

CHARITY NUMBER: 1181735

**PRS MEMBERS' FUND
CHARITABLE INCORPORATED ORGANISATION**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019**

PRS Members' Fund

**Eighty Sixth Annual Report of the
Trustees and Financial Statements
For the year ended 31st December 2019**

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PRS Members' Fund

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For the year ended 31st December 2019**

Patrons, Trustees, Officers and Advisers

Charity Registration Number

1181735

Address

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King's Cross
London
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Patrons

Don Black OBE
Geoffrey Brand
Wayne Hector
Jools Holland OBE
Dr Brian May CBE
Rick Wakeman
Brian Willey

Trustees

Nicholas Graham (Chair)
Sarah Rodgers (Deputy Chair)
Kim Appleby
Mark Fishlock
Peter Glenister
Christopher Gunning
Nigel Hess
Peter Knight Jnr
Mick Leeson
Eddie Levy
Michael Lindup
Paulette Long OBE
Megg Nicol
Paul Patterson
Mervyn Winwood

General Secretary

John Logan

Administrator

Christine Keeley

Welfare and Development Officer

Athena Pite

Special Projects Officer

Ilaria Piscopo

PRS Members' Fund

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Patrons, Trustees, Officers and Advisers

Administration Assistant

Christopher Rowland

Visitors

Dave Arcari
Matthew Hill
Sara Dixon
Jane Nelson
Angelina Otoo

Bankers

NatWest Bank plc
PO Box 2162
20 Dean Street
London
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Auditor

BDO LLP
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London W1U 7EU

Investment advisers

Aberdeen Standard Capital
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45 Pall Mall
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PRS Members' Fund

Eighty Sixth Annual Report of the Trustees and Financial Statements For the year ended 31st December 2019

**Providing support for songwriters and composers
We hear you, we're here for you.**

What we do

The PRS Members' Fund is here for PRS members, ex-members and their dependants who are in need, whether due to physical or mental illness, disability, accident or age-related issues and we provide financial support and advice in a range of ways.

PRS members of at least seven years or having earned at least £500 in royalties from the Society, ex-members and their families can apply to us for:

- Regular financial support to help with daily living expenses
- One-off grants to, for example, replace essential domestic appliances
- Loans to get out of temporary difficulties
- Special needs grants for older or disabled people
- Assistance with housing solutions
- Mental health support
- Career change advice

We also look after members' welfare and improve their quality of life, by, for example, helping them find sheltered accommodation, providing debt advice and career change support, or funding a holiday through our holiday schemes. The range of support on offer to those in genuine need is growing.

Every situation is different so we are flexible, always considering members' individual needs so we can put together the most effective package of help. We pride ourselves on being able to adapt to the changing stresses faced by songwriters, composers and their families.

We aim to help our beneficiaries to become independent and self-sufficient but the possibility of longer-term support exists where this is not possible.

We dealt with many cases during the year where members had felt the impact of the transition to Universal Credit, particularly delays in applications and mistakes in calculations. Along with the reduction in other health related State benefits this left many members significantly affected and poverty-stricken. We were able to financially assist genuine cases – as well as directly support them with the appeals process until such time as state payments were reintroduced.

Whatever the problem might be we encourage those in need to contact us at an early stage ideally before the situation reaches crisis point. Personal pride and lack of awareness around the flexibility of our support are often factors that prevent members from getting in touch, making early intervention impossible. But the important thing is to get in touch. Don't be afraid to contact us. We will work with you to find a solution to the problems being faced. We hear you, we're here for you.

There may be a perception that we can only assist those who are older. There is no minimum age criteria. We help younger members as well as older members. We know that illness, acute life crisis and loss of employment may happen at any time to anyone.

We attempt to visit every person who receives regular financial support at home at least once a year, reviewing this support to make sure it's still adequate, and necessary. Face to face contact apart from the opportunity to share how things are often results in a specific need being identified where further support, advice or guidance can be offered. We also keep in contact with the partners and dependants of deceased members who we have helped to offer continuing support and connection.

The Trustees are pleased to present their report and financial statements for the year ended 31 December 2019 to members of the Performing Right Society. The report and financial statements have been prepared in accordance with the requirements of the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (Charities SORP (FRS 102)).

PRS Members' Fund

Eighty Sixth Annual Report of the Trustees and Financial Statements For the year ended 31st December 2019

Report of the Trustees

2019: Our aims

In February we agreed a four-year strategy for the period 2019-2022. It provides a vision for the future which will see us enhance our services and support, better engage with those who seek our help, and continue to raise our profile so that PRS members know we are here in times of need and how to access the help we provide.

This vision is supported by 4 strategic aims:

1. Respond appropriately to the trend of beneficiaries being onboard longer;
2. Fill gaps in knowledge and data about beneficiaries;
3. Expand existing service provision in breadth and depth;
4. Address the mental health crisis among songwriters and composers.

2019: Our highlights

The Trustees feel that great progress was made in 2019.

- We spent the early part of the year working on a new identity for the charity; a new logo, developing our website and improving our reach through social media platforms. We paid for ad campaigns in the hope of increasing our audience and to better engage members of the society so that they are aware we are here for them in time of need. Our Facebook promotions enabled the Fund to reach 27,000 people in a week. We also improved our suite of printed marketing materials including give-away merchandise such as Fund branded pens, notepads, pencils, badges and bags as well as information leaflets that explain the support available from the Fund towards mental and physical health issues, career change advice, debt management, and winter fuel bills. Our rebranding has helped us to connect with a younger audience and promote our new goals and services.
- We changed our legal status from an unincorporated trust to a Charitable Incorporated Organisation.
- We focussed on short-term interventions by providing impact support grants, typically monthly awards paid over a period of three months that are intended to deal with an immediate difficulty. This is because the call on the Fund's resources are increasing and to take on a financial commitment over a longer period needs careful consideration by the Trustees.
- We engaged consultants to help us create and develop systematic data collection, including associated processes so that we can measure impact against our core objectives and inform ongoing activities.
- We carried out work to identify common themes emerging from applications for support and will review these for patterns of unmet needs.
- We sought beneficiary feedback through a questionnaire to begin the process of gathering evidence on the impact of the help awarded.
- We raised awareness of our work by participating in events including The Great Escape in May, International Reggae Day at Goldsmiths College in June, BBC Introducing in October and the British Composer's seminar in November.

PRS Members' Fund

Eighty Sixth Annual Report of the Trustees and Financial Statements For the year ended 31st December 2019

Report of the Trustees (*continued*)

Applications

We continued to see the effects of our efforts to raise awareness of our work through an increase in the number of enquiries and applications received.

- 168 new enquiries received of which 148 converted to applications. (136 conversions in 2018).
- 148 were new applicants previously unknown to the Fund.
- 68% of applicants were aged 45 or below.
- 40% of applicants were female.
- Our Welfare Officer and regional visitors made 88 visits to PRS members, often helping individuals in their claims or appeals for state benefits, facilitating access to care and health needs support, or simply providing a listening ear and liaising with other organisations on the members' behalf.

We awarded grants totalling £440,380 slightly less than the £451,839 awarded in 2018.

We are confident that with improved awareness among PRS members this upward trend for applications and enquiries will continue.

Property

The Fund's residential property in Eastbourne purchased in 2017 was fully let throughout 2019.

Our future plans

- We will be seeking to appoint ambassadors to represent and promote our work among PRS members.
- We expect to have greater representation at industry events, seminars, festivals. The ongoing lack of visibility of the Fund's work is clear from the research undertaken.
- We will be fundraising and promoting legacies and bequests.
- We will organise events to raise awareness of mental health and wellbeing and the support that's available within the industry.
- We will develop and promote strategies that offer support to members on the basis that "prevention is better than cure".
- We will work with PRS to develop opt in responses so that members consent to receive direct communications from the Fund.
- We will test and measure new services for members covering mental health, emotional and financial resilience, and how to maximise income from past and future works.

PRS Members' Fund

Eighty Sixth Annual Report of the Trustees and Financial Statements For the year ended 31st December 2019

Report of the Trustees (*continued*)

Partnerships and collaborative working

We worked with organisations during the year to develop partnerships that help deliver services to members and our beneficiaries and maximise the support available.

Francis W Reckitt Arts Trust

In 2019 the Trust generously agreed a further £2,000 grant towards song writing retreats, to be administered by the Fund in accordance with the scheme rules. At the year-end 8 members were given the opportunity to seek a retreat. The interest in the scheme is growing and there is great demand from professional writers who otherwise could not afford the cost of finding a space in which to write. The feedback we have received confirms that the scheme is beneficial and much needed.

British Association for Performing Arts Medicine (BAPAM)

We are aware that 183 PRS members received clinical support through BAPAM in 2019, covering a range of medical conditions that included, musculoskeletal, psychosocial, hearing and voice. Naturally the identities of the recipients were confidential to BAPAM. Assessments by a BAPAM clinician are free to PRS members. Once assessed the clinician sets out what is needed for the patient who then approaches the Fund and other funding organisations such as Help Musicians UK to consider possible financial support towards the recommended treatment. A donation towards BAPAM's work during the year of £6,750 was agreed and awarded (2018 £6,750).

Help Musicians UK and Royal Society of Musicians

We held meetings with HMUK and RSM to discuss matters of mutual interest affecting all three charities and to explore various initiatives designed to help our respective communities. PRS members are often entitled to seek help from any one of the three organisations.

Music Minds Matter

In 2019 our partnership with HMUK continued. This gives PRS members access to the health and welfare services available through their Music Minds Matter initiative. It's a free and confidential 24/7 mental health support line. Members can get access to information, listening, advice on a range of therapies for which some funding may be available, and emotional support. No individuals were identified to the Fund for reasons of confidentiality we are aware that 15 composers and 53 songwriters contacted Music Minds Matter in 2019.

StepChange debt charity

Members were referred to StepChange for debt management advice. There are many different options and debt solutions available. They can help with budgeting and provide a tailored personal action plan along with ongoing support. It's a confidential service.

PRS Members' Fund

Eighty Sixth Annual Report of the Trustees and Financial Statements For the year ended 31st December 2019

Report of the Trustees (*continued*)

Shelter

Our relationship with Shelter continued throughout the year. Shelter helps millions of people every year struggling with bad housing or homelessness through their advice, support and legal services, so we are delighted to be working closely with them. Members can access online advice, speak to an adviser through webchat or find out details of a local face-to-face service. Once again, the service is confidential.

MacMillan Cancer Support

Our partnership with MacMillan will, with the necessary individual consent, enable the charity to refer patients who are PRS members in need of financial support to the Fund.

MusiCares (USA)

We made arrangements to work together with MusiCares in the United States to provide financial support to PRS members living in the US. MusiCares will take referrals from the Fund and consider possible joint support.

Pledge Music

We were part of a coalition within the industry set up to provide a centralised source of information and assistance to those writers impacted by the Pledgemusic and Rhythmix collapse. The Fund was able to offer crisis payments to members affected.

We will continue with our programme of meeting with other relevant organisations to help identify new and emerging needs and how we might work together to provide the services to meet them.

General Data Protection Regulations (GDPR)

We worked with PRS to get our messages out to members having regard to GDPR. However, this is extremely difficult when the Fund does not have access to the PRS database. It is prevented from contacting members direct because of data protection issues. During the year a PRS for Music/PRS Members' Fund data sharing agreement was finalised allowing the use by the Fund of PRS data to confirm members' eligibility for Fund support. Direct contact with members by the Fund remains an issue. Opportunities to promote the Fund's work and draw the attention of potential beneficiaries to the available support continue to be sought and will be developed wherever possible.

Communications

The Fund is grateful for the support it receives from PRS in many areas of its operations. For example, communication with members. Fund messages and reminders were included in PRS member newsletters each month. Our contact details were also included on distribution notices reminding members to get in touch with the Fund if in need of financial support. The notice was seen by 62,428 PRS members who received royalties in 2019. Our work was highlighted at the PRS AGM held in May when the Fund's promotional film was shown at the meeting. We are grateful for the help and support provided by PRS Chairman Nigel Elderton, CEO Andrea Martin and Director of Communications Barney Hooper and his team. We also worked closely with PRS writer and publisher relations staff along with Education & Outreach Manager Andy Ellis and his team by participating in various events.

Hardship payments

In 2019 we awarded 1198 grants (2018: 1106) totalling £440,380 (2018: £451,839) to help PRS members and their loved ones make it through difficult times. This illustrates just how vital our help is for songwriters and composers in need. No genuine case of financial hardship was refused help during the year.

PRS Members' Fund**Eighty Sixth Annual Report of the
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For the year ended 31st December 2019****Report of the Trustees (*continued*)****Weekly grants for essentials**

We made 401 payments to help people buy food, medication and other essentials through weekly grants. These are PRS members who because of age or disability are unable to work and need on-going support to cover day-to-day living expenses. This represents a significant part of our grant-making activity.

Winter heating

Our winter heating scheme supports eligible members who, even with government winter fuel payments, could struggle with the cost of heating their homes. The scheme runs during the months of October until March and is available to PRS members who are elderly, sick or vulnerable. The scheme included a payment for exceptionally cold weather. This year we gave grants to 59 members who applied for help towards their winter fuel bills, totalling £26,104.

Career change advice

We helped 7 members obtain professional guidance and support when they felt they had reached a crossroads in their music career and needed help to see the alternative opportunities ahead.

Support with unexpected costs

We helped 58 members to live more comfortably by giving grants for unexpected or upfront expenses. In total, we gave £24,740 to repair or replace worn out furniture or household appliances, and towards advance rent/deposits and removal costs for members who needed to move home because of illness or vulnerability.

Private Health

Generally financial support is not available to fund private treatment but in certain exceptional situations where for example there are delays in receiving treatment through the NHS the Trustees will exercise their discretion to make an award.

Interest free loans

In some circumstances, we provide loans to help with emergency repairs and home maintenance. These are repaid in full from royalties.

Where larger amounts are secured on the borrowers' property, for the first five years of the loan we apply a nominal annual interest rate of 1%, then review the terms in year six. At the end of 2019, we had 32 loans totalling £266,480 (2018: £261,404) outstanding. During the year £15,299 had been repaid.

No additional secured loans were awarded during 2019 due to constraints imposed by the Financial Conduct Authority's lending regulations which apply to charities.

Christmas Gifts

We sent a Tesco gift voucher to everyone who receives a weekly grant. We also gave special Christmas grants to a number of other people who had received help during the year and were still experiencing illness or disability.

Sunshine holidays

Through our holiday scheme we made it possible for 36 people to have a holiday or day trips in 2019. The scheme has been in operation for many years. It will be reviewed in 2020 when it is likely that the emphasis will shift towards providing help towards convalescence and respite care.

PRS Members' Fund

Eighty Sixth Annual Report of the Trustees and Financial Statements For the year ended 31st December 2019

Report of the Trustees (*continued*)

Sheltered accommodation

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

The scheme is managed by East Boro Housing Trust to whom we have made loan funding available to make improvements to the development in return for which we are given nomination rights.

Overseas support

In 2019 we continued to support members and their families living in Brazil, Cyprus, South Africa, St Lucia, Jamaica, USA, Ghana, Spain and Malta.

Thank you

To provide the level of support needed for our work, we rely heavily on a number of key working relationships with other charities, agencies, businesses and organisations.

We are grateful to the following for their support and co-operation:

Cyril Wood Court Trust, Workjoy, Performance and Media Coaching, East Boro Housing Trust, DES Computer Solutions, Association of Charitable Organisations, The Ivors Academy, Help Musicians UK, Royal Society of Musicians, Royal Theatrical Fund, Incorporated Society of Musicians, British Association for Performing Arts Medicine, Francis W Reckitt Arts Trust, FELT Branding and CSL. We also remain indebted to affiliated societies overseas and local PRS for Music agencies for helping us assess need and get urgent financial help to local members. These include SAMRO (South Africa), JACAP (Jamaica), ECCO (Eastern Caribbean), PRS for Music Malta, and PRS for Music Cyprus.

We acknowledge the support given by PRS for its annual £35,000 subvention to the Fund and support in the form of donated facilities and services such as rent-free accommodation, heating and lighting. We are also grateful for advice and guidance from the communications, membership, human resources, legal and finance directorates. Following representations made to the Trustees by PRS, the Trustees agreed to a request for a PRS subvention holiday in 2020 and 2021. The Society's annual subvention to the Fund will recommence in 2022 based on a percentage of the Society's annual net distributable revenue. PRS has confirmed that donated facilities and services will continue during the two-year moratorium.

We also thank The Ivors Academy for the publicity it gives the Fund in its programmes for the Ivors and Gold Badge awards. Similarly, thanks to the Royal Variety Charity for our advert in their souvenir programme for the 2019 Royal Variety Performance at the London Palladium.

We appreciate the efforts of the Fund's staff and welfare visitors, who look after the day-to-day business of the charity.

In July we welcomed Angelina Otoo to the Fund as welfare visitor for Greater London. Sadly we lost the kind services of regional visitors Sara Dixon and Matthew Hill during the year.

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

PRS Members' Fund

Eighty Sixth Annual Report of the Trustees and Financial Statements For the year ended 31st December 2019

Report of the Trustees (*continued*)

Structure, governance and management

Since 1934 when it was formerly established the PRS Members Fund has operated under a Trust Deed as amended from time to time. For the first three months of 2019 the Fund continued to operate as an unincorporated charity governed by its Trust Deed and administered by a Committee of Management.

The PRS Members' Fund registered as a Charitable Incorporated Organisation (CIO) with the Charity Commission on 24th January 2019 and began the process of transferring the assets of the trust into the new entity on 1st April.

The present Trustees and members of the Committee of Management are the first Trustees of the new CIO with staggered initial terms of office to ensure continuity. The Trustees control and administer the Fund. However, the General Secretary is the officer directly responsible to the Trustees for the day to day management of the charity including management of the Fund's small team of staff.

Nicholas (Nicky) Graham continued as Chairman of the Trustees under the new CIO Constitution under which the CIO Trustees Board comprises 15 Trustees; Six are appointed directly by the PRS Board and six by members of PRS in General Meeting and up to 3 Trustees are appointed by the CIO Board under the Constitution, one of which must be a composer, one an author and one a publisher. No one can be appointed a trustee unless he/she is a voting or principal voting member of PRS.

Trustee Michael Lindup is eligible for appointment by members at the PRS AGM in May 2020 for a period of six years.

All Trustees received a copy of the Fund's new Constitution, having already been provided with a copy of the Charity Commission guidance notes on trustee responsibilities.

Trustees and Staff are encouraged to undertake training and development. Details of training programmes and seminars are sent to the Fund by the National Council for Voluntary Organisations, the Association of Charitable Organisations and other commercial and third sector providers. These are circulated to the Trustees and staff. The charity meets the fees for attending training courses. In 2019 the Fund was represented at seminars dealing with Trustee Investments, Charity Finance and Governance.

During 2019 the Trustees met each month (except in August) to consider applications for financial assistance, as well as other aspects of the Fund's affairs.

The Trustees deal with all applications in the strictest confidence. All grants are discretionary and are subject to an application process which takes into account income and savings, in line with the levels at which Income Support is available from the Department for Work and Pensions.

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

Terms of reference exist for all these sub-committees.

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

PRS Members' Fund

Eighty Sixth Annual Report of the Trustees and Financial Statements For the year ended 31st December 2019

Report of the Trustees (*continued*)

Finance Sub-Committee

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

Peter Glenister, Nicky Graham (ex officio), Mick Leeson, Mark Fishlock, and Muff Winwood were re-elected to serve on the Finance Sub-Committee for the year. The sub-committee met three times during the year.

Strategy Sub-Committee

The Trustees re-elected Mick Leeson (Chair), Peter Glenister, Nicky Graham, Mike Lindup, Megg Nicol, Sarah Rodgers, Chris Gunning and Paulette Long. It met at the beginning of the year to review the Fund's strategic plan and recommend its adoption to the Trustees.

Staff Sub-Committee

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

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

Housing Projects Sub-Committee

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

Members of the sub-committee include Peter Glenister, Eddie Levy, Chris Gunning and Mark Fishlock. It was through the work of this sub-committee that a recommendation to purchase a property in Eastbourne was made to and accepted by the Trustees. The sub-committee did not meet during 2019.

Public benefit

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

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

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

PRS Members' Fund

Eighty Sixth Annual Report of the Trustees and Financial Statements For the year ended 31st December 2019

Report of the Trustees (*continued*)

Conflicts of Interests and conflicts of loyalty

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

Risk management

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

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

Financial review

Total income for the year, including donated facilities such as accommodation, rates, heating and lighting, amounted to £844,899 (2018: £816,282). Donated facilities were £33,366 (2018: £42,320) and are included as income within donations and as a corresponding expense within support costs.

Income, excluding the cost of donated facilities, amounted to £811,533 (2018: £773,962) comprising donations and legacies of £457,208 (2018: £407,486), along with investment and other income amounting to £354,325 (2018: £366,475).

Donations and legacy income also comprised royalty bequests of £291,205 (2018: £308,481), and a PRS donation of £33,366 (2018: £42,320) for accommodation, rates, heating and lighting.

The Trustees also acknowledge the generosity of members of PRS who made provision in their Wills for legacies and bequests to the Fund. This sometimes included payment of royalties. One such bequest was that of PRS royalties arising from the works of Douglas Furber including Me And My Girl and Lambeth Walk. These were kindly left to the charity by his daughter-in-law Gilberta Furber.

We received a generous legacy of £20,000 under the Will of Jane Havell, and donations in memory of the late Jerry Lordan, his family and friends who have passed on. Donations were also received from Brandon Music, and from family and friends in memory of Terry Keyworth. We received a £5,000 donation from Kassner Music Group to mark the 75th anniversary of the business. Chris Datson ran a half marathon in aid of the Fund and raised £261 for the charity. A sum of £2,865 was raised through the charity's JustGiving page.

In 2019 we distributed £440,380 (2018: £451,839) to help those in need. We continued to provide support to beneficiaries on a regular basis. Older beneficiaries living on a state pension and benefits rely heavily on Fund activities continuing and financial help being made available while their financial circumstances remain precarious. To comply with current accounting conventions, grants renewed in 2018 for payment in 2019 are recognised as accrued expenditure at year end.

As stated in Note 10 to the financial statements on page 29, Fund staff are members of a contributory defined benefit scheme ("the scheme") operated by MCPS-PRS Alliance Limited.

The Fund has been informed that future employer contributions will be affected by a deficit in the scheme and that additional annual contributions of approximately £5,000 will be required to be paid for the next 15 years, together with a share of the final lump sum payment of £75,000 to cover the deficit. At present, these amounts are by no means certain nor agreed with the operator of the scheme. The Trustees will undertake negotiations with the scheme operator to agree the Fund's future contributions. As such, no provision has been made in these financial statements for this commitment until they have been agreed.

PRS Members' Fund

Eighty Sixth Annual Report of the Trustees and Financial Statements For the year ended 31st December 2019

Report of the Trustees (*continued*)

Reserves, endowments and investments

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

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

The purpose of the designated reserve fund is to generate income which the Fund can use to meet its charitable objectives. Any investment gains or losses will be transferred to the designated reserve fund in the first instance. The Fund's annual budget will therefore normally be set at an amount reflecting the anticipated level of income from the designated reserve fund. The Trustees may, however, transfer funds into and out of the designated reserve fund as they see fit in order to further the Fund's objectives. The designated reserve fund, which remains unrestricted, may be drawn on from time to time, at the discretion of the Trustees, to provide funds for major charitable projects which the Fund wishes to support and which cannot be covered out of the annual grants budget and the income arising from investments.

The Trustees consider the level of reserves to be prudent and justified, and necessary to cover fluctuations in income and provide relief to an ever-increasing PRS membership. The Trustees also have in mind the long-term demographic challenges that may be faced when widening its service provision going forward.

Investment managers

The Trustees have delegated the management of the Fund's investments to the Finance Sub-Committee which in turn delegated discretionary management to Aberdeen Standard Capital and to James Hambro & Partners LLP for long-term investment on a discretionary management basis. The two managers have different investment objectives.

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

Investment Strategy Review

Early 2019 we began the process of reviewing the performance of the Fund's main investment portfolio managed by Brewin Dolphin. This included a review of the Fund's risk profile, given the charity's long-term outlook, our Investment Policy Statement – strategic and tactical asset allocation, and fees together with an independent like-for-like five-year performance comparison against other investment firms. Following presentations from five investment managers the Trustees decided to transfer the portfolio managed by Brewin Dolphin to Aberdeen Standard Capital.

PRS Members' Fund

Eighty Sixth Annual Report of the Trustees and Financial Statements For the year ended 31st December 2019

Report of the Trustees (*continued*)

Investment performance

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

As mentioned above Aberdeen Standard Capital were appointed in place of Brewin Dolphin during the year. Assets were transferred in-specie in Q2 2019 with a formal start date for Aberdeen Standard Capital of 1st July 2019.

Aberdeen Standard Capital has been charged with achieving above-inflation returns (measured as CPI +4% per annum over rolling five year periods) from income generation and capital growth while taking a moderate level of risk. Dividend income of £19,000 is paid each month to the Fund and any surplus is retained for reinvestment. Managers at James Hambro & Partners have a different mandate which is to seek long term capital growth. Income produced is reinvested within the portfolio. This means that there will be a significant weighting to equities, which may exhibit greater volatility relative to other asset classes in the short term, but over longer time periods have consistently outperformed other traditional asset classes such as UK bonds and UK cash.

The investment managers supply a report on sales and purchases, plus the current financial state of the portfolio, on a monthly basis.

The Finance Chair verbally conveys this to the Trustees at each monthly meeting. Reports on performance, which we monitor against a range of market indices, are prepared and discussed with the investment managers at quarterly meetings of the Fund's Finance Sub-Committee.

As at 31st December 2019, the portfolio with Aberdeen Standard Capital was valued at £12,913,559. This is an increase of £1,736,359, while £209,000 has also been paid out in income. On a total return basis, the portfolio returned +4.82% from 1st July to the end of the year. This is ahead of the inflation plus target of +2.79% and modestly ahead of the internal market composite benchmark of +4.74%. Over the six-month period, the portfolio benefited from rising global equity markets which appreciated due to a combination of continued accommodative monetary policy and the US-China trade deal heading to an orderly conclusion, at least in the short-term. Stock selection has been the primary driver of relative outperformance against the internal benchmark.

As at 31st December 2019, the portfolio managed by James Hambro & Partners had a value of £1,490,863. This value included cash held in an Execution-Only portfolio of £251,734, invested through two liquidity funds yielding c0.7% per annum. Over the full year, the portfolio returned +18.3%, net of fees, which compares to a peer group comparator as measured by ARC Equity Risk indices of +17.3%. The portfolio experienced a mixed, but positive, period throughout 2019 reflective of the volatility seen in the underlying markets. The period was characterised by an increase in political uncertainty, both domestic and abroad, with Brexit negotiations affecting the UK equity, bond and currency markets and ever-changing trade war tensions between the US and China moving the needle in global markets. Overall, the 12-month period ending 31st December 2019 saw world equities rise +21.5%, gilts +7.2% and cash +0.7%. This was an extraordinary period for equities and represents the longest bull (positive) market in history led by the US equity market which reported its fourth strongest year since 1987.

Investment policy

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

PRS Members' Fund**Eighty Sixth Annual Report of the
Trustees and Financial Statements
For the year ended 31st December 2019****Report of the Trustees (*continued*)****Investment policy (*continued*)**

Additionally, surplus cash (for which an IPS has also been issued) is held on short-term deposit and is readily available to the Trustees, enabling them to respond quickly in times of emergencies. We feel this policy should meet the Trustees' strategy of achieving above-average returns through capital growth over the longer term, without taking excessive risk. We do not invest directly in tobacco or tobacco products.

Investing in a time of climate change

As the impact of climate change on the planet was being realised during the year the Trustees had discussions with the investment managers on their commitment to responsible investing in companies that derive revenue from a number of areas commonly associated with fossil fuels, production of carbon dioxide and other greenhouse gasses. The Trustees were encouraged by their responsible investing commitments where stewardship and ESG were fundamental components of their investment process. It was noted also that active stewardship was demonstrated through engagement with companies to advocate for positive change and voting at shareholder meetings. As managers, energies of the future, healthcare and financial sectors were being constantly explored. Companies where a positive social impact was the driver rather than a pure economic driver would be favoured.

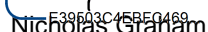
Auditor

A resolution to appoint auditors to the Fund will be put to members at the forthcoming Annual General Meeting of PRS.

This report was approved by the Board of Trustees on 14th May 2020 and signed on its behalf by:

DocuSigned by:





Nicholas Graham
Chairman of the Trustees

PRS Members' Fund

Eighty Sixth Annual Report of the Trustees and Financial Statements For the year ended 31st December 2019

Report of the Trustees (*continued*)

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

Ira Aldridge

Christopher Anderson

Doris Arnold *via H.S. Pepper*

Dorothea Barcroft

Eily Kathleen Beadell

Donald Morgan Bowden

Frank Bridge *via E.E. Bridge*

Ronald Bridges

Helen Brown

Elizabeth Bryce-Romain

Mabel Buchanan

Ivy Burgess

Rex Burrows *via E Burrows*

Sir Alfred Butt *via Lady Vilma Butt*

Desmond Carter

Austin Coates *via Yim Kim Fung*

Eric Coates *via Yim Kim Fung*

Les Condon

Samuel Cope

Thomas Dando *via Elizabeth Dando*

Michael Dawney

Luigi Denza

Leslie Elliott

W.M. Farren *via Maud Farren*

Marc Feld aka Marc Bolan

David Ferguson

Andrew Fenner

Len Fillis *via D. James*

Marjorie Finck

Reginald Fogwell *via A.E. Fogwell*

Percy E. Fletcher *via Marie Fletcher*

Peter Foss *via Mrs Olive Foss*

Douglas Furber *via Gilberta Furber*

Max Gartman *via P. Desmond*

Carroll Gibbons *via Brian Lidstone*

Percy Greenbank *via Phyllis Greenbank*

Johnnie Gray

Maurice Grew *via G. Grew*

Jane Havell

Michael Head

William Henly *via J. Reynolds*

Leslie Holmes *via Ellen Joan Kilpatrick*

Michael Hurd

David Kassner

Albert W. Ketelbey *via M. Ketelbey*

C.S. Lang *via W.M. Fox*

Michael Gerald Lane *via Patricia A Stanley*

Bert Lee

Harry Leon aka Art Noel

Edward F. Lockton *via E.C. Lockton*

E.M. Lockwood

J.P. Long *via Ethel Maud Blair*

Claudine Lordan

Billy Mayerl *via E.G. Mayerl*

Stella Morgan

Joseph Murrells

Norman Murrells

Cecil Norman

Desmond O'Connor

Daphne Oram

Leslie Herbert Osborne

Panda Music *via Monica Lawrence*

Harry S. Pepper

Sid Phillips *via Marie Phillips*

Charles W. Prentice *via Phyllis Prentice*

Leonard Rafter *via Beryl Rafter*

Gordon Reed *via M. Reed*

Gordon Reid *via Joyce Reid*

Margaret Reizenstein

Stan Reynolds

Sydney Rosenbloom

Frederick Rosse

Paul A. Rubens *via E. Burlinson*

Cecil James Sharp *via Briony A Jose*

Reginald Somerville

W.H. Squire

Thomas P. Sutton

Ivy St Helier

Phyllis Tate

Helen Taylor *via S.H. Rothschild*

Madeline Chase Thomas

Henry (Harry) Thorne

Michael Trelford

Charles Williams *via M Williams*

Charles Windeatt *via Jessie Windeatt*

PRS Members' Fund**Eighty Sixth Annual Report of the
Trustees and Financial Statements
For the year ended 31st December 2019****Statement of Charity Trustees' Responsibilities**

As the "Charity Trustees", within the meaning ascribed to the term by the Charities Act 2011, the Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, 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 affairs of the charity and of the incoming resources and application of resources of the charity for that period.


In preparing those accounts the Trustees is required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the method and principles in the Charities SORP (FRS 102);
- 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 it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations, and the provisions of the Trust Deed. 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.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Trustees

DocuSigned by:

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Nicholas Graham
Chairman

Date 14th May 2020.

PRS Members' Fund

Independent Auditor's Report to the Trustees of PRS Members' Fund

Opinion

We have audited the financial statements of PRS Members' Fund (the 'charity') for the year ended 31 December 2019 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and 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 December 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 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 audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

PRS Members' Fund**Independent Auditor's Report to the Trustees of PRS Members' Fund (continued)****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
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities Statement set out on page 17, 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 the Act and relevant regulations made or having effect thereunder.

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

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

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with 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 anyone other than the Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Richard Willis

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Richard Willis (Senior Statutory Auditor)

BDO LLP, Statutory Auditor

55 Baker Street

London

W1U 7EU

Date: 29-06-20 | 09:44 BST

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

PRs Members' Fund

Eighty Sixth Annual Report of the
Trustees and Financial StatementsStatement of Financial Activities
For the year ended 31st December 2019

		2019			Pre-merger
Notes		Pre-Merger	Post Merger	Combined	2018
		Unrestricted	Unrestricted	Total	Total
		Funds	Funds	Funds	Total
		£'000	£'000	£'000	£'000
Income and endowments from:					
Donations and legacies	2	65	426	491	450
Investments	3	73	281	354	366
Total		138	707	845	816
Expenditure on:					
Raising funds					
Publicity & fundraising activities	4	23	82	105	92
Investment managers fees		3	54	57	67
		26	136	162	159
Charitable activities	5	157	523	680	676
Total		183	659	842	835
Net income before gains on investments					
		(45)	48	3	(19)
Net gains on investments	6	888	970	1,858	(1,032)
Net gain on revaluation of fixed assets		-	24	24	-
Net income being net movement in funds		843	1,042	1,885	(1,051)
Transfers between funds	13	-	-	-	-
Total fund balance brought forward at 1st January		13,244	-	13,244	14,295
Total fund balance carried forward at 31st December	13,14	14,087	1,042	15,129	13,244

All amounts relate to continuing activities.


The notes on pages 23 to 33 form part of these financial statements.

PRS Members' Fund
Eighty Sixth Annual Report of the
Trustees and Financial Statements
Balance Sheet as at 31st December 2019

	<u>Note</u>	<u>2019</u> £'000	<u>2018</u> £'000
Fixed Assets			
Tangible fixed assets	7	-	-
Investment property	8	214	190
Investment assets	9	14,328	12,207
Programme related investments	12	419	424
Dealing account deposit		22	246
		<u>14,983</u>	<u>13,067</u>
Current Assets			
Sundry debtors		75	25
Bank and cash balances		205	299
		<u>280</u>	<u>324</u>
Less: Current Liabilities			
Sundry creditors and accrued charges		116	131
HM Revenue and Customs VAT due		18	16
		<u>134</u>	<u>147</u>
Net Current Assets		<u>146</u>	<u>177</u>
Net Assets		<u>15,129</u>	<u>13,244</u>
Funds 13,14			
Restricted Funds		-	-
Unrestricted Funds:			
General funds		587	847
Designated funds - investments		14,542	12,397
Total Funds		<u>15,129</u>	<u>13,244</u>

The financial statements were approved by the Trustees on 14th May 2020 and signed on its behalf by

The notes on pages 23 to 33 form part of these financial statements.
Mick Leeson Mark Fishlock

DocuSigned by:

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PRs Members' Fund

Eighty Sixth Annual Report of the
Trustees and Financial StatementsStatement of Cash Flows for the year ended 31st December 2019

	<u>Note</u>	<u>Total funds 2019 £'000</u>	<u>Prior year funds 2018 £'000</u>
Cash flows from operating activities:			
Net cash used in activities	(a)	(388)	(391)
Cash flows from investing activities:			
Dividends and interest from investments		354	366
Proceeds from sale of investments		11,323	3,082
Purchase of investments		(11,586)	(3,359)
New loans issued to beneficiaries		5	(8)
Repayment of loan from beneficiaries		7	28
Purchase of investment property		-	-
Net cash provided by investing activities		70	109
Change in cash and cash equivalents in the reporting period		(318)	(282)
Cash and cash equivalents at the beginning of the reporting period	(b)	545	827
Cash and cash equivalents at the end of the reporting period	(b)	227	545
(a) Reconciliation of net income to net cash flow from operating activities			
Net income for the reporting period (as per the Statement of Financial Activities)		1,885	(1,051)
Adjustments for:			
Gains on investments		(1,858)	1,032
Gain on revaluations		(24)	-
Dividends and interest from investments		(354)	(366)
(Increase)/decrease in debtors		(50)	8
Decrease)/(increase) in creditors		13	(14)
Net cash used in activities		(388)	(391)
(b) Analysis of cash and cash equivalents			
Cash in hand		205	299
Dealing account deposit		22	246
Total cash and cash equivalents		227	545

PRS Members' Fund
Eighty Sixth Annual Report of the Trustees and
Financial Statements for the year ended 31st December 2019

Notes

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements. 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) (effective 1 January 2015) (Charities SORP (FRS 102)), and the Charities Act 2011.

The Fund constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Fund's ability to continue as a going concern. There are no significant areas of judgement or key assumptions that affect items in the financial statements other than those included within the accounting policies described below. With respect to the next reporting period for the year ended 31 December 2019, the most significant areas of uncertainty that affect the carrying value of assets held by the Fund are the level of investment return and the performance of the investment markets (see the investment policy and performance and risk management sections of the Report of the Trustees for more information).

(b) Fund accounting

Unrestricted funds are general funds that are available for use at the Trustees discretion in furtherance of any of the objectives of the charity.

Designated funds are unrestricted funds set aside at the discretion of the Trustees for specific purposes. The designated fund for investments is that part of unrestricted funds that represents the investments held by the charity.

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose and the restriction means that the funds can only be used for specific projects or activities.

(d) Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the fund becomes legally entitled to the income, it is probable that the income will be received and the amount can be quantified with reasonable accuracy. The following specific policies also apply:

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

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

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

PRS Members' Fund

**Eighty Sixth Annual Report of the
Trustees and Financial Statements**

Financial Statements for the year ended 31st December 2019

Notes (Continued)

1. Accounting Policies (Continued)

(e) Expenditure recognition

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

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

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

Pension contributions, as described in Note 10, are charged to the SOFA as they become payable.

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

(f) Tangible fixed assets

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

Computers	-	33% straight line
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(g) Investment property

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

(h) Valuation of investment assets

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 Statement of Financial Activities includes the net gains and losses arising on the revaluation and disposals throughout the year.

The Fund does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Fund is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or sub-sectors.

PRS Members' Fund**Eighty Sixth Annual Report of the
Trustees and Financial Statements****Financial Statements for the year ended 31st December 2019****Notes (Continued)****(i) Gains/losses on investment assets**

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

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

Realised gains and losses on disposal of investment assets represent the difference between the sale proceeds and the fair value at the beginning of the year, or transaction value if acquired during the year.

(j) Programme related investments

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

(k) Significant estimates and judgements

The Trustees consider that there are no significant estimates or judgements which are likely to affect the fund.

2. Donations and legacies

	<u>2019</u> £	<u>2018</u> £
Donations and legacies	165,999	99,005
Royalty bequests	291,205	308,481
PRS donation – donated facilities	33,366	42,320
Other income	4	28
	<u>490,574</u>	<u>449,834</u>

In 2019, all donation and legacies income totalling £490,574 was attributable to unrestricted funds (2018: £449,834).

3. Investment Income

	<u>2019</u> £	<u>2018</u> £
Dividends	340,285	352,435
Interest	4,092	4,287
Rental income	9,947	9,725
	<u>354,325</u>	<u>366,447</u>

In 2019, all investment income totalling £354,325 was attributable to unrestricted funds (2018: £366,447 to unrestricted funds).

PRS Members' Fund**Eighty Sixth Annual Report of the
Trustees and Financial Statements****Financial Statements for the year ended 31st December 2019****Notes (Continued)****4. Publicity & Fundraising Activities**

	<u>2019</u> £	<u>2018</u> £
Salaries (Note 10)	62,834	56,179
Marketing and communications	8,340	4,176
Event costs	1,200	-
Support costs (Note 11)	32,554	32,010
	<u>104,928</u>	<u>92,365</u>

In 2019, no fundraising expenditure was attributable to restricted funds (2018: £Nil), the full £104,928 (2018: £92,365) of fundraising expenditure was attributable to unrestricted funds.

5. Charitable Activities

	<u>2019</u> £	<u>2018</u> £
Grants to beneficiaries	440,380	451,839
Costs of programme of visits (Note 10)	146,613	131,085
Grant to British Association for Performing Arts Medicine	6,750	6,750
Mental Health Support	-	4,160
Travel and motor expenses	3,803	2,921
Eastbourne flat legal expenses	2,905	4,428
Website costs	3,386	360
Support costs (Note 11)	75,958	74,691
	<u>679,796</u>	<u>676,234</u>

Included within cost of programmes are travel costs of £3,899 (2018: £2,743).

For both 2019 and 2018 all expenditure on charitable activities was borne from unrestricted funds.

An analysis of grants issued in the year is provided in the Trustees' Report at the front of these financial statements.

PRS Members' Fund**Eighty Sixth Annual Report of the
Trustees and Financial Statements****Financial Statements for the year ended 31st December 2019****Notes (Continued)****6. Net Investment Gains**

	<u>2019</u> £	<u>2018</u> £
Realised	1,813,912	(52,902)
Unrealised	44,845	(979,262)
	<u>1,858,757</u>	<u>(1,032,164)</u>

7. Tangible Fixed Assets

	<u>Computers</u> £
Cost at 1st January 2019 and at 31st December 2019	<u>17,271</u>
Depreciation at 1st January 2019 and at 31st December 2019	<u>17,271</u>
Net book value at 1st January 2019 and at 31st December 2019	<u>-</u>

8. Investment Property

	<u>2019</u> £
At 1st January 2019	190,000
Additions, at cost	-
Revaluation	24,000
Valuation at 31st December 2019	<u>214,000</u>

The 2019 valuation was made by the Trustees, on an open market value for existing use basis.

PRS Members' Fund**Eighty Sixth Annual Report of the
Trustees and Financial Statements****Financial Statements for the year ended 31st December 2019****Notes (Continued)****9. Investments**

	<u>2019</u> <u>£'000</u>	<u>2018</u> <u>£'000</u>
Market value:		
At 1st January 2019	12,207	12,962
Additions, at cost	11,586	3,359
Disposal proceeds	(11,323)	(3,082)
Net gains on disposals and revaluations	1,858	(1,032)
	<hr/> 14,328 <hr/>	<hr/> 12,207 <hr/>
At 31st December 2019		
Historic cost:		
At 31st December 2019	<hr/> 12,730 <hr/>	<hr/> 11,263 <hr/>

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

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

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

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

In the investment portfolio, there is one investment which is greater than 5% of the total portfolio value, which is the 'Vanguard Funds plc S&P 500' investment of £614,978.

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The Fund considers its key management personnel comprises the Trustees. The Trustees did not receive any remuneration or other financial benefits for the year, directly or indirectly, from the charity's funds (2018: £Nil).

Trustees (2018: 17) were reimbursed for travel expenses for the amount of £3,803 in the year (2018: £4,219).

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

Staff costs include:

	<u>2019</u> £	<u>2018</u> £
Salaries	176,263	159,469
Social security costs	15,612	14,059
Pension contributions	-	-
Travel costs	3,899	2,743
VAT disallowed on above costs	13,673	10,468
Staff recruitment	-	525
	<u>209,447</u>	<u>187,264</u>

The Fund has 2 full-time staff, 3 part-time staff members and 4 contracted visitors and, in addition, uses temporary staff and volunteers as required.

Two staff are members of a contributory defined benefit scheme ("the scheme") operated by PRS For Music. Contributions were paid at 15% of pensionable salaries, including employee contributions.

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

	<u>2019</u> £	<u>2018</u> £
Publicity & fundraising activities	62,834	56,179
Charitable activities	146,613	131,085
	<u>209,447</u>	<u>187,264</u>

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

	<u>2019</u> £	<u>2018</u> £
Publicity & fundraising activities	75,958	32,710
Charitable activities	32,554	74,691
	<u>108,512</u>	<u>106,701</u>

Included in the above support costs are:

	£	£
Other support costs:		
Accountancy and bookkeeping	8,764	1,996
Printing, postage & stationery	534	701
Sundries	10,537	8,646
Travel and motor expenses	3,707	4,219
Strategic review	10,537	4,000
VAT Disallowable	13,673	10,468
Insurance	1,560	1,570
Rent and services provided by PRS	33,366	42,320
Governance costs:		
Auditor's remuneration – external audit	8,225	5,750
Catering for Trustees' meetings	9,913	8,361
IT Costs	3,386	2,023
Legal fees - incorporation	10,342	14,497
Indemnity Insurance	-	2,150
	<u>108,512</u>	<u>106,701</u>

12. Programme Related Investments

	<u>2019</u> £	<u>2018</u> £
Loans to beneficiaries	287,845	280,918
Cyril Wood Court Trust	131,091	143,538
	<u>418,936</u>	<u>424,456</u>

Loans have been made Cyril Wood Court Trust (a registered housing corporation, No. L0519) under schemes to provide practical help for the Fund's older beneficiaries who require sheltered housing.

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	Balance at 1 Jan 2019 £'000	Income £'000	Expenditure £'000	Gains £'000	Transfers £'000	Balance at 31 Dec 2019 £'000
Unrestricted Funds:						
Designated funds – Investments	12,397	354	(57)	1,882	(34)	14,542
General funds	847	491	(785)	-	34	587
	<u>13,244</u>	<u>845</u>	<u>(842)</u>	<u>1,882</u>	<u>-</u>	<u>15,129</u>

Analysis of Funds – At the date of Merger

	Balance at 1 Jan 2019 £'000	Income £'000	Expenditure £'000	Gains £'000	Transfers £'000	Balance at 1 April 2019 £'000
Unrestricted Funds:						
Designated funds – Investments	12,397	73	(3)	912		13,333
General funds	847	65	(180)	-		754
	<u>13,244</u>	<u>138</u>	<u>(183)</u>	<u>912</u>		<u>14,087</u>

The above funds relate to PRS Members' Fund, unincorporated trust registered charity no: 208671.
PRS Members' Fund, CIO registered no: 1181735 did not have funds at the date of the merger.

Analysis of Funds – Prior Year

	Balance at 1 Jan 2018 £'000	Income £'000	Expenditure £'000	Gains £'000	Transfers £'000	Balance at 31 Dec 2018 £'000
Unrestricted Funds:						
Designated funds – Investments	13,152	366	(67)	(1,032)	(22)	12,397
General funds	1,143	450	(768)	-	22	847
	<u>14,295</u>	<u>816</u>	<u>(835)</u>	<u>(1,032)</u>	<u>-</u>	<u>13,244</u>

The above funds relate to PRS Members' Fund, unincorporated trust registered charity no: 208671.

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	Tangible fixed assets £'000	Investment Property £'000	Investment assets £'000	Net current assets £'000	Total £'000
Designated Funds:					
Investments	-	214	14,328	-	14,542
Unrestricted Funds:					
General Funds	-	-	-	587	587
Total Funds	-	214	14,328	587	15,129

Analysis of Net Assets between funds – At the date of Merger

	Tangible fixed assets £'000	Investment Property £'000	Investment assets £'000	Net current assets £'000	Total £'000
Designated Funds:					
Investments	-	190	13,143	-	13,333
Unrestricted Funds:					
General Funds	-	-	-	754	754
Total Funds	-	190	13,143	754	14,087

Analysis of Net Assets between funds – Prior year

	Tangible fixed assets £'000	Investment Property £'000	Investment assets £'000	Net current assets £'000	Total £'000
Designated Funds:					
Investments	-	190	12,207	-	12,397
Unrestricted Funds:					
General Funds	-	-	-	847	847
Total Funds	-	190	12,207	847	13,244

The above funds relate to PRS Members' Fund, unincorporated trust registered charity no: 208671.

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15. Contingent liabilities – pension scheme

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

Employer contributions are affected by the deficit in the scheme and the Fund has been asked to pay additional annual contributions of approximately £5,000 for the next 15 years, together with a share of the final lump sum payment, estimated at around £75,000. The amount of this future commitment is still subject to negotiation and agreement between the Fund and the scheme operator. As the additional annual contribution amounts could vary and the final lump sum is subject to agreement, it is not possible to reliably measure the current value of the liability and for this reason, a liability has not been recognised in the accounts.

16. Related parties

With the exception of those transactions with Trustees disclosed in note 10, there were no other related party transactions during the year under review.

17. Operating Lease Commitments

The Fund had total future minimum lease payments under a non-cancellable operating lease for land and buildings as set out below:

	<u>2019</u> £	<u>2018</u> £
<i>Amounts payable:</i>		
Not later than one year	42,320	42,320
2-5 years	169,281	169,281
5+ years	186,325	228,645
	<u>397,927</u>	<u>440,246</u>

18. Charitable Incorporated Organisation (CIO)

These financial statements present the combined results of the unincorporated trust (registered charity no: 208671) and the CIO (registered charity no: 1181735) for the year ended 31 December 2019. The merger has been registered with Charity Commission on 30 March 2020 with a transfer date of 1 April 2019.

19. Post balance sheet events

Since the year end, the development of the Coronavirus (COVID-19) outbreak has had an unforeseen impact on the charity, along with all other businesses and organisations. The charity is following official UK government advice and has instituted home working and online meetings to replace face to face gatherings for the foreseeable future.

The charity has stress tested its income and even with 100% reduction in income, considers sufficient funds are available to meet its requirements for the foreseeable future. This includes the charity's participation in the PRS Emergency Relief Fund launched expressly to help songwriters and composers facing significant financial hardship as we continue to battle the virus. A collaboration between the PRS Members' Fund, PRS Foundation and PRS for Music, the PRS

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Notes (Continued)

19. Post balance sheet events (continued)

Emergency Relief Fund launched in March and has helped over 3,000 songwriters and composers with financial help so far.

The £1.3million pledged by the charity towards the Emergency Relief Fund is available through a draw down loan facility with PRS for Music which has been secured against the charity's investment portfolio managed by Aberdeen Standard Capital. The loan is due to be repaid by October 2021.

The financial impacts of dealing with an increased demand for financial assistance from PRS members are being closely monitored by the Trustees. The charity benefits from receiving generous royalty income together with income from its investments. With the two income streams in place and options available for improving the charity's liquidity should it be necessary, the Trustees believe there is no significant threat to the continued operation of the charity.