to 31 July 2021, 89% of grants were made to non-members (2020: 88%) in line with the applications received. The only restriction on eligibility relates to the applicant's profession.

Assistance goes beyond the provision of funds. The Society's Casework team provide encouragement and a listening ear to beneficiaries and are often able to direct beneficiaries or unsuccessful applicants to other sources of funds and advice. Through our network of Medical Advisers and The British Association

of Performing Arts Medicine (BAPAM) the Society is able to offer beneficiaries medical advice attuned to their specific needs, thus enabling a swift return to good health.

### **Achievements and Performance**

The COVID-19 fallout has been devastating for the profession not only financially, but the emotional impact has also been significant. As such, it has been more important than ever for the Society to provide support to those whose lives have been affected by accident, illness, stress or anxiety.

Since the first COVID-19 lockdown was announced on 23 March 2020, 377 individuals have been awarded a total of 724 grants. This year we have also accepted applications from those suffering with long Covid symptoms, giving an indication of the impact of the pandemic on physical health. With many musicians unable to work during this period, it is possibly not unexpected that we have seen a fall in requests for physical therapies to help musculoskeletal injuries, including those related to the hands. We have instead, seen a notable increase in applications for mental health support and with the exception of living expenses and gifts, the highest number of grants awarded in 2021 were in this category. This contrasts with previous years where it was physical therapies and is indicative of how the pandemic is affecting the profession. This year, we have also dealt with an increased number of younger claimants. Of those beneficiaries who provided age details, the highest percentage supported by the Society were in the 31-40 age bracket. This contrasts with 2020 when the highest number of grants were offered to those aged between 61 and 70.

Throughout the year, we have received requests for assistance from those who do not have any health needs, but who are struggling financially as a result of the pandemic. Although our Constitution does not permit assistance to be given to make up for loss of earnings, the Society has a duty to help in whatever way it can, in the face of the unprecedented difficulties experienced during this period. Consequently, and with permission from the Charity Commission, a further £600,000 was made available to the profession this year, primarily to give emergency financial support to those not eligible for Government schemes. This takes our total contribution since the start of the pandemic to £1.1 million. As with our initial £500,000 contribution, the administration of these funds was undertaken by Help Musicians UK through their Coronavirus Hardship Fund, ensuring the Society can remain focussed on supporting those whose lives have been affected by accident and illness, stress and anxiety.

Virtual interactions have played a key role in many of our lives during the pandemic; however those without access to the necessary facilities either on a permanent basis or just during the lockdown period, have not been able to benefit. Many individuals who have been cut off from family, friends and colleagues have experienced isolation and loneliness, and the closure of local support services has had a significant impact, especially on those with low incomes. Consequently, it has been important for the Society to develop the range of support it provides to the profession.

The Social Network, set up last year by a team of volunteer Members to enable everyone in the profession to stay connected during the periods of lockdown, continued to grow this year. The once-a-

month online get-togethers were extended to coffee mornings and evening gatherings and have been regularly attended by Members and non-members alike. Regular phone calls have also been made to those who prefer to chat on a one-to-one basis, or who are unable to join online. The Network has welcomed many within the profession who have not previously engaged with Society activities and those who have benefited from this platform agree, that it has been a great way of catching up with friends and colleagues as well as offering a lifeline to those who have felt isolated during periods of lockdown. The Network has provided a very successful way of spreading awareness of the Society with several non-members expressing an interest in membership and others attending our Healthy Practice Webinar Series. The Governors extend their heartfelt gratitude to former Chairman, Fiona Grant MBE and to the wider Committee members for their ongoing commitment to the Network this year. We would also like to thank Governor Chris Bain for continuing to act as Zoom host for the get-togethers.

The health and wellbeing of the profession has remained at the forefront of all our activities this year and we have worked hard to provide services above and beyond our grant giving programme, especially those offering a more holistic approach. In addition to our Social Network, we have launched a hugely successful Healthy Practice Webinar Series. Following a pilot webinar: *Fit to Play, Mental Health and Return to Work* in September 2020, a series of 13 webinars was developed in partnership with BAPAM (the British Association of Performing Arts Medicine) addressing subjects including physical, vocal and emotional health, neurodiversity, performance anxiety and *playing on the edge* which considered safety and hazards on stage, in the pit, on tour and during COVID-19 from a legal, psychological and health and safety management perspective. Beginning in January 2021, each session was presented by practitioners attuned to the specialists needs of musicians, with additional resources being made available to attendees after each webinar. The sessions were consistently sold out, with over half being repeated due to high demand. The overall Series received over 1,000 sign-ups and has not only provided an incredibly helpful resource but has also, as with the Social Network, proved to be a cost-effective and beneficial way of spreading awareness of the Society throughout the profession.

The importance of collaboration has never been clearer than during the pandemic, as networks of communication and shared spaces either closed down completely or were greatly reduced. Working in partnership helps organisations such as ours, better understand the needs of potential beneficiaries, the music profession and the wider charity sector. Additionally, it can significantly improve the experience of those asking for help. For the Society this means working with other charities, benevolent funds, campaign groups and professional bodies. We have been improving our relationships across this network of organisations, building trust and working towards a shared vision. Our most significant collaboration over the last year has been with the BAPAM.

This reporting period has seen the completion of our Casework Scoping Project. Run in partnership with BAPAM, with the Society's Consultant in Pain Medicine Dr Anthony Ordman acting as Clinical Adviser, the project enabled a detailed review of all Casework processes and procedures, thus ensuring we are able to provide the best support to those who need us. We have worked closely with BAPAM staff to enable the development of our internal systems and the introduction of protocols and procedures relating to the

management of complex cases, ongoing beneficiary care, possible conflicts of opinion and delegated decision making, all of which are now assisting our staff and Governors in Casework activities. BAPAM has also continued to provide support to the Society throughout the year which has included the referral of a significant number of musicians in need of support. Would like to thank BAPAM CEO, Claire Cordeaux and her team, for everything they have done to support the Society this year and we look forward to the further development of this very successful partnership.

Alongside BAPAM, the Society works with a network of medical professionals who have given us their time and expertise over a number of years, as Medical Advisers. In addition to providing advice to beneficiaries, it is hoped that we will now work with this group at a more strategic level and as part of these discussions, our Consultant in Pain Medicine, Dr Anthony Ordman was invited to present his thoughts about the development of the group to the Society's Governors. Dr Ordman began working with the Society in 2008 and his role has developed considerably since then, not only in the provision of clinical advice, but also playing an integral role in our review of Casework activities. Dr Ordman has also assisted the Head of Casework in contacting our Medical Advisers to discuss their continued role. We are so grateful to Dr Ordman for his continued support of our work and would also like to thank Mr Duncan Edworthy (Consultant Dental Surgeon), Dr Michael Lunn (Consultant Neurologist) and Mr Guri Sandhu (Consultant Otolaryngologist Head and Neck Surgeon ) who have agreed to continue to act as Medical Advisers to the Society.

In March we were delighted to join Music Minds Matter, an initiative established by Help Musicians UK in partnership with a number of organisations, to meet the growing need for mental health support across the profession. The Society has been invited to become a strategic partner which will see it listed as a resource for those approaching the campaign for support. The initiative is intended to increase the amount of mental health support for musicians and has been set up partly in response to the huge increase in demand for mental health services in the wake of the pandemic. Alongside mental health difficulties, hearing problems are one of the most reported health issues within the profession. They can be one of the most impactful problems to have as a musician and many may find it difficult to ask for help. The Society has continued to work with The Musicians' Hearing Service to ensure the best support for musicians, raise awareness and reduce stigma around the issue.

In September we hosted a forum for benevolent funds from orchestras and opera houses across the UK, as well as representatives from the freelance community, to discuss problems the profession is currently facing in light of the pandemic. This provided a useful platform to discuss how musicians were being supported as well as making connections between organisations, encouraging them to refer musicians in need.

The development of partnerships has been especially crucial over the past 18 months as many of the networks through which those in the profession had previously been referred to the Society, have broken down. In the 10-year period to 2020, the majority of applications to the Society, were referred and supported by Members, with just 27% coming to us via organisations. However in 2021, the figures were



very different, with the majority of applications (58%) supported by organisations and a much smaller percentage coming from Members.

Our Members are our Ambassadors and play a vital role in our nationwide network, informing us of colleagues in need or recommending others for membership. Members also raise awareness of our work across their networks and include details of their membership on professional websites and social media platforms. Despite the difficulties faced by the profession this year, we have been delighted to welcome 60 new Members into the Society. With our staff continuing to work from home during this reporting period, we have not yet been able to welcome this group to our building; however we hope to be able to do so very soon.

All Members' meetings, including the AGM, took place remotely this year using video conferencing software. Despite missing our in-person meetings in the Handel Room at our London premises at 26 Fitzroy Square, the convenience of communicating online has enabled Members to attend Meetings who ordinarily wouldn't have been able to do so, either for geographic reasons or due to work commitments which, during the past year, were not able to take place. Our virtual AGM was also very successful and despite the lack of mince pies (!), saw a record turnout with Members dialling in from across the globe! Despite the opportunities presented by our virtual meetings, we have been incredibly mindful of those who have not been able to join us online and have kept in contact with Members who regularly attended our in-person meetings but who don't have the means to do so remotely. We hope to be able to resume in-person meetings soon, and the success of our online gatherings means that we hope to be able to include an audio/visual element to enable those not able to join in person, to attend remotely. However, space limitations in the Handel Room mean that careful consideration must be given to the safety of in-person meetings and as such, Governors have taken the decision to continue with virtual Members' meetings until the end of 2021 at the earliest.

The Society's Membership Secretary, Ginny Leigh, worked hard this year to improve our communications with the membership. Regular update emails are now being sent to those Members for whom we hold an email address, which has helped to increase the number of Members engaging with the Society. Membership welcome packs have also been updated and now include more detailed information about the duties of our Members. New data protection legislation means that all Members are now required to actively 'opt in' to enable them to be included in the Society's Membership List. We would like to thank all Members who have taken the time to complete and return their Preferences Form and, despite requiring significant administrative effort on the part of the Society's staff, we were pleased that this necessary exercise also meant that many Members with whom we had lost contact, have now renewed their connections with the Society.

Staff and Governors have worked throughout the year to spread awareness of the Society through the music profession and charity sector. This has included attending conferences and webinars hosted by the Association of Charitable Organisations and the Charity Commission. The Society's Chief Executive Charlotte Penton-Smith joined Member and podcast presenter, Patrick Johns, on episode 34 of the Music

Teachers' Association Podcast to spread awareness of our work to music teachers across the UK. The episode is available on the Music Teachers' Association website. Special efforts have also been made this year by the CEO and Governors, to raise awareness of the John Birch Fund – a fund specifically for church musicians and it is hoped that this work will see an increased interest in the fund in the coming year.

This year we were delighted to launch the Philip and Ursula Jones Fund. This Fund will support brass players and their families across the UK and has been made possible thanks to the generosity of Member Ursula Jones. The Fund was launched in the 70<sup>th</sup> Anniversary year of both the formation of the Philip Jones Brass Ensemble and Philip's election as a Member of our Society. This year also marked 25 years since the last concert of the Philip Jones Brass Ensemble - a particularly fitting time to announce the inauguration of the Fund. Philip was a trumpeter who opened the world of chamber music for brass instrumentalists. He was appointed principal trumpeter of the Royal Opera House orchestra and in 1951, formed a brass quartet which eventually expanded and became the Philip Jones Brass Ensemble. Their repertoire was published as *Just Brass* by Chester Music (now known as Universal) and the ensemble made many recordings. We are so grateful to Ursula for her support in setting up this Fund and in helping us to reach out to more brass musicians. £3,000 has been awarded so far from this Fund and we hope to build on this work in the future.

The Society has continued to provide fine instruments on loan to musicians who would not otherwise be able to afford them through the Fine Instrument Scheme. We are delighted that Justin Pearson, who established the Scheme during his tenure as a Governor of the Society, will continue to be involved in the Scheme following a two year break. We are also pleased to have acquired a c.1815 George Dettmer square piano as a gift from a neighbour in Fitzroy Square, which is currently in situ in the Handel Room. The piano maker had been based in Fitzroy Square, and this provenance meant the neighbour was keen that the instrument remains within the local area. COVID-19 restrictions meant that our 26<sup>th</sup> Annual Jacqueline du Pré Charity Concert at Wigmore Hall had to be postponed this year. We are currently in discussions with Wigmore Hall to find a suitable alternative date, which we hope will be sometime in 2023. We would like to give sincere thanks to artists Emmanuel Pahud, Trevor Pinnock and Jonathan Manson who have so generously agreed to perform at the Concert.

In February we were delighted to welcome Leon Hart as our Head of Casework. Leon brings a wealth of experience from his previous work with charities including the RAF Benevolent Fund and Help the Aged, and is a fantastic addition to the Society's staff. Part of his role is to examine how our Casework department functions and how its processes can be streamlined to enable us to support more musicians. We are really pleased to have him on board, and are grateful to Caseworker Yinka Fasawe who, with support from the CEO, managed Casework single-handedly for the previous year. In July we sadly said goodbye to Membership Secretary Ginny Leigh who left her role to pursue the creative part of her career. We thank Ginny for her hard work and wish her all the best for the future. The Membership Secretary role is now being revised and we hope to recruit a new member of staff in the coming months.

All staff members have continued to work from home throughout the year which has not been without its challenges. Despite being forced to adapt to remote working, the team have coped admirably with the transition and have found many positives in the 'new normal'. Like many organisations, the Society found that lockdown spurred on the digitisation of many aspects of its work, much of which had already been in the pipeline. Staff continue to meet regularly, albeit virtually, and have managed the transition without impacting on the quality of support for beneficiaries. All staff have embraced many elements of home working and Governors therefore, want to ensure that post-pandemic working arrangements are inclusive and flexible. As such, we are now planning for a mixed and open-minded approach to the future, which may involve a blend of office and home-based working.

## Our Finances

Grant giving remains at the heart of the Society. This year a total of £594,078 was awarded in grants to individual musicians, with almost half of this total being paid from the Members' Memorial Fund (MMF). The MMF had previously been used for small gifts of £100 only; however, thanks to the generosity of our Members and supporters, the balance of the Fund had been increasing faster than we could award gifts. Governors therefore decided to broaden the scope of the Fund to include grants for living expenses, and to increase the value of the small gifts to £200. This change was considered to be in line with the original intention of the Fund and Governors took the view that our Members would rather see the criteria broadened than the funds remain unspent.

£54,421 was awarded from the Henry Wood Fund, all of which was for our Ex-Gratia grant scheme. This programme is for beneficiaries with long term needs who receive a quarterly payment to assist with living and medical expenses. The Henry Wood Fund receives income from the royalty payments for Vaughan Williams' *Serenade to Music*, which were kindly donated to the Society. A further £3,996 was awarded for the Ex-Gratia scheme from the Gershom-Parkington Fund. This Fund was reviewed this year and Governors decided to reclassify it as an endowment fund. Mr Frederick Gershom-Parkington was a Member of the Society who died in 1953 and bequeathed a generous legacy. In his Will, he requested that the funds be held in perpetuity by the Society, and that the income they generated be used to support musicians in need. The grants awarded this year from the fund are therefore lower than in value than in previous years.

£16,950 was awarded from the Stan Newsome Fund, which provides small gifts for musicians living and working in and around London. Because of the Covid-19 pandemic, many of the usual networks through which musicians refer their colleagues to the Fund were much reduced this year. Only 71 gifts of £200 were awarded from the fund this year (compared with 106 last year). The Governors decided to broaden the scope of this Fund to include small grants of up to £1,000 for living expenses (keeping to the requirement that the recipients live or work in and around London). This decision was taken to ensure that the Fund was used in the most beneficial way while keeping the spirit of the Fund intact. £2,750 was awarded from this Fund using the expanded criteria.

Using our restricted funds for so many grants this year meant that the £600,000 contribution to the Help Musicians UK Coronavirus Financial Hardship Fund made much less of a dent in our unrestricted reserves than it otherwise would have. The majority of all our grant giving came from our unrestricted funds, to the tune of £294,950. This is a much lower figure than in previous years, but overall the total value of grants awarded has increased by 3% from the previous year.

	2021 £	2020 £	2019 £	2018 £	2017 £
<b>Restricted Fund Grants</b>					
Gershon-Parkington Fund	3,996	-	59,425	71,526	89,311
Henry Wood Fund	54,421	-	20,879	25,136	29,204
Members Memorial Fund	209,800	7,400	11,100	11,000	10,050
Stan Newsome Fund	16,950	21,300	20,400	19,400	19,200
John Birch Fund	10,961	6,311	8,510	14,792	17,327
Philip and Ursula Jones Fund	3,000	-	-	-	-
Brereton Fund	-	200	145	-	-
	<b>299,128</b>	<b>35,211</b>	<b>120,459</b>	<b>141,854</b>	<b>165,092</b>
<b>Unrestricted Fund Grants</b>	<b>294,950</b>	<b>540,083</b>	<b>354,626</b>	<b>324,662</b>	<b>285,793</b>
<b>Total Grants</b>	<b>594,078</b>	<b>575,294</b>	<b>475,085</b>	<b>466,516</b>	<b>450,885</b>

Other expenditure on charitable activities came to a total of £140,170 (2020: £102,228), and the costs of raising funds was £164,916 (2020: £127,684). The costs of running the Society this year were £230,390 (2020: £308,117). Charitable activities therefore accounted for 77% of total expenditure, raising funds 10%, and support costs were 13%.

Over 40% of our income this year came from donations and legacies. In a year when many charities have struggled to maintain their income, we have been overwhelmed with the generosity of our Members and supporters. We received £191,826 in donations (2020: £61,420) for which we would like to say a huge thank you. One Member, who has wished to remain anonymous, donated an incredibly generous sum of £100,000 to support those whose lives have been impacted by the Coronavirus pandemic. Mindful of the spirit in which this donation was made, Governors agreed that this contribution be accepted by the Society, but diverted to Help Musicians UK for distribution through their Coronavirus Hardship Fund. We were thrilled to have received over £4,000 from Members' and supporters' own fundraising events – thanks to Ben Chappell, Richard Thomas and the Sacconi Quartet for their concerts, the Sully Family and Deborah Gatehouse for their Christmas events, to Dominic Moore and Paul Carey Jones for donating to our funds following sales of their books *Keep Fit for Violinists* and *Giving it Away: Classical Music in Lockdown and other fairytales*, and of course, to Helen Minshall for her heroic end to end swim across Lake Windermere. Thanks to the Royal Opera House, London Symphony Orchestra and BBC Singers for their fantastic collections. We are also grateful to receive the proceeds from *The Trumpet Shall Sound!* concert in commemoration of the life and work of John King, which took place in June.

This year we also received £360,686 in legacies (2020: £61,788). Governors are extremely grateful to the late Andrew Hamilton, Hilary Bracefield, Elizabeth Levy, John Glenister, Mary Remnant, Una Warnes, Geoffrey Shaw, Christina Ward, Jennifer Bate, and John Edney who remembered the Society in their wills.

The remaining 60% of our income was from our investments, including our building at 26 Fitzroy Square, and our portfolio of stocks and shares. The building remained fully tenanted during the year, bringing in a rental income of £113,758 (2020: £111,940). Premises costs attributable to raising funds this year were £29,742 (2020: £27,099).

The larger part of our income comes, as usual, from our investment portfolio, which raised £696,545 in dividends and interest. The portfolio continues to be managed on a discretionary basis. Governors remain fully informed of all updates to the portfolio and meet representatives from the Society's Broker, Vermeer Partners on a quarterly basis to discuss trades and performance. Our investments continue to be managed as one portfolio which is then apportioned to the individual funds, and dividends, charges, gains and losses are allocated in the same proportions. It is the Society's policy to hold a broad and balanced medium-risk investment portfolio which maximises the income stream whilst at the same time, aims to achieve capital growth. The Society does not invest in tobacco and gambling companies, arms manufacturers or those offering payday loans. We are also wary of alcohol companies and those seeking more than 10% of revenue from the extraction of fossil fuels. Governors have continued to discuss the ethics of our investment policy and aim to keep this policy under regular review.

Last year was a challenging one for the investments due to the uncertainty and disruption caused by Covid-19 and global politics. However, the portfolio is diversified both in type of investment and industry sector as well as geographically. We are pleased to report that this approach appears to have helped mitigate against the worst impacts of market volatility. This year the portfolio recovered its value significantly, ending the year with a 2.45% total return on investment (income and growth). Our Brokers have worked with us to set prudent income and growth forecasts to ensure that the portfolio remains healthy for future years.

Our Balance Sheet is very healthy. Our reserves are split into Endowment Funds (which cannot be spent but generate income), Restricted Funds (which can only be used for the purposes for which they were given) and Unrestricted Funds which are available for the general purposes of the Society. At the financial year end the Society's Unrestricted Funds amounted to £36,268,998, of which £35,379,995 was represented by investments and fixed assets. These provide a valuable source of income for the Society. The free funds available to the Society at 31 July 2021 were, therefore, £889,003 (2020: £553,045). Charity law and regulations require Trustees to consider the level of funds needed to ensure the continuance of the organisation. For the Society it has been considered prudent to continue to aim to hold an amount equivalent to six months' expenditure as Unrestricted Funds: currently this would be around £475,000. £400,000 was therefore transferred to the investment portfolio just after the end of the financial year to reduce the free reserves to a more sustainable level and maximise the funds available for investment.

The Trustees regularly review the main risks faced by the Society and ensure that appropriate mitigation is put in place. This may be by the adoption of specific routines or by insurance. This main risk review is supported by Health and Safety reviews as required by legislation. The key risks identified in 2021 are:

- Casework lacking in strategic direction, leading to risks of a fall in beneficiary numbers and the growing needs of the profession not being adequately met. This risk is currently being addressed by the formation of a strategic plan for casework, informed by the Casework Scoping Project and led by the Head of Casework.
- Office systems and procedures requiring updating, leading to an inability to effectively and efficiently manage a potential increase in beneficiary numbers, which could also increase stress levels for staff. These risks are being mitigated by reviewing and upgrading our internal systems in line with our broader strategic aims.
- Risks associated with the Covid-19 pandemic. These include risks to the health and wellbeing of staff, Governors, Members and our tenants at 26 Fitzroy Square. These risks have been addressed by ongoing home-working, moving meetings to online spaces and regularly reviewing our health and safety policies and practices.

### **Plans for the Future**

Much of the focus of the current year has been spent analysing our systems and processes and dealing with all the challenges of the pandemic. Next year we hope to move on to implementing the lessons we have learnt from this period of analysis and reflection. This includes the implementation of our Casework strategic plan which will enable the Society to increase the number of beneficiaries it supports and further improve the quality of the help it provides.

Governors have discussed the benefits of automation of more menial tasks in the Casework team's working practices and have acknowledged the importance and value of effective and efficient systems within the office. As such, our internal IT systems will be upgraded, aiming to automate and streamline internal processes and free up staff time to help more musicians in need. Key areas for development include tracking and monitoring of enquiries, online receipt and processing of applications and automated applications for assistance schedule production. Additional functionality would also enable more efficient grants management. Staff time in undertaking administrative tasks will then be reduced, leaving more time to talk to beneficiaries and cope with increased applications, as well as other tasks including representing the Society at events across the UK; developing and maintaining relationships with new/less-familiar like-minded organisations; and more in-depth beneficiary monitoring and evaluation

BAPAM will remain as our clinical partner but at a much-reduced level from the current year. Referrals between the Society and BAPAM will continue and they will also provide advice in the consideration of more complex cases. There will also be options for BAPAM to assist with developing protocols when required as well as providing advice to the Governors if there is a conflict of opinion about more complex cases. The role of our Medical Advisers will continue to be developed this year, led by our Consultant in Pain Medicine, Dr Anthony Ordman.

In partnership with BAPAM, we will also be developing our Healthy Practice Webinar Series, expanding on some of the subjects dealt with in 2021. Based on feedback received from attendees this year and recent patterns in our grant giving the following Webinars will take place in 2021-22: *Tinnitus; Sustaining a career into old age; Rehabilitation post-operation; Fitness training – planning your schedule* and *Mental Health – imposter syndrome, self-worth, perfectionism and managing problems in the moment*.

Development of the Series will provide valuable support and advice to those who attend the Webinars. It has also enabled opportunities to partner with academic research projects as part of University College London's Department of Performing Arts Medicine – namely issues raised at the *Playing on the Edge* webinar in March 2021 and the focussed interest in the support of brass musicians following the launch of the Philip and Ursula Jones Fund.

The recruitment of a Head of Membership and Communications will enable the formation of an exciting and creative, yet appropriate strategy using a variety of platforms, to enable the Society to maximise its presence and appeal across the music profession and within other key stakeholder groups. The strategy will also improve the impact of our membership communications, to enable the sustainable growth of the membership and ensure that the Society continues to operate at the highest possible standard, whilst at the same time securing its position as one of the leading resources for the profession.

### **Governance and administration**

As noted in the header to the Report, the Society is a Registered Charity incorporated by Royal Charter and under the patronage of Her Majesty, The Queen.

The Society was established as a membership organisation run by its Members. Members elect a Court of Assistants consisting of no fewer than 24 members and no more than 48 members. Members of the Court and Governors elect 12 Members of the Society as Governors, who have the principal responsibility for the conduct of the Society's affairs. In turn the Governors elect a Chairman, Vice-Chairman and Treasurer each January from their number. In January 2021 John Smith OBE and Benedict Cruft were elected as Chairman and Vice-Chairman respectively and Chris Bain was re-elected as Treasurer. Benedict stepped down as Vice-Chairman on 10 March 2021 and Governors elected Clare McCaldin to continue in this role from 13 April 2021. Governors report to the monthly meeting of the Court of Assistants and Members. Details of those who have served as members of the Court of Assistants and Governors throughout the period and to the date of this report are provided elsewhere in this paper.

Governors delegate much of the Society's business to the staff, the Chief Executive, Head of Casework, Caseworker, Membership Secretary and Finance & Administration Officer who have responsibility for day-to-day operations including liaising with applicants and beneficiaries, managing the membership, running the office and providing reports for the monthly Governors' meeting and quarterly Finance Committee meetings. All major grants are determined by the Governors based on the reports they receive. Major or unusual expenditure is also authorised by Governors who also retain responsibility for setting staff remuneration, recruitment and dismissal.

Newly-elected Governors are advised about the responsibilities of their role and are supported by more experienced colleagues. Governors receive guidelines relevant to their role including information from the Charity Commission, auditors, solicitors and brokers as it is available. In addition, Governors attend induction and training sessions and are required to sign the Governors' Code of Conduct. From October 2020, a Declaration of Interests form will also be completed by all Governors.

**Arrangements for setting remuneration**

The remuneration of all members of staff is reviewed annually by the Governors. Staff are appraised annually by the Chairman and one other Governor and their recommendations are considered alongside details of movement in standard indices prepared by the Office of National Statistics including CPI, RPI and average earnings.

This report has been prepared in accordance with relevant statutory requirements, the requirements of the Royal Charter and Constitution and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). It has been agreed by the Governors and is signed on their behalf by:



John Smith OBE  
Chairman  
October 2021



## New Members

We welcome the following who have been elected since the last report:

Philip Aird	Geoffrey Govier	Sylvia Murphy
Karen Anstee	Anthony Gritten	Dr Anthony Ordman FRCA, FRCP
Rodney Argent	Brian Gulland	Chereene Price
Charlotte Ashton	Lucy Hare	Andrew Ross
Joseph Atkins	Victoria Harrild	Lucy Russell
John Bimson	Jackie Hartley	Matthew Schellhorn
Roger Birnstingl	Tim Horton	Michael Seal
Alexandru-Mihai Bota	Richard Ingham	Paul Silverthorne
Phil Boughton	Christian Jones	Rachel Simms
Julia Bradshaw	Anna Le Hair	Peter Smith
Harry Bramma	Sally Jackson	Steve Socci
Gerard Brooks	Zami Jalil	Hannah Turnbull
Ya-Heng (Judy) Cheng	Timothy Lines	Peter Walton
Benjamin Clarke	Mike Lloyd	Jeremy Watt
Roy Cox	Andrew Lucas	William Whitehead
Erica Dearing	Anne Macdonald	Peter Wilman
Stephen Disley	Bruce Martin	Paul Wing
Robert Emery	Elizabeth May	Anne Wilson
Margaret Fingerhut	John Melbourne	
Cheryl Frances-Hoad	Sally Melbourne	
Selma Gokcen	Hugh Morris	

## In Memoriam

Sadly, each year we are notified of Members who have passed away either within the current year or earlier. We report the deaths of the following Members and former Members since the last report:

Kenneth Alwyn	Dr Michael Foster	Professor John Morehen
Timothy Baxter	Sir Roger Gifford	Anthony Payne
Keith Bleasdale	Erich Gruenberg OBE	James Peschek
Barry Booth	Christine Hubbard	Anna Shuttleworth
Dr Julian Bream CBE	Rinat Ibragimov	Christina Ward
Clive Brown	Kenneth V Jones.	Una Warnes
William Brown	Christopher Larkin	Eric Wetherell
Dr John Buttrey	Richard Lloyd	
Maurice Checker	Patricia Lovell	
John Duffy	Dr Jane Manning OBE	
Dr Osian Ellis CBE	Andrew McGavin	

With permission from the bereaved families, each name will be inscribed in the Book of Remembrance held in the Musicians' Chapel at the National Musicians' Church, St Sepulchre-without-Newgate in the City of London and announced at a Service of Thanksgiving, planned to take place on Wednesday 18 May 2022 at 5.00 p.m.. Former colleagues, family and friends are warmly invited to this annual commemoration which will also acknowledge musicians who were not Members of the Society, but who

have also passed away. We are grateful to our Members Gillian Cracknell, Christopher Field, Tim Jones, Simon Lindley, Richard Lyne, Andrew Morris and Mark Wildman, who, with other Trustees of the Friends of the Musicians' Chapel are responsible for arranging this.

## Thank you

The Society is grateful to:

- BAPAM for their specialist work with those professionally active in the world of music
- CBSO Benevolent Fund, Guildhall School of Music and Drama, Help Musicians UK, Incorporated Society of Musicians, Music Industry Therapist Collective, Musicians' Union, Phonographic Performance Ltd, PRS Members' Fund, Royal Academy of Music, Royal College of Music, Royal Philharmonic Society and Victoria Wood Foundation for referring beneficiaries to us.
- The following, for their services this year;
  - Money Adviser and Medical Advisers
  - Archivist: Colin Coleman
  - IT Consultant: Matt Jenkins
  - Auditors: Moore Kingston Smith LLP, Devonshire House, 60 Goswell Road, London EC1M 7AD
  - Fine Musical Instrument Advisers: J & A Beare Ltd, 30 Queen Anne Street, London W1G 8HX
  - 26 Fitzroy Square Architect: Russell Taylor Architects, 85 Blackfriars Road, London SE1 8HA
- Honorary Members John Chown and Richard Legge and Member Richard Baker for attending and advising the quarterly Finance meetings.
- Our Staff:
  - Chief Executive: Charlotte Penton-Smith
  - Head of Casework: Leon Hart from 22 February 2021
  - Caseworker: Yinka Fasawe
  - Membership Secretary: Ginny Leigh until 21 July 2021
  - Finance & Administration Officer Ruth Lorimer

## Governors and members of the Court of Assistants 1 August 2020 – 19 October 2021

The Society's AGM in 2020 was held on 20 December.

### Governors

Chris Bain  
Robert Bourton *resigned at AGM 2020*  
Benedict Cruft  
Jacoba Gale *elected at AGM 2020*  
Patrick Garvey  
Fiona Grant MBE *retired at AGM 2020*  
Sally Groves

### Court of Assistants

Stuart Allen *retired at AGM 2020*  
Vyvyan Brooks  
Adrian Brown  
George Caird *retired at AGM 2020*  
Donna Chapman *retired at AGM 2020*  
Elaine Cocks  
Nickie Dixon *elected at AGM 2020*  
Deirdre Dundas Grant *retired at AGM 2020*  
David Flood *elected at AGM 2020*  
Phoebe Fullbrook *elected at AGM 2020*  
Jacoba Gale *resigned at AGM 2020*  
Nessa Glen *retired at AGM 2020*  
David Gordon-Shute  
Linda Esther Gray  
Sandra Hambleton-Smith  
Dr Philip Hammond  
Chris Hankin *elected at AGM 2020*  
Keith Harling  
Benjamin Hughes  
Jamie Hutchinson  
Jacquelyn Hynes *elected at AGM 2020*  
Carl Jackson MVO *elected at AGM 2020*  
Jean Kelly  
Miriam Keogh *elected at AGM 2020*  
Jane Lister *retired at AGM 2020*

Clare McCaldin  
Kim Murphy *elected at AGM 2020*  
Ian Partridge CBE *retired at AGM 2020*  
Jonathan Rennert  
John Smith *Chairman from January 2021*  
Clare Tyack *elected at AGM 2020*  
Lawrence Wallington *elected at AGM 2020*  
Diane Widdison  
  
Lennox Mackenzie OBE *retired at AGM 2020*  
Judy Manning  
Joanna Marsh  
Ashley Mason  
Sophie Mather  
Brenda Meek  
Amos Miller *elected at AGM 2019*  
Alison Moncrieff-Kelly *elected at AGM 2020*  
Viktor Obsust  
Marianne Olyver *elected at AGM 2020*  
David Openshaw  
Myra Pigott *retired at AGM 2020*  
Kevin Price  
Paul Pritchard  
Ewan Robertson  
Alistair Scahill  
Brian Schiele  
Paul Speirs  
Frederick Summerbell *retired at AGM 2020*  
Richard Thomas  
Elinor Tolfree  
Clare Tyack *resigned at AGM 2020*  
George Vass *elected at AGM 2020*  
Karen Vaughan *retired at AGM 2020*  
Sarah Watts *elected at AGM 2020*  
Howard Williams *elected at AGM 2020*  
Sarah Williams

Yvonne Wooldridge *elected at AGM 2020*

**Summarised Statement of Financial Activities**  
**For the year ended 31 July 2021**

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
Income and endowments from:					
Donations and legacies	458,495	126,317	-	584,812	148,968
Other trading activities	450	-	-	450	19,985
Investments	784,113	26,270	-	810,383	759,996
Total	1,243,058	152,587	-	1,395,645	928,949
Expenditure on:					
Raising funds	196,500	3,534	1,541	201,575	171,685
Charitable activities	1,128,851	399,128	-	1,527,979	1,442,838
Total	1,325,351	402,662	1,541	1,729,554	1,614,523
Net Valuation gains/(losses)	5,259,113	147,615	64,352	5,471,080	(1,574,523)
Net income for the year	5,176,820	(102,460)	62,811	5,137,171	(2,260,097)
Transfers between funds	(117,546)	(126,808)	244,354	-	-
Net movement in funds	5,059,274	(229,268)	307,165	5,137,171	(2,260,097)
Reconciliation of funds:					
Total funds brought forward	31,209,724	810,250	42,691	32,062,665	34,322,762
Total funds carried forward	36,268,998	580,982	349,856	37,199,836	32,062,665

These summarised financial statements are not the statutory accounts but are a summary of information relating to the Statement of Financial Activities and Balance Sheet. The full accounts have been audited and given an unqualified report. A copy of the full accounts has been sent to the Charity Commission and may be obtained from the Society's registered office.

The accounts were approved by the Governors on 19 October 2021 and are signed on its behalf by:

**John Smith OBE - Chairman**

**Summarised Balance Sheet at 31 July 2021**

	<b>2021</b>	<b>2020</b>
	£	£
<b>Fixed Assets</b>		
Intangible assets	104,465	119,357
Tangible assets	2,745,954	2,729,848
Investments	33,466,041	28,645,294
	<u>36,316,460</u>	<u>31,494,499</u>
<b>Current Assets</b>		
Debtors	266,294	154,397
Short term deposits	702,578	519,855
Cash in hand and at bank	145,475	48,847
	<u>1,114,347</u>	<u>723,099</u>
<b>Total assets</b>	<u>37,430,807</u>	<u>32,217,598</u>
<b>Current liabilities</b>		
Creditors falling due within one year	(230,971)	(154,933)
<b>Net Current Assets</b>	<u>883,376</u>	<u>568,166</u>
<b>Total Assets less Current Liabilities</b>	<u>37,199,836</u>	<u>32,062,665</u>
<b>Funds</b>		
Unrestricted funds	36,268,998	31,209,724
Restricted funds	580,982	810,250
Endowment Fund	349,856	42,691
	<u>37,199,836</u>	<u>32,062,665</u>

**Restricted Funds**

The income funds of the charity include the following restricted funds which were established at various points in the Society's history to provide funds for particular categories of beneficiaries as detailed in the Trustees Report.

**Restricted and endowment funds**

	<b>Balance</b>			<b>Investment</b>	<b>Fund</b>	<b>Balance</b>
	<b>2020</b>	<b>Income</b>	<b>Expenditure</b>	<b>gains</b>	<b>transfers</b>	<b>2021</b>
	£	£	£	(losses)	£	£
<b>Restricted funds</b>						
Gershon-Parkington Income Fund	151,808	7,110	(3,996)	-	(151,808)	3,114
Henry Wood Fund	91,884	2,674	(54,914)	20,600	-	60,244
Members' Memorial Fund	294,418	29,622	(211,380)	66,006	-	178,666
The Stan Newsome Fund	144,898	9,479	(17,728)	32,484	-	169,133
Brereton Fund	3,841	112	(21)	860	-	4,792
John Birch Fund	123,401	3,590	(11,623)	27,665	-	143,033
HMUK Covid Emergency Fund	-	100,000	(100,000)	-	-	-
Philip and Ursula Jones Fund	-	-	(3,000)	-	25,000	22,000
	<u>810,250</u>	<u>152,587</u>	<u>(402,662)</u>	<u>147,615</u>	<u>(126,808)</u>	<u>580,982</u>

**Endowment funds**

Birch Endowment	42,691	-	(229)	9,571	-	52,033
Gershom-Parkington Endowment	-	-	(1,312)	54,781	244,354	297,823
	42,691	-	(1,541)	64,352	244,354	349,856



**THE ROYAL SOCIETY OF MUSICIANS OF GREAT BRITAIN**

**(Incorporated by Royal Charters of 1790 and 1987)**

**Registered Charity Number 208879**

**ACCOUNTS**

**FOR THE YEAR ENDED**

**31<sup>ST</sup> JULY 2021**

# **The Royal Society of Musicians of Great Britain**

## **Statement of Trustees' Responsibilities**

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland").

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity, the incoming resources and the application of resources 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;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 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 and the provisions of the Royal Charter. 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.

# **Independent Auditor's Report to the Trustees of The Royal Society of Musicians of Great Britain**

## **Opinion**

We have audited the financial statements of The Royal Society of Musicians of Great Britain for the year ended 31 July 2021 which comprise of the primary statements such as the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 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;
- 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 Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

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

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

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

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information 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 there is 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 Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or

# **Independent Auditor's Report to the Trustees of The Royal Society of Musicians of Great Britain (Continued)**

- the charity has not kept adequate accounting records; 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 required for our audit.

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page [x], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's Responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

# Independent Auditor's Report to the Trustees of The Royal Society of Musicians of Great Britain (Continued)

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

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

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.

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

## **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

*Moore Kingston Smith LLP*

Moore Kingston Smith LLP  
Statutory auditor  
26<sup>th</sup> October 2021

Devonshire House  
60 Goswell Road  
London EC1M 7AD

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

**The Royal Society of Musicians of Great Britain**  
**Statement of Financial Activities**  
**For the year ended 31<sup>st</sup> July 2021**

	<b>Note</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Endowed funds £</b>	<b>2021 Total funds £</b>	<b>2020 Total funds £</b>
Income and endowments from:						
Donations and legacies	2	458,495	126,317	-	584,812	148,968
Other trading activities	3	450	-	-	450	19,985
Investments	4	784,113	26,270	-	810,383	759,996
Total		1,243,058	152,587	-	1,395,645	928,949
Expenditure on:						
Raising funds	5	196,500	3,534	1,541	201,575	171,685
Charitable activities	6	1,128,851	399,128	-	1,527,979	1,442,838
Total		1,325,351	402,662	1,541	1,729,554	1,614,523
Net Valuation gains/(losses)	22	5,259,113	147,615	64,352	5,471,080	(1,574,523)
Net income for the year		5,176,820	(102,460)	62,811	5,137,171	(2,260,097)
Transfers between funds	18/19	(117,546)	(126,808)	244,354	-	-
Net movement in funds		5,059,274	(229,268)	307,165	5,137,171	(2,260,097)
Reconciliation of funds:						
Total funds brought forward		31,209,724	810,250	42,691	32,062,665	34,322,762
Total funds carried forward		36,268,998	580,982	349,856	37,199,836	32,062,665

The notes on pages 9 to 23 form part of these accounts.

**The Royal Society of Musicians of Great Britain**  
**Statement of Financial Activities**  
**For the year ended 31<sup>st</sup> July 2020**  
**(this sheet provides a split of the comparative figures)**

	<i>Note</i>	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Endowed funds £</i>	<i>2020 Total funds £</i>	<i>2019 Total funds £</i>
<b>Income and endowments from:</b>						
Donations and legacies	2	121,287	27,681	-	148,968	127,401
Other trading activities	3	19,985	-	-	19,985	23,705
Investments	4	741,123	18,873	-	759,996	845,348
<b>Total</b>		<b>882,395</b>	<b>46,554</b>	<b>-</b>	<b>928,949</b>	<b>996,454</b>
<b>Expenditure on:</b>						
Raising funds	5	169,311	2,262	112	171,685	163,130
Charitable activities	6	1,407,827	35,011	-	1,442,838	793,511
<b>Total</b>		<b>1,577,138</b>	<b>37,273</b>	<b>112</b>	<b>1,614,523</b>	<b>956,641</b>
Net Valuation (losses)/gains	22	(1,548,084)	(25,085)	(1,354)	(1,574,523)	1,466,530
<b>Net income for the year/ Net movement in funds</b>		<b>(2,242,827)</b>	<b>(15,804)</b>	<b>(1,466)</b>	<b>(2,260,097)</b>	<b>1,506,343</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		33,452,551	826,054	44,157	34,322,762	32,816,419
Total funds carried forward		31,209,724	810,250	42,691	32,062,665	34,322,762

# The Royal Society of Musicians of Great Britain

## Balance Sheet at 31<sup>st</sup> July 2021

	Note	2021 £	2020 £
<b>Fixed Assets</b>			
Intangible assets	12	104,465	119,357
Tangible assets	13	2,745,954	2,729,848
Investments	14	33,466,041	28,645,294
<b>Total fixed assets</b>		<u>36,316,460</u>	<u>31,494,499</u>
<b>Current Assets</b>			
Debtors	15	266,294	154,397
Short term deposits		702,578	519,855
Cash in hand and at bank		145,475	48,847
<b>Total current assets</b>		<u>1,114,347</u>	<u>723,099</u>
<b>Total assets</b>		<u>37,430,807</u>	<u>32,217,598</u>
<b>Current liabilities</b>			
Creditors falling due within one year	16	(230,971)	(154,933)
<b>Net Current Assets</b>		<u>883,376</u>	<u>568,166</u>
<b>Total Assets less Current Liabilities</b>		<u>37,199,836</u>	<u>32,062,665</u>
<b>Funds</b>			
Unrestricted funds		36,268,998	31,209,724
<i>including revaluation gains of £6,755,113 (2020:£4,522,155)</i>	22		
Restricted funds	19	580,982	810,250
<i>including revaluation gains of £294,858 (2020: £233,208)</i>	22		
Endowment Fund	18	349,856	42,691
<i>including revaluation gains of £38,472 (2020: £11,590)</i>	22		
<b>Total</b>		<u>37,199,836</u>	<u>32,062,665</u>

These accounts were approved by the Trustees on 19<sup>th</sup> October 2021 and are signed on their behalf by:



John Smith.....Chairman of the Governors

The notes on pages 9 to 23 form part of these accounts.



**The Royal Society of Musicians of Great Britain**  
**Statement of Cash Flows**  
**For the year ended 31<sup>st</sup> July 2021**

	Note	2021 Total funds £	2020 Total funds £
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by (used in) operating activities</b>	21	(1,155,758)	(1,468,499)
<b>Cash provided by (used in) investing activities</b>			
Dividends, interest and rents from investments	4	810,383	759,996
Purchase of intangible fixed assets	12	-	(2,200)
Purchase of property, plant and equipment	13	(1,240)	(3,514)
Proceeds of sale of investments	14	7,000,616	9,412,609
Purchase of investments (including instruments)	14	(6,066,581)	(9,106,690)
Purchase of currency	14	(92,209)	(496,280)
Proceeds of currency exchange	14	91,901	509,454
Foreign currency gains (losses)	14	(28,360)	(11,681)
<b>Net cash provided by (used in) investing activities</b>		<u>558,752</u>	<u>(406,805)</u>
<b>Cash flows from financing activities</b>		-	-
<b>Change in cash and cash equivalents in the reporting period</b>		558,752	(406,805)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		1,074,953	1,481,758
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>1,633,705</u>	<u>1,074,953</u>
<b>Cash and cash equivalents comprise:</b>			
<b>Held as investments</b>			
Cash deposit held by broker	14	785,652	506,251
<b>Held as current assets</b>			
Short term deposits		702,578	519,855
Cash in hand and at bank		145,475	48,847
		<u>1,633,705</u>	<u>1,074,953</u>

The notes on pages 9 to 23 form part of these accounts.

# **The Royal Society of Musicians of Great Britain**

## **Notes to the Accounts**

### **For the year ended 31<sup>st</sup> July 2021**

The Royal Society of Musicians was incorporated under Royal Charters of 1790 and 1987 and is a registered charity, number 208879. Its registered address is 26 Fitzroy Square, London W1T 6BT.

#### **1. Accounting Policies**

##### **Basis of Preparation of the Accounts**

These financial statements are prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain fixed assets and include the results of the Charity which are described in the Trustee's Report.

The financial statements are prepared in sterling, which is the functional currency of the entity. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) including update bulletin 2 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice. The Society is a public benefit entity for the purposes of FRS 102.

The accounts have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

##### **Going Concern**

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Trustees have considered the charity's forecasts and projections and have taken account of pressures on donation and investment income in the context of the Coronavirus pandemic. The charity has a significant unrestricted investment portfolio upon which it could draw if necessary. After making enquiries the Trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

##### **Funds structure**

- **Endowment funds** are funds where an amount is given to be held in perpetuity with only the income derived from the capital available for charitable purposes.
- **Restricted funds** are funds which have been received for specified purposes and may only be applied to those purposes.
- **Unrestricted funds** are those funds which may be applied to any of the Society's objectives.

##### **Income**

Income is recognised in the Statement of Financial Activities (SOFA) when the Society is entitled to it, its receipt is probable and the amount of the income and any associated costs can be measured reliably.

- **Subscriptions** to the Society are in the nature of gifts and have therefore been included in the heading "Donations and legacies".

# The Royal Society of Musicians of Great Britain

## Notes to the Accounts

### For the year ended 31<sup>st</sup> July 2021 (Continued)

- **Annual subscriptions** are recognised at the time they are received. Life subscriptions vary in amount according to the average life expectancy of members and are taken to income in equal instalments over the members' estimated life span.
- **Legacies** are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured with reliability. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.
- **Investment income** is recognised when its receipt is probable and the amount is measurable.

#### Expenditure

Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure includes VAT, which is reported as part of expenditure to which it relates.

- **Grants** are payable to individuals in accordance with the Society's governing instruments (including guidelines). Grants are recognised at the time they are agreed by the Trustees. Balances of allocations remaining unused are reviewed regularly, and unless there is then persuasive evidence that the balance will be used in the foreseeable future, the amount is cancelled.
- **Charitable activities** include grants made, the direct costs associated with grant making and that part of operating and governance costs which have been attributed on the basis of relative staff time spent in this area of activity.
- **Raising funds** includes investment management fees, costs related to the investment property, the costs of the Jacqueline du Pré concert, the cost of goods sold and the proportion of advertising costs which is deemed to generate funds. It also includes that part of operating and governance costs which have been attributed on the basis of relative staff time spent in this area of activity.
- **Governance costs** are the costs associated with the strategic direction of the organisation and of meeting regulatory requirements including directly attributable staff costs. They are included within support costs and attributed to either charitable activities or raising funds.
- **Support costs** are those costs common to the range of activities of the organisation and are apportioned on the basis of time occupied by the Society's employees.

#### Intangible fixed assets

In 2018-19 the Society commissioned the development of a bespoke database system to facilitate the management of the organisation. The amount capitalised is the invoiced value of works completed to date. Development is not yet complete but the database has been brought into use. Following a review of the estimated life of the database, it was determined appropriate to adopt the maximum life permitted by FRS 102, that is, 10 years.

#### Tangible fixed assets

Furniture, fittings and equipment costing more than £250 for each item, is capitalised at cost. The estimated life for most of the assets is 5 years, however, supplier guarantees and existing asset history indicates that a life of up to 20 years is appropriate for some assets.

All Freehold property (investment and operational) is included in the Balance Sheet at valuation. Artefacts of an appreciating nature are included in the financial statements at open market valuation, as determined periodically by experienced valuers. An impairment review is undertaken of those items for which there are concerns that the residual value may differ from current market value.

# **The Royal Society of Musicians of Great Britain**

## **Notes to the Accounts**

### **For the year ended 31<sup>st</sup> July 2021 (Continued)**

#### **Investments**

The Society holds three types of Investment: quoted investments which are a basic financial instrument, investment property and Instrument Trusts.

Investments in Instrument Trusts are included in the accounts at their market value, following an annual review of the instrument condition and insurance value. All gains and losses arising on revaluation or disposal are taken to the SOFA. The principle financial risks faced by the Society through holding the assets is that the instruments will be damaged or stolen. To mitigate these risks instrument users are carefully chosen and are responsible for paying insurance premiums in respect of a policy in the name of the Society.

#### **Financial instruments**

**Quoted investments** are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Society does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Society is that of volatility in financial markets. This risk has been minimised by the creation of a broad and balanced portfolio, across market sectors and geographical location.

**Cash and cash equivalents** include cash at banks and in hand and short term deposits with a maturity date of three months or less.

#### **Gains and losses on investments**

All gains and losses are taken to the SOFA as they arise.

- Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or purchase value if acquired during the financial year.
- Unrealised gains and losses are calculated as the difference between fair value at the year end and their carrying value.

Realised and unrealised investment gains and losses are combined in the SOFA.

#### **Charitable loans**

Charitable loans are classified by FRS 102 as concessionary loans. These loans are long term loans to persons ineligible for a grant. The loans are interest free and normally a charge is recorded against the borrower's property. An affordable repayment schedule is agreed with the borrower. As a public benefit entity the Society is exempt from additional disclosures.

#### **Critical accounting estimates and areas of judgement**

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

The judgement which has the most significant effect on the amounts recognised in the financial statements relates to the valuation of property and appreciating assets. A formal revaluation of appreciating assets has been undertaken during the current year.

The property is included at valuation. This is considered to be a critical accounting estimate in view of the amounts involved and the judgements applied in their valuation. The independent valuation conducted in July 2020 was subject to material uncertainty due to the impact of the Coronavirus pandemic but the Trustees have reviewed the position and consider that the carrying value represents fair value at the year end.

**The Royal Society of Musicians of Great Britain**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> July 2021 (Continued)**

<b>2. Donations and legacies</b>	<b>2021</b>	<b>2020</b>
	£	£
Donations	191,826	61,420
Membership subscriptions	24,007	23,117
Gift Aid - tax recovered	8,293	2,643
Legacies	360,686	61,788
	<u>584,812</u>	<u>148,968</u>
<b>3. Other trading activities</b>	<b>2021</b>	<b>2020</b>
	£	£
Fundraising concert	-	18,092
Handel Room hire	450	1,760
Sundry sales	-	133
	<u>450</u>	<u>19,985</u>
<b>4. Investment income</b>	<b>2021</b>	<b>2020</b>
	£	£
Dividends - quoted investments	696,545	646,469
Property income	113,758	111,940
Bank and deposit interest	80	1,587
	<u>810,383</u>	<u>759,996</u>
<b>5. Costs of raising funds</b>	<b>2021</b>	<b>2020</b>
	£	£
Investment management charges	128,488	83,423
Fundraising expenses	501	1,293
Fundraising concert	-	9,109
Advertising and events	6,185	6,760
Property costs	29,742	27,099
Support costs (see note 8)	36,659	44,001
	<u>201,575</u>	<u>171,685</u>
<b>6. Charitable activities</b>	<b>2021</b>	<b>2020</b>
	£	£
Grants (see note 7)	594,078	576,494
Help Musicians UK Coronavirus Financial Hardship Fund	600,000	500,000
Casework costs (including salaries)	125,651	89,087
Conferences and events	100	589
Raising awareness of the society	14,419	12,552
Support costs (see note 8)	193,731	264,116
	<u>1,527,979</u>	<u>1,442,838</u>

**The Royal Society of Musicians of Great Britain**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> July 2021 (Continued)**

7. Grants	2021	2020
	£	£
Grants to members and their families	46,165	68,692
Grants to non-members	547,913	506,402
Donations to BAPAM in lieu of grants	-	1,400
	<u>594,078</u>	<u>576,494</u>

All grants are made to individuals.

8. Support costs	Charitable activities	Raising funds	Total 2021	Total 2020
	£	£	£	£
Staff costs (see note 10)	71,536	22,702	94,238	85,851
Depreciation	17,807	2,927	20,734	22,005
Premises costs	14,053	-	14,053	16,733
Office costs	24,812	4,955	29,767	39,663
Archive and collection	11,684	-	11,684	12,404
Other costs	2,517	159	2,676	7,205
Governance (see note 9)	51,322	5,916	57,238	124,256
Total	<u>193,731</u>	<u>36,659</u>	<u>230,390</u>	<u>308,117</u>
<i>Total in 2020</i>	<u>264,116</u>	<u>44,001</u>	<u>308,117</u>	

9. Governance	2021	2020
	£	£
Meeting and travel expenses	57	3,396
Audit fees	14,880	12,923
Accountancy	-	3,163
Legal and professional fees	3,149	74,628
Apportioned running costs	11,629	12,733
Staff costs (see note 10)	27,523	17,413
	<u>57,238</u>	<u>124,256</u>

10. Staff costs	2021	2020
	£	£
Gross pay	171,049	164,462
Employer pension contributions	4,088	3,653
Employer National Insurance contributions	13,755	12,207
	<u>188,892</u>	<u>180,322</u>

Staff costs are included as follows on the basis of estimated time spent on each area:

Charitable activities	138,667	143,199
Raising funds	22,702	19,710
Governance	27,523	17,413
	<u>188,892</u>	<u>180,322</u>

# The Royal Society of Musicians of Great Britain

## Notes to the Accounts

### For the year ended 31<sup>st</sup> July 2021 (Continued)

The average number of permanent full time staff in the year was 4 (2020:4)

The Society considers that its key management personnel comprise the Chairman, Treasurer and the Chief Executive of the Society. The total employment benefits of the key management personnel were £63,537 (2020: £61,677). No employees had benefits falling over £60,000 (2020: none).

#### 11. Trustees and related parties

No Trustees (2020: two) were reimbursed for the costs of travel & subsistence when engaged on the Society's business. The amount reimbursed totalled £0 (2020: £714). These are based on actual costs incurred in travelling by public transport or an agreed mileage rate. All the Society's Governor's meetings took place virtually this year due to the Covid-19 pandemic.

No Trustee received any remuneration for services to the Society.

FRS102 requires The Society to disclose donations and other income from Trustees. All Trustees are members of the Society and pay an annual subscription of between £5 and £25. Many Trustees supplement their subscriptions by a small donation. Unfortunately it is only possible for the Society to capture donations that pass through the bank account, but donations may also be received in cash collections and via third parties such as Just Giving, where donors can choose to remain anonymous. Identifiable donations from Trustees amount to an aggregate of £31,345 (2020: £260).

#### 12. Intangible fixed assets

	<b>Software</b>
<b>Cost</b>	£
At the beginning of the year	148,921
Additions	-
<b>At end of year</b>	<u>148,921</u>
<b>Amortization</b>	
At the beginning of the year	29,564
Charge for the year	14,892
<b>At the end of the year</b>	<u>44,456</u>
<b>Net book value</b>	
At the end of the year	<u>104,465</u>
At the beginning of the year	<u>119,357</u>

**The Royal Society of Musicians of Great Britain**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> July 2021 (Continued)**

**13. Tangible fixed assets**

**Current period**

	Freehold land and buildings	Furniture and effects of an appreciating nature	Furniture and equipment	Total
<b>Cost or valuation</b>	£	£	£	£
At the beginning of the year	2,000,000	690,024	90,062	2,780,086
Additions	-	-	1,240	1,240
Revaluation gains	-	24,367	-	24,367
At the end of the year	2,000,000	714,391	91,302	2,805,693
<b>Depreciation and impairments</b>				
At the beginning of the year	-	18,680	31,559	50,239
Impairment review	-	-	-	-
Depreciation and impairments	-	-	9,501	9,501
At the end of the year	-	18,680	41,060	59,740
<b>Net book value</b>				
At the end of the year	2,000,000	695,711	50,242	2,745,953
At the beginning of the year	2,000,000	671,344	58,503	2,729,847

**Assets of an appreciating nature**

These are valued in accordance with note 1. A professional valuation of furniture and effects was carried out by Sotheby's in July 2021. The books, manuscripts and archives were valued by the experienced archivist, Colin Coleman. Some art and antiques have remained in storage and may have no permanent future with the Society. In light of this, an impairment review was undertaken in 2018-19 and an adjustment was made to the values of these items to reflect potential market prices. This was reviewed by the archivist in July 2021 and deemed to be still accurate.

The original cost of these items was estimated to be £22,000. Unrealised revaluation gains were £673,711 (2020: £649,344).



**The Royal Society of Musicians of Great Britain**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> July 2021 (Continued)**

**13. Tangible fixed assets (continued)**

**Freehold land and buildings**

The freehold property known as 26 Fitzroy Square comprising part of the Society's estate was valued as at 31<sup>st</sup> July 2020 by an external valuer, Davis Brown Ltd, a firm of regulated Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation Global Red Book Standards 2020 and the international financial reporting standards within the Red Book. The valuation was undertaken on a Fair Value basis equating to market value. The valuation is reported under the special assumptions to exclude any value of development opportunities for which planning permission would be required and has not been granted, or where a development has not yet commenced. The valuation was reviewed in the year internally.

	<b>Buildings</b>	<b>Operational property Operational land</b>	<b>Total</b>	<b>Investment property</b>
	£	£	£	£
Valuation brought forward	1,340,000	660,000	2,000,000	3,000,000
Valuation gains (losses)	-	-	-	-
<b>Valuation at 31st July 2021</b>	<b>1,340,000</b>	<b>660,000</b>	<b>2,000,000</b>	<b>3,000,000</b>

**Tangible fixed assets**

**Prior period**

	<b>Freehold land and buildings</b>	<b>Furniture and effects of an appreciating nature</b>	<b>Furniture and equipment</b>	<b>Total</b>
	£	£	£	£
<b>Cost or valuation</b>				
At beginning of the year	1,914,354	690,024	86,548	2,690,926
Additions	-	-	3,514	3,514
Revaluation gains	85,646	-	-	85,646
At end of the year	<b>2,000,000</b>	<b>690,024</b>	<b>90,062</b>	<b>2,780,086</b>

**Depreciation and  
impairments**

At beginning of the year	-	18,680	22,093	40,773
Impairment review	-	-	-	-
Depreciation	-	-	9,465	9,465
At end of the year	-	<b>18,680</b>	<b>31,558</b>	<b>50,238</b>

**Net Book Value**

At end of the year	<b>2,000,000</b>	<b>671,344</b>	<b>58,504</b>	<b>2,729,848</b>
At the beginning of the year	1,914,354	671,344	64,455	2,650,153

**The Royal Society of Musicians of Great Britain**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> July 2021 (Continued)**

**14. Investments**

Investments comprise:	Market value		Cost	
	2021	2020	2021	2020
	£	£	£	£
(a) Quoted Investments	28,678,000	23,937,430	19,444,380	17,253,184
(b) Investment property	3,000,000	3,000,000	3,650,000	3,650,000
(c) Fine Instrument Trusts	1,788,041	1,707,864	1,296,776	1,296,776
	<u>33,466,041</u>	<u>28,645,294</u>	<u>24,391,156</u>	<u>22,199,960</u>

(a) Quoted investments

All investments are quoted on a recognised Stock Exchange and were acquired in accordance with the powers available under the Trustee Act 2000.

	2021	2020
	£	£
Market value at 31 <sup>st</sup> July 2020	23,431,179	24,748,760
Disposals at opening book value	(5,807,500)	(9,656,267)
Proceeds £7,000,616, gain £1,193,116 (2020: proceeds £9,412,609, loss £243,658)		
Additions at cost	6,066,581	9,106,690
Foreign exchange adjustments	-	-
Net gains on revaluation at 31 <sup>st</sup> July 2021	4,202,088	(768,004)
Market value at 31 <sup>st</sup> July 2021	<u>27,892,348</u>	<u>23,431,179</u>
Cash forming part of the investment portfolio*	785,652	506,251
Total quoted investments at market value	<u>28,678,000</u>	<u>23,937,430</u>
Historical cost at 31 <sup>st</sup> July 2021	19,444,380	17,253,184
Unrealised gains at 31 <sup>st</sup> July 2021	8,447,968	6,206,661
* Including unrealised foreign currency gains (losses) of:	(28,667)	(11,114)
* Including realised foreign exchange gains (losses) of:	(345)	13,587

**The Royal Society of Musicians of Great Britain**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> July 2021 (Continued)**

**14. Investments (continued)**

Allocation of quoted investments between funds	Market value 2021 £	Market value 2020 £	Cost 2021 £	Cost 2020 £
<b>Unrestricted funds</b>	27,741,535	23,099,612	18,809,434	16,794,209
<b>Restricted funds:</b>				
Gershom Parkington income Fund	2,616	147,342	1,774	81,689
Henry Wood Fund	58,907	77,865	39,940	49,444
Members' Memorial Fund	206,148	279,132	139,773	158,429
The Stan Newsome Fund	170,237	156,044	115,425	77,971
John Birch Fund	143,917	130,664	97,579	66,403
Brereton Fund	4,784	4,053	3,244	2,067
Philip and Ursula Jones Fund	-	-	-	-
<b>Endowment funds:</b>				
Birch Endowment Fund	52,033	42,719	35,280	22,972
Gershom-Parkington endowment Fund	297,823	-	201,931	-
	<u>28,678,000</u>	<u>23,937,431</u>	<u>19,444,380</u>	<u>17,253,184</u>

At 31<sup>st</sup> July 2021 the charity had no material individual investments (2020: none).

- (b) Investment property  
Investment property is included at valuation - full details are provided in Note 13.

- (c) Movement in the Society's shares in Fine Instrument Trusts

	Market value 2021 £	Market value 2020 £
Market value at 31st July 2020	1,707,864	1,667,811
Acquisition costs	-	-
Net gains on revaluation at 31st July 2021	80,177	40,053
<b>Market value at 31st July 2021</b>	<u>1,788,041</u>	<u>1,707,864</u>
Historical cost at 31st July 2021	1,296,776	1,296,776
Unrealised gains at 31st July 2021	<u>491,265</u>	<u>411,088</u>

Name of Trust	Instrument	RSM share	User
Berridge-Galliano	Cello	71.50%	Ms Cara Berridge
The Godlee-Tecchler	Cello	70.13%	Mr Guy Johnston
The Hancox-Sacconi	Violin	77.28%	Mr Ben Hancox
The Dawson-Sacconi	Violin	80.39%	Ms Hannah Dawson
The Morgan-Rocca	Violin	76.68%	Mr Darragh Morgan
The Cruft-Grancino	Cello	58.18%	Mr Brian O'Kane

The Society is the sole Trustee for each Trust. All instruments were professionally revalued in the year at the time they were reviewed for insurance purposes by J & A Beare Ltd.

**The Royal Society of Musicians of Great Britain**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> July 2021 (Continued)**

<b>15. Debtors</b>	<b>2021</b>	<b>2020</b>
	£	£
Charitable loans*	1,150	1,980
Prepayments	20,377	20,334
Accrued income**	163,764	75,012
Other debtors	81,003	57,071
	<u>266,294</u>	<u>154,397</u>

\*Charitable loans to qualifying beneficiaries are interest free and may be repaid over an extended period. The amount expected to be repaid after more than one year at 31<sup>st</sup> July 2021 is £720.

\*\*Accrued income includes legacies of £105,000 (2020: £0).

<b>16. Creditors</b>	<b>2021</b>	<b>2020</b>
	£	£
<b>Creditors falling due within one year</b>		
Grants payable	150,090	72,453
Tax, national insurance and pension contributions	1,136	4,592
Deferred life membership subscriptions income (a)	43,080	41,200
Deferred rental income	-	7,903
Accruals	25,389	22,000
Trade creditors	11,226	6,785
Other creditors	50	-
	<u>230,971</u>	<u>154,933</u>

  

	<b>2021</b>	<b>2020</b>
	£	£
(a) Deferred income includes life subscriptions which are expected to be realised:		
In the next financial year	2,720	2,500
After more than one year	40,360	38,700
	<u>43,080</u>	<u>41,200</u>

**17. Capital Commitments**

The agreement for the construction of a database to meet the management needs of the Society was signed on 12<sup>th</sup> September 2017. The contract provides for payments to be made as each module is completed. At 31<sup>st</sup> July 2021 the value of the proportion of that contract which has not been completed is £12,250 including VAT.

There are no other capital commitments.

**The Royal Society of Musicians of Great Britain**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> July 2021 (Continued)**

**18. Endowment funds**

		Balance			Investment	Fund	Balance
Current year		2020	Income	Expenditure	gains	transfers	2021
		£	£	£	(losses)	£	£
Birch Endowment Fund	(1)	42,691	-	(229)	9,571	-	52,033
Gershom-Parkington	(2)						
Endowment Fund		-	-	(1,312)	54,781	244,354	297,823
		42,691	-	(1,541)	64,352	244,354	349,856

(1) The Birch endowment fund was created by a bequest from the late Dr John Birch. Income from the fund is to be applied for the relief of hardship at the discretion of the Trustees.

(1) The Gershom-Parkington endowment fund was created by a bequest from the late Mr Frederic Gershom-Parkington. Income from the fund is to be spent on grants to musicians in bad health. The Fund was previously held as a restricted fund, however, the Trustees decided that the wishes of Mr Gershom-Parkington were more correctly interpreted by holding the funds in perpetuity and using only the income for grants.

**19. Restricted funds**

The income funds of the charity include the following restricted funds which were established at various points in the Society's history to provide funds for particular categories of beneficiaries.

		Balance			Investment	Fund	Balance
Current year		2020	Income	Expenditure	gains	transfers	2021
		£	£	£	(losses)	£	£
Gershom-Parkington							
Income Fund	(1)	151,808	7,110	(3,996)	-	(151,808)	3,114
Henry Wood Fund	(2)	91,884	2,674	(54,914)	20,600	-	60,244
Members' Memorial Fund	(3)	294,418	29,622	(211,380)	66,006	-	178,666
The Stan Newsome Fund	(4)	144,898	9,479	(17,728)	32,484	-	169,133
Brereton Fund	(5)	3,841	112	(21)	860	-	4,792
John Birch Fund	(6)	123,401	3,590	(11,623)	27,665	-	143,033
HMUK Covid Emergency							
Fund	(7)	-	100,000	(100,000)	-	-	-
Philip and Ursula Jones							
Fund	(8)	-	-	(3,000)	-	25,000	22,000
		810,250	152,587	(402,662)	147,615	(126,808)	580,982

**The Royal Society of Musicians of Great Britain**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> July 2021 (Continued)**

**19. Restricted funds (continued)**

<i>Prior year</i>		<i>Balance</i>			<i>Investment</i>	<i>Fund</i>	<i>Balance</i>
		<i>2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>gains</i>	<i>transfers</i>	<i>2020</i>
		£	£	£	(losses)	£	£
<i>Gershom Parkington Fund</i>	(1)	153,359	3,536	(388)	(4,699)		151,808
<i>Henry Wood Fund</i>	(2)	84,438	10,526	(235)	(2,845)		91,884
<i>Members' Memorial Fund</i>	(3)	291,053	20,633	(8,153)	(9,115)		294,418
<i>The Stan Newsome Fund</i>	(4)	162,160	8,895	(21,670)	(4,487)		144,898
<i>Brereton Fund</i>	(5)	4,070	89	(200)	(118)		3,841
<i>John Birch Fund</i>	(6)	130,974	2,875	(6,627)	(3,821)		123,401
		<u>826,054</u>	<u>46,554</u>	<u>(37,273)</u>	<u>(25,085)</u>		<u>810,250</u>

- (1) The Gershom-Parkington Income Fund is restricted to grants to musicians. The Gershom-Parkington Fund was previously held as a restricted fund, but has now been reclassified as an endowed fund. The £151,808 that was in the restricted fund at the start of the year has been transferred to the endowed Fund. All income from the endowment fund is placed in the Gershom-Parkington Income Fund.
- (2) Henry Wood Fund grants are payable to both Members and non-members in need of assistance.
- (3) The Members' Memorial Fund provides gifts and living expenses grants to Members and non-members.
- (4) The Stan Newsome Fund is used to make small grants to musicians living or working in London.
- (5) The Brereton Fund may be used to pay the annual subscriptions of Members in need of assistance.
- (6) The John Birch Fund has been created from a donation from the John Birch Charitable Trust to provide a fund for the relief of church musicians in need.
- (7) The HMUK Covid Emergency Fund was created after a donation of £100,000 that the donor requested be put towards the Society's contribution to the Help Musicians UK Emergency Hardship Fund.
- (8) The Philip and Ursula Jones Fund was created this year with a contribution from the General Fund of £25,000 in recognition of the support given to the Society by the late Philip Jones. It may be used to support brass musicians and their families who are in poverty or ill health.

**The Royal Society of Musicians of Great Britain**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> July 2021 (Continued)**

**20. Analysis of net assets between funds**

<b>Current year</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total funds</b>
	£	£	£	£
Intangible fixed assets	104,465	-	-	104,465
Tangible fixed assets	2,745,954	-	-	2,745,954
Investments	32,529,576	586,609	349,856	33,466,041
Current assets	1,087,356	26,991	-	1,114,347
Current liabilities	(198,353)	(32,618)	-	(230,971)
Interfund balances				-
	<u>36,268,998</u>	<u>580,982</u>	<u>349,856</u>	<u>37,199,836</u>

Unrealised gains (losses) included above on investments at 31 <sup>st</sup> July 2021	11,182,497	383,980	63,583	11,630,060
Revaluation gains (losses) on tangible fixed assets	(1,176,423)	-	-	(1,176,423)

<b>Prior year</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total funds</b>
	£	£	£	£
Intangible fixed assets	119,357			119,357
Tangible fixed assets	2,729,848			2,729,848
Investments	27,807,475	795,100	42,719	28,645,294
Current assets	718,712	4,388	-	723,100
Current liabilities	(153,993)	(940)	-	(154,933)
Interfund balances	(11,674)	11,702	(28)	-
	<u>31,209,725</u>	<u>810,250</u>	<u>42,691</u>	<u>32,062,666</u>

Unrealised gains (losses) included above on investments at 31 <sup>st</sup> July 2020	7,133,917	269,184	13,538	7,416,639
Revaluation gains (losses) on tangible fixed assets	(1,200,790)	-	-	(1,200,790)

**21. Reconciliation of net movements in funds to net cash flow from operating activities**

	<b>2021</b>	<b>2020</b>
	£	£
<b>Net income for the reporting period</b>		
(as per the statement of financial activities)	5,137,171	(2,260,097)
Adjustments for:		
Depreciation charges	9,501	9,465
Amortization charges	14,892	14,892
Impairment losses	-	-
(Gains) or losses on investments	(5,471,080)	1,574,523
Dividends, interest and rents from investments	(810,383)	(759,996)
(Increase) or decrease in debtors	(111,897)	(47,600)
Increase or (decrease) in creditors	76,038	314
Net cash provided by (used in) operating activities	<u>(1,155,758)</u>	<u>(1,468,499)</u>

# The Royal Society of Musicians of Great Britain

## Notes to the Accounts

### For the year ended 31<sup>st</sup> July 2021 (Continued)

#### 22. Movement in revaluation reserves

##### Reserves brought forward

	Unrestricted £	Restricted £	Endowment £	2021 total £	Unrestricted £	Restricted £	Endowment £	2020 total £
Investments	5,961,857	233,208	11,596	6,206,661	8,132,108	288,545	14,583	8,435,236
Instruments	411,088	-	-	411,088	411,088	-	-	411,088
Appreciating assets	649,344	-	-	649,344	649,344	-	-	649,344
Property	(2,500,134)	-	-	(2,500,134)	(1,935,780)	-	-	(1,935,780)
	4,522,155	233,208	11,596	4,766,959	7,256,760	288,545	14,583	7,559,888

##### Movement in the year

Rebalancing the investment portfolio	-	-	-	-	-	-	-	-
Unrealised investment gains (losses)	4,008,580	114,796	50,045	4,173,421	(759,279)	(19,361)	(1,045)	(779,685)
Investment gains (losses) released on disposal	(1,855,799)	(53,146)	(23,169)	(1,932,114)	(1,410,972)	(35,976)	(1,942)	(1,448,890)
Unrealised instrument gains (losses)	80,177	-	-	80,177	-	-	-	-
Unrealised property gains (losses)	-	-	-	-	(564,354)	-	-	(564,354)
Impairment loss on appreciating assets	-	-	-	-	-	-	-	-

##### Reserves carried forward

Investments	8,114,638	294,858	38,472	8,447,968	5,961,857	233,208	11,596	6,206,661
Instruments	491,265	-	-	491,265	411,088	-	-	411,088
Appreciating assets	649,344	-	-	649,344	649,344	-	-	649,344
Property	(2,500,134)	-	-	(2,500,134)	(2,500,134)	-	-	(2,500,134)
	6,755,113	294,858	38,472	7,088,443	4,522,155	233,208	11,596	4,766,959

#### Reported on the Statement of Financial Activities

Unrealised gains (losses)								
Investments	4,008,580	114,796	50,045	4,173,421	(759,279)	(19,361)	(1,045)	(779,685)
Instruments	80,177	-	-	80,177	-	-	-	-
Appreciating assets	24,365	-	-	24,365	-	-	-	-
Property	-	-	-	-	(564,354)	-	-	(564,354)
Total unrealised gains (losses)	4,113,122	114,796	50,045	4,277,963	(1,323,633)	(19,361)	(1,045)	(1,344,039)
Realised gains (losses) on investments	1,145,990	32,819	14,307	1,193,116	(224,451)	(5,724)	(309)	(230,484)
Total reported gains (losses)	5,259,112	147,615	64,352	5,471,079	(1,548,084)	(25,085)	(1,354)	(1,574,523)







**THE ROYAL SOCIETY OF MUSICIANS OF GREAT BRITAIN**

**(Incorporated by Royal Charters of 1790 and 1987)**

**Registered Charity Number 208879**

**ACCOUNTS**

**FOR THE YEAR ENDED**

**31<sup>ST</sup> JULY 2021**

# **The Royal Society of Musicians of Great Britain**

## **Statement of Trustees' Responsibilities**

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland").

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity, the incoming resources and the application of resources 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;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 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 and the provisions of the Royal Charter. 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.

# **Independent Auditor's Report to the Trustees of The Royal Society of Musicians of Great Britain**

## **Opinion**

We have audited the financial statements of The Royal Society of Musicians of Great Britain for the year ended 31 July 2021 which comprise of the primary statements such as the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 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;
- 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 Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

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

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

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

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information 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 there is 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 Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or

# **Independent Auditor's Report to the Trustees of The Royal Society of Musicians of Great Britain (Continued)**

- the charity has not kept adequate accounting records; 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 required for our audit.

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page [x], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's Responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

# **Independent Auditor's Report to the Trustees of The Royal Society of Musicians of Great Britain (Continued)**

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

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

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.

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

## **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

*Moore Kingston Smith LLP*

Moore Kingston Smith LLP  
Statutory auditor  
26<sup>th</sup> October 2021

Devonshire House  
60 Goswell Road  
London EC1M 7AD

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

**The Royal Society of Musicians of Great Britain**  
**Statement of Financial Activities**  
**For the year ended 31<sup>st</sup> July 2021**

	<b>Note</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Endowed funds £</b>	<b>2021 Total funds £</b>	<b>2020 Total funds £</b>
Income and endowments from:						
Donations and legacies	2	458,495	126,317	-	584,812	148,968
Other trading activities	3	450	-	-	450	19,985
Investments	4	784,113	26,270	-	810,383	759,996
Total		<u>1,243,058</u>	<u>152,587</u>	<u>-</u>	<u>1,395,645</u>	<u>928,949</u>
Expenditure on:						
Raising funds	5	196,500	3,534	1,541	201,575	171,685
Charitable activities	6	1,128,851	399,128	-	1,527,979	1,442,838
Total		<u>1,325,351</u>	<u>402,662</u>	<u>1,541</u>	<u>1,729,554</u>	<u>1,614,523</u>
Net Valuation gains/(losses)	22	5,259,113	147,615	64,352	5,471,080	(1,574,523)
Net income for the year		5,176,820	(102,460)	62,811	5,137,171	(2,260,097)
Transfers between funds	18/19	(117,546)	(126,808)	244,354	-	-
Net movement in funds		<u>5,059,274</u>	<u>(229,268)</u>	<u>307,165</u>	<u>5,137,171</u>	<u>(2,260,097)</u>
Reconciliation of funds:						
Total funds brought forward		31,209,724	810,250	42,691	32,062,665	34,322,762
Total funds carried forward		<u>36,268,998</u>	<u>580,982</u>	<u>349,856</u>	<u>37,199,836</u>	<u>32,062,665</u>

The notes on pages 9 to 23 form part of these accounts.



**The Royal Society of Musicians of Great Britain**  
**Statement of Financial Activities**  
**For the year ended 31<sup>st</sup> July 2020**  
**(this sheet provides a split of the comparative figures)**

	<i>Note</i>	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Endowed funds £</i>	<i>2020 Total funds £</i>	<i>2019 Total funds £</i>
<b>Income and endowments from:</b>						
Donations and legacies	2	121,287	27,681	-	148,968	127,401
Other trading activities	3	19,985	-	-	19,985	23,705
Investments	4	741,123	18,873	-	759,996	845,348
<b>Total</b>		<b>882,395</b>	<b>46,554</b>	<b>-</b>	<b>928,949</b>	<b>996,454</b>
<b>Expenditure on:</b>						
Raising funds	5	169,311	2,262	112	171,685	163,130
Charitable activities	6	1,407,827	35,011	-	1,442,838	793,511
<b>Total</b>		<b>1,577,138</b>	<b>37,273</b>	<b>112</b>	<b>1,614,523</b>	<b>956,641</b>
Net Valuation (losses)/gains	22	(1,548,084)	(25,085)	(1,354)	(1,574,523)	1,466,530
<b>Net income for the year/ Net movement in funds</b>		<b>(2,242,827)</b>	<b>(15,804)</b>	<b>(1,466)</b>	<b>(2,260,097)</b>	<b>1,506,343</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		33,452,551	826,054	44,157	34,322,762	32,816,419
Total funds carried forward		31,209,724	810,250	42,691	32,062,665	34,322,762

# The Royal Society of Musicians of Great Britain

## Balance Sheet at 31<sup>st</sup> July 2021

	Note	2021 £	2020 £
<b>Fixed Assets</b>			
Intangible assets	12	104,465	119,357
Tangible assets	13	2,745,954	2,729,848
Investments	14	33,466,041	28,645,294
<b>Total fixed assets</b>		<u>36,316,460</u>	<u>31,494,499</u>
<b>Current Assets</b>			
Debtors	15	266,294	154,397
Short term deposits		702,578	519,855
Cash in hand and at bank		145,475	48,847
<b>Total current assets</b>		<u>1,114,347</u>	<u>723,099</u>
<b>Total assets</b>		<u>37,430,807</u>	<u>32,217,598</u>
<b>Current liabilities</b>			
Creditors falling due within one year	16	(230,971)	(154,933)
<b>Net Current Assets</b>		<u>883,376</u>	<u>568,166</u>
<b>Total Assets less Current Liabilities</b>		<u>37,199,836</u>	<u>32,062,665</u>
<b>Funds</b>			
Unrestricted funds		36,268,998	31,209,724
<i>including revaluation gains of £6,755,113 (2020:£4,522,155)</i>	22		
Restricted funds	19	580,982	810,250
<i>including revaluation gains of £294,858 (2020: £233,208)</i>	22		
Endowment Fund	18	349,856	42,691
<i>including revaluation gains of £38,472 (2020: £11,590)</i>	22		
<b>Total</b>		<u>37,199,836</u>	<u>32,062,665</u>

These accounts were approved by the Trustees on 19<sup>th</sup> October 2021 and are signed on their behalf by:



John Smith.....Chairman of the Governors

The notes on pages 9 to 23 form part of these accounts.

**The Royal Society of Musicians of Great Britain**  
**Statement of Cash Flows**  
**For the year ended 31<sup>st</sup> July 2021**

	Note	2021 Total funds £	2020 Total funds £
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by (used in) operating activities</b>	21	(1,155,758)	(1,468,499)
<b>Cash provided by (used in) investing activities</b>			
Dividends, interest and rents from investments	4	810,383	759,996
Purchase of intangible fixed assets	12	-	(2,200)
Purchase of property, plant and equipment	13	(1,240)	(3,514)
Proceeds of sale of investments	14	7,000,616	9,412,609
Purchase of investments (including instruments)	14	(6,066,581)	(9,106,690)
Purchase of currency	14	(92,209)	(496,280)
Proceeds of currency exchange	14	91,901	509,454
Foreign currency gains (losses)	14	(28,360)	(11,681)
<b>Net cash provided by (used in) investing activities</b>		<u>558,752</u>	<u>(406,805)</u>
<b>Cash flows from financing activities</b>		-	-
<b>Change in cash and cash equivalents in the reporting period</b>		558,752	(406,805)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		1,074,953	1,481,758
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>1,633,705</u>	<u>1,074,953</u>
<b>Cash and cash equivalents comprise:</b>			
<b>Held as investments</b>			
Cash deposit held by broker	14	785,652	506,251
<b>Held as current assets</b>			
Short term deposits		702,578	519,855
Cash in hand and at bank		145,475	48,847
		<u>1,633,705</u>	<u>1,074,953</u>

The notes on pages 9 to 23 form part of these accounts.

# **The Royal Society of Musicians of Great Britain**

## **Notes to the Accounts**

### **For the year ended 31<sup>st</sup> July 2021**

The Royal Society of Musicians was incorporated under Royal Charters of 1790 and 1987 and is a registered charity, number 208879. Its registered address is 26 Fitzroy Square, London W1T 6BT.

#### **1. Accounting Policies**

##### **Basis of Preparation of the Accounts**

These financial statements are prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain fixed assets and include the results of the Charity which are described in the Trustee's Report.

The financial statements are prepared in sterling, which is the functional currency of the entity. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) including update bulletin 2 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice. The Society is a public benefit entity for the purposes of FRS 102.

The accounts have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

##### **Going Concern**

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Trustees have considered the charity's forecasts and projections and have taken account of pressures on donation and investment income in the context of the Coronavirus pandemic. The charity has a significant unrestricted investment portfolio upon which it could draw if necessary. After making enquiries the Trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

##### **Funds structure**

- **Endowment funds** are funds where an amount is given to be held in perpetuity with only the income derived from the capital available for charitable purposes.
- **Restricted funds** are funds which have been received for specified purposes and may only be applied to those purposes.
- **Unrestricted funds** are those funds which may be applied to any of the Society's objectives.

##### **Income**

Income is recognised in the Statement of Financial Activities (SOFA) when the Society is entitled to it, its receipt is probable and the amount of the income and any associated costs can be measured reliably.

- **Subscriptions** to the Society are in the nature of gifts and have therefore been included in the heading "Donations and legacies".

# The Royal Society of Musicians of Great Britain

## Notes to the Accounts

### For the year ended 31<sup>st</sup> July 2021 (Continued)

- **Annual subscriptions** are recognised at the time they are received. Life subscriptions vary in amount according to the average life expectancy of members and are taken to income in equal instalments over the members' estimated life span.
- **Legacies** are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured with reliability. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.
- **Investment income** is recognised when its receipt is probable and the amount is measurable.

#### Expenditure

Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure includes VAT, which is reported as part of expenditure to which it relates.

- **Grants** are payable to individuals in accordance with the Society's governing instruments (including guidelines). Grants are recognised at the time they are agreed by the Trustees. Balances of allocations remaining unused are reviewed regularly, and unless there is then persuasive evidence that the balance will be used in the foreseeable future, the amount is cancelled.
- **Charitable activities** include grants made, the direct costs associated with grant making and that part of operating and governance costs which have been attributed on the basis of relative staff time spent in this area of activity.
- **Raising funds** includes investment management fees, costs related to the investment property, the costs of the Jacqueline du Pré concert, the cost of goods sold and the proportion of advertising costs which is deemed to generate funds. It also includes that part of operating and governance costs which have been attributed on the basis of relative staff time spent in this area of activity.
- **Governance costs** are the costs associated with the strategic direction of the organisation and of meeting regulatory requirements including directly attributable staff costs. They are included within support costs and attributed to either charitable activities or raising funds.
- **Support costs** are those costs common to the range of activities of the organisation and are apportioned on the basis of time occupied by the Society's employees.

#### Intangible fixed assets

In 2018-19 the Society commissioned the development of a bespoke database system to facilitate the management of the organisation. The amount capitalised is the invoiced value of works completed to date. Development is not yet complete but the database has been brought into use. Following a review of the estimated life of the database, it was determined appropriate to adopt the maximum life permitted by FRS 102, that is, 10 years.

#### Tangible fixed assets

Furniture, fittings and equipment costing more than £250 for each item, is capitalised at cost. The estimated life for most of the assets is 5 years, however, supplier guarantees and existing asset history indicates that a life of up to 20 years is appropriate for some assets.

All Freehold property (investment and operational) is included in the Balance Sheet at valuation. Artefacts of an appreciating nature are included in the financial statements at open market valuation, as determined periodically by experienced valuers. An impairment review is undertaken of those items for which there are concerns that the residual value may differ from current market value.

# **The Royal Society of Musicians of Great Britain**

## **Notes to the Accounts**

### **For the year ended 31<sup>st</sup> July 2021 (Continued)**

#### **Investments**

The Society holds three types of Investment: quoted investments which are a basic financial instrument, investment property and Instrument Trusts.

Investments in Instrument Trusts are included in the accounts at their market value, following an annual review of the instrument condition and insurance value. All gains and losses arising on revaluation or disposal are taken to the SOFA. The principle financial risks faced by the Society through holding the assets is that the instruments will be damaged or stolen. To mitigate these risks instrument users are carefully chosen and are responsible for paying insurance premiums in respect of a policy in the name of the Society.

#### **Financial instruments**

**Quoted investments** are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Society does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Society is that of volatility in financial markets. This risk has been minimised by the creation of a broad and balanced portfolio, across market sectors and geographical location.

**Cash and cash equivalents** include cash at banks and in hand and short term deposits with a maturity date of three months or less.

#### **Gains and losses on investments**

All gains and losses are taken to the SOFA as they arise.

- Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or purchase value if acquired during the financial year.
- Unrealised gains and losses are calculated as the difference between fair value at the year end and their carrying value.

Realised and unrealised investment gains and losses are combined in the SOFA.

#### **Charitable loans**

Charitable loans are classified by FRS 102 as concessionary loans. These loans are long term loans to persons ineligible for a grant. The loans are interest free and normally a charge is recorded against the borrower's property. An affordable repayment schedule is agreed with the borrower. As a public benefit entity the Society is exempt from additional disclosures.

#### **Critical accounting estimates and areas of judgement**

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

The judgement which has the most significant effect on the amounts recognised in the financial statements relates to the valuation of property and appreciating assets. A formal revaluation of appreciating assets has been undertaken during the current year.

The property is included at valuation. This is considered to be a critical accounting estimate in view of the amounts involved and the judgements applied in their valuation. The independent valuation conducted in July 2020 was subject to material uncertainty due to the impact of the Coronavirus pandemic but the Trustees have reviewed the position and consider that the carrying value represents fair value at the year end.

**The Royal Society of Musicians of Great Britain**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> July 2021 (Continued)**

<b>2. Donations and legacies</b>	<b>2021</b>	<b>2020</b>
	£	£
Donations	191,826	61,420
Membership subscriptions	24,007	23,117
Gift Aid - tax recovered	8,293	2,643
Legacies	360,686	61,788
	<u>584,812</u>	<u>148,968</u>
<b>3. Other trading activities</b>	<b>2021</b>	<b>2020</b>
	£	£
Fundraising concert	-	18,092
Handel Room hire	450	1,760
Sundry sales	-	133
	<u>450</u>	<u>19,985</u>
<b>4. Investment income</b>	<b>2021</b>	<b>2020</b>
	£	£
Dividends - quoted investments	696,545	646,469
Property income	113,758	111,940
Bank and deposit interest	80	1,587
	<u>810,383</u>	<u>759,996</u>
<b>5. Costs of raising funds</b>	<b>2021</b>	<b>2020</b>
	£	£
Investment management charges	128,488	83,423
Fundraising expenses	501	1,293
Fundraising concert	-	9,109
Advertising and events	6,185	6,760
Property costs	29,742	27,099
Support costs (see note 8)	36,659	44,001
	<u>201,575</u>	<u>171,685</u>
<b>6. Charitable activities</b>	<b>2021</b>	<b>2020</b>
	£	£
Grants (see note 7)	594,078	576,494
Help Musicians UK Coronavirus Financial Hardship Fund	600,000	500,000
Casework costs (including salaries)	125,651	89,087
Conferences and events	100	589
Raising awareness of the society	14,419	12,552
Support costs (see note 8)	193,731	264,116
	<u>1,527,979</u>	<u>1,442,838</u>

**The Royal Society of Musicians of Great Britain**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> July 2021 (Continued)**

<b>7. Grants</b>	<b>2021</b>	<b>2020</b>
	£	£
Grants to members and their families	46,165	68,692
Grants to non-members	547,913	506,402
Donations to BAPAM in lieu of grants	-	1,400
	<u>594,078</u>	<u>576,494</u>

All grants are made to individuals.

<b>8. Support costs</b>	<b>Charitable activities</b>	<b>Raising funds</b>	<b>Total 2021</b>	<b>Total 2020</b>
	£	£	£	£
Staff costs (see note 10)	71,536	22,702	94,238	85,851
Depreciation	17,807	2,927	20,734	22,005
Premises costs	14,053	-	14,053	16,733
Office costs	24,812	4,955	29,767	39,663
Archive and collection	11,684	-	11,684	12,404
Other costs	2,517	159	2,676	7,205
Governance (see note 9)	51,322	5,916	57,238	124,256
Total	<u>193,731</u>	<u>36,659</u>	<u>230,390</u>	<u>308,117</u>
<i>Total in 2020</i>	<u>264,116</u>	<u>44,001</u>	<u>308,117</u>	

<b>9. Governance</b>	<b>2021</b>	<b>2020</b>
	£	£
Meeting and travel expenses	57	3,396
Audit fees	14,880	12,923
Accountancy	-	3,163
Legal and professional fees	3,149	74,628
Apportioned running costs	11,629	12,733
Staff costs (see note 10)	27,523	17,413
	<u>57,238</u>	<u>124,256</u>

<b>10. Staff costs</b>	<b>2021</b>	<b>2020</b>
	£	£
Gross pay	171,049	164,462
Employer pension contributions	4,088	3,653
Employer National Insurance contributions	13,755	12,207
	<u>188,892</u>	<u>180,322</u>

Staff costs are included as follows on the basis of estimated time spent on each area:

Charitable activities	138,667	143,199
Raising funds	22,702	19,710
Governance	27,523	17,413
	<u>188,892</u>	<u>180,322</u>



# The Royal Society of Musicians of Great Britain

## Notes to the Accounts

### For the year ended 31<sup>st</sup> July 2021 (Continued)

The average number of permanent full time staff in the year was 4 (2020:4)

The Society considers that its key management personnel comprise the Chairman, Treasurer and the Chief Executive of the Society. The total employment benefits of the key management personnel were £63,537 (2020: £61,677). No employees had benefits falling over £60,000 (2020: none).

#### 11. Trustees and related parties

No Trustees (2020: two) were reimbursed for the costs of travel & subsistence when engaged on the Society's business. The amount reimbursed totalled £0 (2020: £714). These are based on actual costs incurred in travelling by public transport or an agreed mileage rate. All the Society's Governor's meetings took place virtually this year due to the Covid-19 pandemic.

No Trustee received any remuneration for services to the Society.

FRS102 requires The Society to disclose donations and other income from Trustees. All Trustees are members of the Society and pay an annual subscription of between £5 and £25. Many Trustees supplement their subscriptions by a small donation. Unfortunately it is only possible for the Society to capture donations that pass through the bank account, but donations may also be received in cash collections and via third parties such as Just Giving, where donors can choose to remain anonymous. Identifiable donations from Trustees amount to an aggregate of £31,345 (2020: £260).

#### 12. Intangible fixed assets

	<b>Software</b>
<b>Cost</b>	£
At the beginning of the year	148,921
Additions	-
<b>At end of year</b>	<u>148,921</u>
<b>Amortization</b>	
At the beginning of the year	29,564
Charge for the year	14,892
<b>At the end of the year</b>	<u>44,456</u>
<b>Net book value</b>	
At the end of the year	<u>104,465</u>
At the beginning of the year	<u>119,357</u>

**The Royal Society of Musicians of Great Britain**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> July 2021 (Continued)**

**13. Tangible fixed assets**

**Current period**

	<b>Freehold land and buildings</b>	<b>Furniture and effects of an appreciating nature</b>	<b>Furniture and equipment</b>	<b>Total</b>
<b>Cost or valuation</b>	£	£	£	£
At the beginning of the year	2,000,000	690,024	90,062	2,780,086
Additions	-	-	1,240	1,240
Revaluation gains	-	24,367	-	24,367
At the end of the year	2,000,000	714,391	91,302	2,805,693
<b>Depreciation and impairments</b>				
At the beginning of the year	-	18,680	31,559	50,239
Impairment review	-	-	-	-
Depreciation and impairments	-	-	9,501	9,501
At the end of the year	-	18,680	41,060	59,740
<b>Net book value</b>				
At the end of the year	2,000,000	695,711	50,242	2,745,953
At the beginning of the year	2,000,000	671,344	58,503	2,729,847

**Assets of an appreciating nature**

These are valued in accordance with note 1. A professional valuation of furniture and effects was carried out by Sotheby's in July 2021. The books, manuscripts and archives were valued by the experienced archivist, Colin Coleman. Some art and antiques have remained in storage and may have no permanent future with the Society. In light of this, an impairment review was undertaken in 2018-19 and an adjustment was made to the values of these items to reflect potential market prices. This was reviewed by the archivist in July 2021 and deemed to be still accurate.

The original cost of these items was estimated to be £22,000. Unrealised revaluation gains were £673,711 (2020: £649,344).

**The Royal Society of Musicians of Great Britain**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> July 2021 (Continued)**

**13. Tangible fixed assets (continued)**

**Freehold land and buildings**

The freehold property known as 26 Fitzroy Square comprising part of the Society's estate was valued as at 31<sup>st</sup> July 2020 by an external valuer, Davis Brown Ltd, a firm of regulated Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation Global Red Book Standards 2020 and the international financial reporting standards within the Red Book. The valuation was undertaken on a Fair Value basis equating to market value. The valuation is reported under the special assumptions to exclude any value of development opportunities for which planning permission would be required and has not been granted, or where a development has not yet commenced. The valuation was reviewed in the year internally.

	<b>Buildings</b>	<b>Operational property Operational land</b>	<b>Total</b>	<b>Investment property</b>
	£	£	£	£
Valuation brought forward	1,340,000	660,000	2,000,000	3,000,000
Valuation gains (losses)	-	-	-	-
<b>Valuation at 31st July 2021</b>	<b>1,340,000</b>	<b>660,000</b>	<b>2,000,000</b>	<b>3,000,000</b>

**Tangible fixed assets**

**Prior period**

	<b>Freehold land and buildings</b>	<b>Furniture and effects of an appreciating nature</b>	<b>Furniture and equipment</b>	<b>Total</b>
	£	£	£	£
<b>Cost or valuation</b>				
At beginning of the year	1,914,354	690,024	86,548	2,690,926
Additions	-	-	3,514	3,514
Revaluation gains	85,646	-	-	85,646
At end of the year	<b>2,000,000</b>	<b>690,024</b>	<b>90,062</b>	<b>2,780,086</b>

**Depreciation and  
impairments**

At beginning of the year	-	18,680	22,093	40,773
Impairment review	-	-	-	-
Depreciation	-	-	9,465	9,465
At end of the year	-	<b>18,680</b>	<b>31,558</b>	<b>50,238</b>

**Net Book Value**

At end of the year	<b>2,000,000</b>	<b>671,344</b>	<b>58,504</b>	<b>2,729,848</b>
At the beginning of the year	1,914,354	671,344	64,455	2,650,153

**The Royal Society of Musicians of Great Britain**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> July 2021 (Continued)**

**14. Investments**

Investments comprise:	Market value		Cost	
	2021	2020	2021	2020
	£	£	£	£
(a) Quoted Investments	28,678,000	23,937,430	19,444,380	17,253,184
(b) Investment property	3,000,000	3,000,000	3,650,000	3,650,000
(c) Fine Instrument Trusts	1,788,041	1,707,864	1,296,776	1,296,776
	<u>33,466,041</u>	<u>28,645,294</u>	<u>24,391,156</u>	<u>22,199,960</u>

(a) Quoted investments

All investments are quoted on a recognised Stock Exchange and were acquired in accordance with the powers available under the Trustee Act 2000.

	2021	2020
	£	£
Market value at 31 <sup>st</sup> July 2020	23,431,179	24,748,760
Disposals at opening book value	(5,807,500)	(9,656,267)
Proceeds £7,000,616, gain £1,193,116 (2020: proceeds £9,412,609, loss £243,658)		
Additions at cost	6,066,581	9,106,690
Foreign exchange adjustments	-	-
Net gains on revaluation at 31 <sup>st</sup> July 2021	4,202,088	(768,004)
Market value at 31 <sup>st</sup> July 2021	<u>27,892,348</u>	<u>23,431,179</u>
Cash forming part of the investment portfolio*	785,652	506,251
Total quoted investments at market value	<u>28,678,000</u>	<u>23,937,430</u>
Historical cost at 31 <sup>st</sup> July 2021	19,444,380	17,253,184
Unrealised gains at 31 <sup>st</sup> July 2021	8,447,968	6,206,661
* Including unrealised foreign currency gains (losses) of:	(28,667)	(11,114)
* Including realised foreign exchange gains (losses) of:	(345)	13,587

**The Royal Society of Musicians of Great Britain**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> July 2021 (Continued)**

**14. Investments (continued)**

Allocation of quoted investments between funds	Market value 2021 £	Market value 2020 £	Cost 2021 £	Cost 2020 £
<b>Unrestricted funds</b>	27,741,535	23,099,612	18,809,434	16,794,209
<b>Restricted funds:</b>				
Gershom Parkington income Fund	2,616	147,342	1,774	81,689
Henry Wood Fund	58,907	77,865	39,940	49,444
Members' Memorial Fund	206,148	279,132	139,773	158,429
The Stan Newsome Fund	170,237	156,044	115,425	77,971
John Birch Fund	143,917	130,664	97,579	66,403
Brereton Fund	4,784	4,053	3,244	2,067
Philip and Ursula Jones Fund	-	-	-	-
<b>Endowment funds:</b>				
Birch Endowment Fund	52,033	42,719	35,280	22,972
Gershom-Parkington endowment Fund	297,823	-	201,931	-
	<u>28,678,000</u>	<u>23,937,431</u>	<u>19,444,380</u>	<u>17,253,184</u>

At 31<sup>st</sup> July 2021 the charity had no material individual investments (2020: none).

- (b) Investment property  
Investment property is included at valuation - full details are provided in Note 13.
- (c) Movement in the Society's shares in Fine Instrument Trusts

	Market value 2021 £	Market value 2020 £
Market value at 31st July 2020	1,707,864	1,667,811
Acquisition costs	-	-
Net gains on revaluation at 31st July 2021	80,177	40,053
<b>Market value at 31st July 2021</b>	<u>1,788,041</u>	<u>1,707,864</u>
Historical cost at 31st July 2021	1,296,776	1,296,776
Unrealised gains at 31st July 2021	<u>491,265</u>	<u>411,088</u>

Name of Trust	Instrument	RSM share	User
Berridge-Galliano	Cello	71.50%	Ms Cara Berridge
The Godlee-Tecchler	Cello	70.13%	Mr Guy Johnston
The Hancox-Sacconi	Violin	77.28%	Mr Ben Hancox
The Dawson-Sacconi	Violin	80.39%	Ms Hannah Dawson
The Morgan-Rocca	Violin	76.68%	Mr Darragh Morgan
The Cruft-Grancino	Cello	58.18%	Mr Brian O'Kane

The Society is the sole Trustee for each Trust. All instruments were professionally revalued in the year at the time they were reviewed for insurance purposes by J & A Beare Ltd.

**The Royal Society of Musicians of Great Britain**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> July 2021 (Continued)**

<b>15. Debtors</b>	<b>2021</b>	<b>2020</b>
	£	£
Charitable loans*	1,150	1,980
Prepayments	20,377	20,334
Accrued income**	163,764	75,012
Other debtors	81,003	57,071
	<u>266,294</u>	<u>154,397</u>

\*Charitable loans to qualifying beneficiaries are interest free and may be repaid over an extended period. The amount expected to be repaid after more than one year at 31<sup>st</sup> July 2021 is £720.

\*\*Accrued income includes legacies of £105,000 (2020: £0).

<b>16. Creditors</b>	<b>2021</b>	<b>2020</b>
	£	£
<b>Creditors falling due within one year</b>		
Grants payable	150,090	72,453
Tax, national insurance and pension contributions	1,136	4,592
Deferred life membership subscriptions income (a)	43,080	41,200
Deferred rental income	-	7,903
Accruals	25,389	22,000
Trade creditors	11,226	6,785
Other creditors	50	-
	<u>230,971</u>	<u>154,933</u>

  

	<b>2021</b>	<b>2020</b>
	£	£
(a) Deferred income includes life subscriptions which are expected to be realised:		
In the next financial year	2,720	2,500
After more than one year	40,360	38,700
	<u>43,080</u>	<u>41,200</u>

**17. Capital Commitments**

The agreement for the construction of a database to meet the management needs of the Society was signed on 12<sup>th</sup> September 2017. The contract provides for payments to be made as each module is completed. At 31<sup>st</sup> July 2021 the value of the proportion of that contract which has not been completed is £12,250 including VAT.

There are no other capital commitments.

**The Royal Society of Musicians of Great Britain**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> July 2021 (Continued)**

**18. Endowment funds**

<b>Current year</b>		<b>Balance</b>			<b>Investment</b>	<b>Fund</b>	<b>Balance</b>
		<b>2020</b>	<b>Income</b>	<b>Expenditure</b>	<b>gains</b>	<b>transfers</b>	<b>2021</b>
		£	£	£	(losses)	£	£
Birch Endowment Fund	(1)	42,691	-	(229)	9,571	-	52,033
Gershom-Parkington Endowment Fund	(2)	-	-	(1,312)	54,781	244,354	297,823
		<u>42,691</u>	<u>-</u>	<u>(1,541)</u>	<u>64,352</u>	<u>244,354</u>	<u>349,856</u>

(1) The Birch endowment fund was created by a bequest from the late Dr John Birch. Income from the fund is to be applied for the relief of hardship at the discretion of the Trustees.

(1) The Gershom-Parkington endowment fund was created by a bequest from the late Mr Frederic Gershom-Parkington. Income from the fund is to be spent on grants to musicians in bad health. The Fund was previously held as a restricted fund, however, the Trustees decided that the wishes of Mr Gershom-Parkington were more correctly interpreted by holding the funds in perpetuity and using only the income for grants.

**19. Restricted funds**

The income funds of the charity include the following restricted funds which were established at various points in the Society's history to provide funds for particular categories of beneficiaries.

<b>Current year</b>		<b>Balance</b>			<b>Investment</b>	<b>Fund</b>	<b>Balance</b>
		<b>2020</b>	<b>Income</b>	<b>Expenditure</b>	<b>gains</b>	<b>transfers</b>	<b>2021</b>
		£	£	£	(losses)	£	£
Gershom-Parkington Income Fund	(1)	151,808	7,110	(3,996)	-	(151,808)	3,114
Henry Wood Fund	(2)	91,884	2,674	(54,914)	20,600	-	60,244
Members' Memorial Fund	(3)	294,418	29,622	(211,380)	66,006	-	178,666
The Stan Newsome Fund	(4)	144,898	9,479	(17,728)	32,484	-	169,133
Brereton Fund	(5)	3,841	112	(21)	860	-	4,792
John Birch Fund	(6)	123,401	3,590	(11,623)	27,665	-	143,033
HMUK Covid Emergency Fund	(7)	-	100,000	(100,000)	-	-	-
Philip and Ursula Jones Fund	(8)	-	-	(3,000)	-	25,000	22,000
		<u>810,250</u>	<u>152,587</u>	<u>(402,662)</u>	<u>147,615</u>	<u>(126,808)</u>	<u>580,982</u>

**The Royal Society of Musicians of Great Britain**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> July 2021 (Continued)**

**19. Restricted funds (continued)**

<i>Prior year</i>		<i>Balance</i>			<i>Investment</i>	<i>Fund</i>	<i>Balance</i>
		<i>2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>gains</i>	<i>transfers</i>	<i>2020</i>
		£	£	£	(losses)	£	£
<i>Gershom Parkington Fund</i>	(1)	153,359	3,536	(388)	(4,699)		151,808
<i>Henry Wood Fund</i>	(2)	84,438	10,526	(235)	(2,845)		91,884
<i>Members' Memorial Fund</i>	(3)	291,053	20,633	(8,153)	(9,115)		294,418
<i>The Stan Newsome Fund</i>	(4)	162,160	8,895	(21,670)	(4,487)		144,898
<i>Brereton Fund</i>	(5)	4,070	89	(200)	(118)		3,841
<i>John Birch Fund</i>	(6)	130,974	2,875	(6,627)	(3,821)		123,401
		<u>826,054</u>	<u>46,554</u>	<u>(37,273)</u>	<u>(25,085)</u>		<u>810,250</u>

- (1) The Gershom-Parkington Income Fund is restricted to grants to musicians. The Gershom-Parkington Fund was previously held as a restricted fund, but has now been reclassified as an endowed fund. The £151,808 that was in the restricted fund at the start of the year has been transferred to the endowed Fund. All income from the endowment fund is placed in the Gershom-Parkington Income Fund.
- (2) Henry Wood Fund grants are payable to both Members and non-members in need of assistance.
- (3) The Members' Memorial Fund provides gifts and living expenses grants to Members and non-members.
- (4) The Stan Newsome Fund is used to make small grants to musicians living or working in London.
- (5) The Brereton Fund may be used to pay the annual subscriptions of Members in need of assistance.
- (6) The John Birch Fund has been created from a donation from the John Birch Charitable Trust to provide a fund for the relief of church musicians in need.
- (7) The HMUK Covid Emergency Fund was created after a donation of £100,000 that the donor requested be put towards the Society's contribution to the Help Musicians UK Emergency Hardship Fund.
- (8) The Philip and Ursula Jones Fund was created this year with a contribution from the General Fund of £25,000 in recognition of the support given to the Society by the late Philip Jones. It may be used to support brass musicians and their families who are in poverty or ill health.



**The Royal Society of Musicians of Great Britain**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> July 2021 (Continued)**

**20. Analysis of net assets between funds**

<b>Current year</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total funds</b>
	£	£	£	£
Intangible fixed assets	104,465	-	-	104,465
Tangible fixed assets	2,745,954	-	-	2,745,954
Investments	32,529,576	586,609	349,856	33,466,041
Current assets	1,087,356	26,991	-	1,114,347
Current liabilities	(198,353)	(32,618)	-	(230,971)
Interfund balances				-
	<u>36,268,998</u>	<u>580,982</u>	<u>349,856</u>	<u>37,199,836</u>

Unrealised gains (losses) included above on investments at 31 <sup>st</sup> July 2021	11,182,497	383,980	63,583	11,630,060
Revaluation gains (losses) on tangible fixed assets	(1,176,423)	-	-	(1,176,423)

<b>Prior year</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total funds</b>
	£	£	£	£
Intangible fixed assets	119,357			119,357
Tangible fixed assets	2,729,848			2,729,848
Investments	27,807,475	795,100	42,719	28,645,294
Current assets	718,712	4,388	-	723,100
Current liabilities	(153,993)	(940)	-	(154,933)
Interfund balances	(11,674)	11,702	(28)	-
	<u>31,209,725</u>	<u>810,250</u>	<u>42,691</u>	<u>32,062,666</u>

Unrealised gains (losses) included above on investments at 31 <sup>st</sup> July 2020	7,133,917	269,184	13,538	7,416,639
Revaluation gains (losses) on tangible fixed assets	(1,200,790)	-	-	(1,200,790)

**21. Reconciliation of net movements in funds to net cash flow from operating activities**

	<b>2021</b>	<b>2020</b>
	£	£
<b>Net income for the reporting period</b>		
(as per the statement of financial activities)	5,137,171	(2,260,097)
Adjustments for:		
Depreciation charges	9,501	9,465
Amortization charges	14,892	14,892
Impairment losses	-	-
(Gains) or losses on investments	(5,471,080)	1,574,523
Dividends, interest and rents from investments	(810,383)	(759,996)
(Increase) or decrease in debtors	(111,897)	(47,600)
Increase or (decrease) in creditors	76,038	314
Net cash provided by (used in) operating activities	<u>(1,155,758)</u>	<u>(1,468,499)</u>

# The Royal Society of Musicians of Great Britain

## Notes to the Accounts

### For the year ended 31<sup>st</sup> July 2021 (Continued)

#### 22. Movement in revaluation reserves

##### Reserves brought forward

	Unrestricted £	Restricted £	Endowment £	2021 total £	Unrestricted £	Restricted £	Endowment £	2020 total £
Investments	5,961,857	233,208	11,596	6,206,661	8,132,108	288,545	14,583	8,435,236
Instruments	411,088	-	-	411,088	411,088	-	-	411,088
Appreciating assets	649,344	-	-	649,344	649,344	-	-	649,344
Property	(2,500,134)	-	-	(2,500,134)	(1,935,780)	-	-	(1,935,780)
	4,522,155	233,208	11,596	4,766,959	7,256,760	288,545	14,583	7,559,888

##### Movement in the year

Rebalancing the investment portfolio	-	-	-	-	-	-	-	-
Unrealised investment gains (losses)	4,008,580	114,796	50,045	4,173,421	(759,279)	(19,361)	(1,045)	(779,685)
Investment gains (losses) released on disposal	(1,855,799)	(53,146)	(23,169)	(1,932,114)	(1,410,972)	(35,976)	(1,942)	(1,448,890)
Unrealised instrument gains (losses)	80,177	-	-	80,177	-	-	-	-
Unrealised property gains (losses)	-	-	-	-	(564,354)	-	-	(564,354)
Impairment loss on appreciating assets	-	-	-	-	-	-	-	-

##### Reserves carried forward

Investments	8,114,638	294,858	38,472	8,447,968	5,961,857	233,208	11,596	6,206,661
Instruments	491,265	-	-	491,265	411,088	-	-	411,088
Appreciating assets	649,344	-	-	649,344	649,344	-	-	649,344
Property	(2,500,134)	-	-	(2,500,134)	(2,500,134)	-	-	(2,500,134)
	6,755,113	294,858	38,472	7,088,443	4,522,155	233,208	11,596	4,766,959

#### Reported on the Statement of Financial Activities

Unrealised gains (losses)								
Investments	4,008,580	114,796	50,045	4,173,421	(759,279)	(19,361)	(1,045)	(779,685)
Instruments	80,177	-	-	80,177	-	-	-	-
Appreciating assets	24,365	-	-	24,365	-	-	-	-
Property	-	-	-	-	(564,354)	-	-	(564,354)
Total unrealised gains (losses)	4,113,122	114,796	50,045	4,277,963	(1,323,633)	(19,361)	(1,045)	(1,344,039)
Realised gains (losses) on investments	1,145,990	32,819	14,307	1,193,116	(224,451)	(5,724)	(309)	(230,484)
Total reported gains (losses)	5,259,112	147,615	64,352	5,471,079	(1,548,084)	(25,085)	(1,354)	(1,574,523)



