

CHARITY NUMBER: 1181735

**PRS MEMBERS' FUND
CHARITABLE INCORPORATED ORGANISATION**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

PRS Members' Fund
Eighty Seventh Annual Report of the
Trustees and Financial Statements
For the year ended 31st December 2020

Contents

	Page
Patrons, Trustees, Officers and Advisers	2-3
What we do: Supporting songwriters and composers	4
Report of the Trustees	5-18
Statement of Charity Trustees' Responsibilities	19
Independent Auditor's Report to the Trustees	20-22
Statement of Financial Activities	23
Balance Sheet	24
Statement of Cash Flows	25
Notes to the Financial Statements	26-36

PRS Members' Fund

**Eighty Seventh Annual Report of the
Trustees and Financial Statements
For the year ended 31st December 2020**

Patrons, Trustees, Officers and Advisers

Charity registration number

1181735

Address

2 Pancras Square
King's Cross
London
N1C 4AG

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

PRS Members' Fund

**Eighty Seventh Annual Report of the
Trustees and Financial Statements
For the year ended 31st December 2020**

Patrons, Trustees, Officers and Advisers

Special Projects Officer

Ilaria Piscopo

Administration Assistant

Christopher Rowland

Visitors

Dave Arcari
Jane Nelson
Angelina Otoo

Bankers

NatWest Bank plc
PO Box 2162
20 Dean Street
London
W1A 1SX

Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Investment advisers

Aberdeen Standard Capital
30 St Mary Axe
London
EC3A 8BF

James Hambro & Partners LLP
45 Pall Mall
London
SW1Y 5JG

PRS Members' Fund

Eighty Seventh Annual Report of the Trustees and Financial Statements For the year ended 31st December 2020

What we do: Supporting songwriters and composers during their toughest times

Life in the music industry can be difficult and unpredictable. Many songwriters and composers are self-employed, lacking the security of sick pay, pension or savings. Even after periods of success, earnings can become precarious. Old age, illness, an accident or mental health problems can hit extremely hard.

The PRS Members' Fund is there financially, practically and emotionally for PRS members, ex-members and their dependants in tough times. And there have been no tougher times than 2020. This year, as the Covid-19 pandemic ravaged the income and lives of many in the music industry, we gave more financial help to more people than ever before. In conjunction with PRS for Music and the PRS Foundation, we rapidly set up our Covid-19 PRS Emergency Relief Fund in March and gave just under £2 million in hardship grants over the year.

We did this alongside continuing with our other long-running support, which includes:

- Regular financial support to help with daily living expenses
- One-off grants to, for example, replace essential domestic appliances
- Loans to help members through temporary difficulties
- Special needs grants for older and disabled members
- Advising and supporting members to navigate the often complex welfare benefits system
- Debt advice
- Mental health support
- Helping members find sheltered accommodation
- Offering advice on changing careers

We pride ourselves on being there for everyone who meets our eligibility criteria, offering support tailored to their particular situation, to help them get back on their feet and thrive.

PRS Members' Fund

Eighty Seventh Annual Report of the Trustees and Financial Statements For the year ended 31st December 2020

Report of the Trustees

The PRS Members' Fund Trustees are pleased to present their report and financial statements for the year ended 31st December 2020 to members of the Performing Right Society.

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

2020: Our aims

We started 2020 looking to progress strongly with the four goals outlined in our 2019-2022 strategy:

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

As our highlights below show, we have made good progress. However, when the Covid-19 pandemic hit in March 2020, we had to rapidly and agilely pivot our plans, massively increasing the financial support we offered to make sure PRS members, ex-members and their families survived the crisis. We are extremely proud of what we achieved in this respect.

The pandemic also restricted our work towards goal 1, which we intend to rectify in 2021.

2020: Our highlights

Launching our Covid-19 PRS Emergency Relief Fund

When the Covid-19 pandemic struck, it put an abrupt end to live music performances worldwide. With television and film production largely on hold and many businesses closed, their need for music decreased hugely too. As such, many PRS members saw their incomes drop or disappear overnight. Too many weren't entitled to government help – or couldn't wait until it reached their bank account – and found themselves struggling to survive.

We knew we had to act quickly. We launched the PRS Covid-19 Emergency Relief Fund (ERF) in March 2020, working together with PRS and the PRS Foundation. PRS members facing significant financial difficulties could apply for grants of up to £1,000 to help tide them over and pay for essentials until the PRS April distribution. Our staff team worked tirelessly with PRS staff, volunteers and managers who helped with assessing applications, making payments and notifying successful and unsuccessful applicants on our behalf.

In 2020 we paid out just under £2 million from the ERF to more than 4,000 songwriters and composers, giving them the money they and their families needed to survive. We provided £1.3 million of this, with PRS giving £500,000, the PRS Foundation £100,000, and two other major donors gave £202,000 and £80,000 respectively. We were extremely grateful to receive a further £50,000 in ERF donations from PRS members, staff and the public through the PRS Presents LCKDWN livestream concert in May. We gratefully acknowledge the fundraising efforts of PRS CEO Andrea Martin and those behind PRS Presents LCKDWN, and the staff and the performers who took part in this virtual gig over 24 hours in aid of the ERF.

PRS Members' Fund

Eighty Seventh Annual Report of the Trustees and Financial Statements For the year ended 31st December 2020

Report of the Trustees (*continued*)

We gave ERF grants to members living not only in the UK, but in Jamaica, Malta, South Africa, St Lucia, Brazil, Romania, USA, Argentina, Bahamas, Canada, New Zealand, Israel, Sri Lanka, India, Norway, Ghana, Republic of Ireland, Finland, Slovenia and Denmark. We thank GCEN for their generous support with international payments processing.

For those who needed more support, we also put together a special Covid-19 advice page on our website, where members could find details of other organisations offering support, and the latest updates on the pandemic.

We were very grateful for the amazing and much needed support the ERF received during the year. With the pandemic still ongoing, we have committed to distributing another £2 million in early 2021, liquidating part of our investment portfolio to help provide these funds.

Providing more financial support to improve lives

While the Emergency Relief Fund was absolutely vital during this unprecedented year, we continued to provide essential financial support to PRS members, ex-members and their families facing tough times in other key ways too, giving out a further £321,590 to those in need.

- Our weekly grants can make the difference between being able to pay for essentials like food and heating and going hungry or cold. In 2020 we gave 391 weekly grants totalling £167,310 to help people buy food, medication and other essentials. At Christmas, we gave everyone receiving a weekly grant an extra £100 (£8,900 in total) to help them enjoy the festive season.
- Fuel bills continue to rise, and in the winter can become unaffordable for many. This year we gave £22,685 in grants to 51 members through our winter heating scheme to help with their winter fuel bills.
- For those on low incomes, unexpected and upfront costs can be difficult to manage. We give grants to repair or replace worn out household appliances and furniture, and towards advance rent/deposits and removal costs for members who need to move home because of illness or vulnerability. In 2020 we gave £10,236 to 23 people in need.
- Illness can wipe out members' ability to work and earn an income. Our grants provide a safety net. In 2020, we gave £60,808 to help members going through treatment or recovering from illness to pay for their daily living costs.
- We supported 12 members this year to pay off £11,437 in debts, in some cases preventing them from becoming homeless.
- We helped 40 members to buy disability aids, pay for therapy and treatment costs and top up nursing home fees, giving £16,165 in grants.
- We also provide loans to help members with a variety of needs. At the end of 2020 we had 33 loans totalling £258,352, with £29,493 in repayments made during the year.

Being there on the phone

In normal times, our Welfare Officer and regional visitors visit many of the people we help during the year. They can help members apply for our grants and state benefits, help organise support with care and health needs, liaise with other organisations on the member's behalf – and simply provide a listening ear and a friendly chat.

PRS Members' Fund

Eighty Seventh Annual Report of the Trustees and Financial Statements For the year ended 31st December 2020

Report of the Trustees (*continued*)

Covid-19 meant we had to suspend face-to-face visits in March, but we continued to keep in touch through telephone and Zoom calls. At a time of isolation and restricted social connections, many people told us they welcomed the opportunity to have a friendly chat. We will of course look to reinstate home visits for the more vulnerable members when we are allowed to. We are grateful to all our visitors for their work during a very difficult year.

Providing mental health webinars

Improving members' wellbeing and mental health is a top priority for us, especially in these troubled times. In September we produced our first ever Zoom webinar on mental resilience for members. Music & You Founder and CEO Jack Williamson led the webinar, sharing nine ways to stay mentally resilient. We are looking at holding more webinars next year.

We were also delighted to participate in the Ivors Academy Music Creator Wellbeing Webinar for Mental Health Awareness Week in May. This explored the range of wellbeing support and resources offered across the industry. It provided the Fund with a platform to raise awareness of the work we do and enhanced our connections with like-minded organisations.

We also put together a guide for members with tips on mental health wellbeing and provided an interview for M Magazine for its 'Taking Care' series.

At the beginning of December, the Fund took part in the Elevate Music podcast episode about music-making and the specific problems songwriters and composers face in their work and where to access support. Vocal and performance coach Lucinda Heyman hosted the podcast, which was produced in partnership with Help Musicians.

Improving diversity and inclusion

2020 brought racial justice into sharp focus. Tragic events including the death of George Floyd prompted us to take a critical look at how we approach diversity and inclusion at the Fund.

This year our staff, Trustees, and PRS staff and members came together to discuss how we can better engage in tackling all forms of inequality within the music industry. As a result, we signed up to the UK Music Ten-Point Plan, which aims to increase diversity and boost inclusion within the UK music industry's trade bodies. We also developed our own Diversity and Inclusion Pathway to Progress, setting out our long-term objectives and initiatives.

During Black History Month in October, we collected and published interviews, stories and memories on our website to celebrate the contribution of black people to the richness and diversity of arts and music in the UK. We also took part in #BlackOutTuesday on social media, publicly showing that we stand against racism and prejudice.

Increasing our reach online

We want to spread the word about how we can help PRS members, ex-members and their families far and wide, so we can support as many people as possible.

In 2020, we built our presence and reach online to achieve this. More than 14,000 people visited our website, while we increased our Facebook followers by 8% and our Instagram followers by 87% compared to 2019. On Twitter, our tweets earned more than 268,000 impressions.

PRS Members' Fund

Eighty Seventh Annual Report of the Trustees and Financial Statements For the year ended 31st December 2020

Report of the Trustees (*continued*)

Our communications strategy was also brought to life through press releases on our website and circulated to industry organisations through emails; two newsletters published in June and December; and through PRS's internal/external communications, including its membership newsletter, intranet, social media and M Magazine online. This has made a huge difference to the Fund's reach.

Increasing our reach through events

On 14th February we held our 'One Love' surgery at King's Cross, offering members working in the reggae community 1-2-1 confidential, pre-booked sessions to find out how we could support them. We were grateful to Dub Vendor, VP Records, Jack Russell Music and Westbury Music Ltd for promoting the surgery.

Our work was also highlighted at the PRS AGM, held in August, where our promotional film was shown at the virtual meeting.

Before the pandemic started to take its toll we filmed interviews with classical composer and violist Sally Beamish, and classical and media composers Paul Patterson and Nigel Hess, who are two of our trustees. The interviews were included in a short film to raise awareness of the difficulties composers face, and where to find the financial help available for PRS classical composers.

Connecting PRS members with sheltered accommodation

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

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

Maintaining partnerships

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

British Association for Performing Arts Medicine (BAPAM)

BAPAM's expert clinicians – including GPs, physiotherapists, psychologists, osteopaths and more – understand the demands of a performing arts career. They can help with problems including creative practice-related injuries and pain, muscular tension, voice problems, hypermobility, performance anxiety and mental health concerns.

BAPAM clinician assessments are free to PRS members. After the assessment, PRS members can approach us (and other funding organisations) for grants to pay for their treatment and improve their quality of life. We also donated £7,500 to BAPAM to support their work.

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

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

PRS Members' Fund

Eighty Seventh Annual Report of the Trustees and Financial Statements For the year ended 31st December 2020

Report of the Trustees (*continued*)

Music Minds Matter

Music Minds Matter, an initiative run by Help Musicians UK, offers a free and confidential 24/7 mental health support line, and a range of therapies for musicians. PRS members have access to these services, and we are aware that 15 composers and 53 songwriters contacted Music Minds Matter in 2020 (although we don't know their identities for confidentiality reasons).

StepChange

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

Shelter

Shelter helps millions of people every year struggling with bad housing or homelessness through their advice, support and legal services. We were delighted to carry on working closely with the charity in 2020. Members can access online advice, speak to an adviser through webchat or use local services. Once again, the service is confidential.

Macmillan Cancer Support

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

Thank you

To do our vital work, we rely heavily on other charities, agencies, businesses and organisations.

Thank you to the following for their much-appreciated support and co-operation in 2020: Cyril Wood Court Trust, Workjoy, Performance and Media Coaching, East Boro Housing Trust, DES Computer Solutions, Pangaea Consulting, The Giving Department, GCEN, Next Rebel Ltd, 56K Productions (Italy), Dub Vendor, VP Records, Jack Russell Music, Westbury Music Ltd, Association of Charitable Organisations, The Ivors Academy, Help Musicians, Music Minds Matter, Royal Society of Musicians, Royal Theatrical Fund, Incorporated Society of Musicians, British Association for Performing Arts Medicine, Music Support, Musicians' Union, UK Music, AIM, PRS Foundation, Royal Variety Charity, Francis W Reckitt Arts Trust, FELT Branding and CSL.

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

We are grateful for PRS's support to set up and administer our Covid-19 PRS Emergency Relief Fund this year, and for its generous £500,000 donation to the ERF. We also acknowledge its support in the form of donated facilities and services such as rent-free accommodation, heating and lighting. We are thankful too for advice and guidance from PRS's communications, membership, human resources, legal and finance directorates.

We would also like to extend huge thanks to everyone else who donated to the ERF, including the PRS Foundation, two major donors, individual PRS members, management and staff, along with suppliers who wished to support PRS songwriters and composers through these challenging times.

PRS Members' Fund

Eighty Seventh Annual Report of the Trustees and Financial Statements For the year ended 31st December 2020

Report of the Trustees (*continued*)

Thanks also to The Giving Department, who generously provided a completely independent commentary for the Trustees on our operating model and the relationship between membership organisations and their benevolent funds. We will be working through the contents of their report during 2021.

We greatly appreciate the efforts of the Fund's staff – John Logan, Christine Keeley, Athena Pite, Ilaria Piscopo and Christopher Rowland – who have gone above and beyond this year to rapidly distribute funds to the members who need them most, all while working under pressure from home.

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

Our future plans

In 2021 our plans include:

- Distributing another £2 million to members in need from the Covid-19 PRS Emergency Relief Fund.
- Working with the PRS Foundation on their new and pioneering initiative to Power Up black music creators and executives, offering wellbeing support where appropriate to participants.
- Continuing to work with PRS to meet the UK Music Ten-Point Plan to increase diversity and boost inclusion within the UK music industry's trade bodies. We will also look at potentially partnering with smaller organisations to run events to continue to raise awareness of diversity and inclusion.
- Continuing with our plans to appoint Ambassadors and Patrons.
- Continuing to work towards improved provision for mental health services in collaboration with Help Musicians and BAPAM.
- Rolling out an annual survey as part of our impact measurement work so we can touch base with the members we have supported during the year, and collect their feedback on how the support has helped them, as well as looking at areas we can improve on.
- Reviewing our annual visiting programme in light of Covid-19.
- Reviewing our CRM requirements.
- Increasing the Fund's voluntary income through donations, legacies and bequests.
- Reviewing our safeguarding policy and training requirements.
- Relocating from PRS offices to a new hub.

PRS Members' Fund

Eighty Seventh Annual Report of the Trustees and Financial Statements For the year ended 31st December 2020

Report of the Trustees (*continued*)

Structure, governance and management

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

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

The CIO Trustees Board comprises 15 Trustees. Six are appointed directly by the PRS Board and six by members of PRS at our Annual General Meeting. Up to three Trustees are appointed by the CIO Board under the Constitution, one of which must be a composer, one an author and one a publisher. No one can be appointed a Trustee unless he/she is a voting or principal voting member of PRS. Nicholas (Nicky) Graham continued as Chair of the Trustees in 2020. Trustee Peter Knight Jnr is eligible for appointment by members at the PRS AGM in May 2021 for a period of four years.

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

Trustees and staff are encouraged to undertake training and development. Details of training programmes and seminars are sent to the Fund by the National Council for Voluntary Organisations, the Association of Charitable Organisations and other commercial and third sector providers. These are circulated to the Trustees and staff. The Charity meets the fees for attending training courses. In 2020 the Fund was represented at seminars dealing with mental health, investments, charity governance and unconscious bias training.

During 2020 the Trustees met each month to consider applications for financial assistance, as well as other aspects of the Fund's affairs. From March 2020, these meetings were held virtually due to the Covid-19 pandemic, as were all meetings of the Charity's sub-committees.

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

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

Terms of reference exist for all these sub-committees.

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 Seventh Annual Report of the Trustees and Financial Statements For the year ended 31st December 2020

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 LLP, who manage a second and much smaller portfolio of investments. All matters relating to the management and performance of the Fund's two portfolios were reviewed and considered at these meetings. All Trustees are invited to attend Finance Sub-Committee meetings. Regular reports and the minutes of Finance Sub-Committee meetings were submitted to the Trustees.

Peter Glenister (Chair), Nicky Graham, Mick Leeson, Mark Fishlock, and Mervyn 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 in September to consider diversity and inclusion within the Charity. Its work resulted in the Fund's Diversity and Inclusion 'Pathway to Progress' plan.

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.

Emergency Relief Fund Sub-Committee (ERFSC)

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

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

PRS Members' Fund

Eighty Seventh Annual Report of the Trustees and Financial Statements For the year ended 31st December 2020

Report of the Trustees (*continued*)

Mental Health Sub-Committee

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

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

Fundraising and Concerts Sub-Committee

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

Recommendations are made to the Trustees on key issues and progress relating to the Charity's fundraising strategy, incorporating major gifts, individual giving, legacies, community events, the hiring of fundraising staff and volunteers, and the organisation of events, in particular gala concerts. The sub-committee met twice during the year. Plans were advanced for a fundraising concert at the O2 Shepherd's Bush Empire, which was cancelled due to the pandemic.

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, achievements and performance and in planning our future activities, as described in this report.

Conflicts of interest and conflicts of loyalty

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

Risk management

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

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

PRS Members' Fund

Eighty Seventh Annual Report of the Trustees and Financial Statements For the year ended 31st December 2020

Report of the Trustees (*continued*)

Financial review

Total income for this exceptional year, including Covid-19 PRS Emergency Relief Fund donations, investment income, and donated facilities such as accommodation, rates, heating and lighting, amounted to £2,172,996 (2019: £844,899).

Donated facilities were £39,383 (2019: £33,366) and are included as income within donations and as a corresponding expense within support costs. Income, excluding the cost of donated facilities, amounted to £2,133,613 (2019: £811,533), comprising Emergency Relief Fund donations of £943,691 (2019: no ERF donations), regular donations and legacies of £886,087 (2019: £457,208), along with investment and other income amounting to £303,836 (2019: £354,325). Donations and legacy income also included royalty bequests of £544,512 (2019: £291,205).

The Trustees 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. We received a final distribution from the executors in respect of the estate of Enid Smith-Masters. We received donations in memory of the late Jerry Lordan, and his family and friends who have passed on, including Brian 'Licorice' Locking.

We were saddened to learn that PRS member Michael Carter had passed away due to Covid-19. His executors informed us that Mike had left his home to the Fund in gratitude for the help he received from the Charity over many years. The Trustees have pledged that the proceeds from the sale will be used to support PRS members through the pandemic.

Following appeals, donations were also received from many individuals and businesses to support the Emergency Relief Fund, paid either directly to the Charity or through the Charity's JustGiving page.

In 2020 we distributed £317,715 (2019: £440,380) in regular grants, to help those in need, along with £1,965,280 in Emergency Relief Fund grants to help those in need of help during the global pandemic. Of this, £141,630 was paid out directly by the PRS Members' Fund and £1,823,650 was paid over to PRS to distribute in phases 1 and 2 of the Emergency Relief Fund in April and June respectively.

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

PRS Members' Fund

Eighty Seventh Annual Report of the Trustees and Financial Statements For the year ended 31st December 2020

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 early part of 2020, the Trustees agreed that the policy should remain as stated: *The Fund holds reserves, in the form of listed investments and programme-related 'investments', in order to produce income which can be used, after payment of management expenses, for grant-giving. The Fund aims to sustain and increase its grant-making capability over the long term.*

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

The purpose of the designated reserve fund is to generate income which the Fund can use to meet its charitable objectives. Any investment gains or losses will be transferred to the designated reserve fund in the first instance. The Fund's annual budget will therefore normally be set at an amount reflecting the anticipated level of income from the designated reserve fund. The Trustees may, however, transfer funds into and out of the designated reserve fund as they see fit in order to further the Fund's objectives. The designated reserve fund, which remains unrestricted, may be drawn on from time to time, at the discretion of the Trustees, to provide funds for major charitable projects which the Fund wishes to support and which cannot be covered out of the annual grants budget and the income arising from investments. Such a situation arose this year. We were able to support unprecedented levels of grant-making through the Emergency Relief Fund by drawing down £1 million from our reserves. We anticipate liquidating an additional £1.3 million in 2021 to fund further phases of the ERF to support members who are continuing to suffer hardship as a result of the pandemic.

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

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.

PRS Members' Fund

Eighty Seventh Annual Report of the Trustees and Financial Statements For the year ended 31st December 2020

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 at 31st December 2020, our portfolio with Aberdeen Standard Capital was valued at £12,664,579. Over the course of 2020, 12 income payments were made (totalling £316,264.23) and £1,000,000 was paid out towards to Fund's commitment to the ERF.

While 2020 has been an unpredictable year, we are pleased to report that our quality, sustainable-growth approach has led to the portfolio outperforming all benchmarks aligned to the portfolio (internal, peer group, CPI +4%) during the year. On a total return basis, the portfolio returned +8.82% in 2020. This is ahead of the CPI+4% target of +4.11% and ahead of the internal market composite benchmark of +5.04%. Stock selection has been the primary driver of relative and absolute outperformance against the benchmarks, particularly within equities.

As at 31st December 2020, the portfolio managed by James Hambro & Partners LLP was almost fully liquidated and had a value of £1,369,496. Over the full year, the portfolio returned +6.8%, net of fees, which compares to a peer group comparator as measured by ARC Equity Risk indices of +5.2%.

The portfolio saw heavy volatility throughout, what was, a difficult year for all asset classes due to the pandemic. With signs of progress on all counts towards the end of the year, markets continued their recovery from the March lows. By early September, markets had completely reversed, capping a remarkable 50% rise from the lows of late March. The managers continued to reduce the portfolio's cash allocation over the period up to the end of the year, with a focus on adding to holdings that stood to benefit from a gradual loosening of restrictions and a return to a more normal economic environment.

Overall, the 12-month period ending 31st December 2020 saw world equities rise +12.7%, gilts +8.3% and cash +0.2%. The real laggard was the UK equity market which fell 11.8% in the year. The UK market's lack of technology-driven businesses and still significant weighting to more challenged energy and financial sectors continued to handicap UK-focused investors; in 2020 alone the tech-heavy NASDAQ index in the US had outperformed the UK blue-chip index by almost 50 percentage points (+29% vs -20% in GBP).

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.

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

PRS Members' Fund

**Eighty Seventh Annual Report of the
Trustees and Financial Statements
For the year ended 31st December 2020**

Report of the Trustees (*continued*)

Responsible investment policy

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

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

This report was approved by the Board of Trustees on 18th March 2021 and signed on its behalf by:

Nicky Graham

Nicholas Graham
Chair of the Trustees

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
Michael Head
William Henly via J. Reynolds

Geoffrey Henman via Mrs S. Boeckmann
Leslie Holmes via Ellen Joan Kilpatrick
Michael Hurd
Albert W. Ketelbey via M. Ketelbey
Michael Gerald Lane via Patricia A Stanley
C.S. Lang via W.M. Fox
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 Windeat

PRS Members' Fund**Eighty Seventh Annual Report of the
Trustees and Financial Statements
For the year ended 31st December 2020****Statement of Charity Trustees' Responsibilities**

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

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

On behalf of the Trustees



Nicholas Graham
Chair

18 March 2021

PRS Members' Fund

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

Opinion on the financial statements

In our opinion, the financial statements:

- Give a true and fair view of the state of the Charity's affairs as at 31 December 2020 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.

We have audited the financial statements of PRS Members' Fund ('the Charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the cash flow statement 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 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 related 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 12 months from when the financial statements are authorised for issue.

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

Other information

The 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. 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.

PRS Members' Fund

Independent Auditor's Report to the Trustees of PRS Members' Fund (*continued*)

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion;

- The information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- Adequate accounting records have not been kept; or
- The Charity financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement the Trustees are responsible for the preparation of the financial statements 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[s] 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.

Extent to which the audit was 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:

PRS Members' Fund

Independent Auditor's Report to the Trustees of PRS Members' Fund (*continued*)

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the sector within which it operates. This included but was not limited to the Charities Act 2011, United Kingdom Accounting Standards, and tax legislation;
- We held discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- We requested and reviewed any regulatory correspondence, in particular compliance with the Charity Commission, and details of legal expenses;
- We have reviewed minutes of Trustee meetings for any potential irregularities or incidents up to the date of this report that might not have been disclosed through other enquiries;
- We addressed the risk of management override, in particular by testing any journal entries containing material or irregular journals; and
- We reviewed the financial statement disclosures and tested the supporting documentation to assess compliance with relevant laws and regulations that have a direct effect on the financial statements.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ('FRC's') website at: <https://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.

Richard Willis

Richard Willis (Senior Statutory Auditor)

BDO LLP, statutory auditor
London, UK
18th March 2021

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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

PRS Members' Fund

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

Statement of Financial Activities
For the year ended 31st December 2020

	<u>Note</u>	<u>Unrestricted funds 2020 £'000</u>	<u>Unrestricted funds 2019 £'000</u>
Income and endowments from:			
Donations and legacies	2	1,869	491
Investments	3	304	354
Total		2,173	845
Expenditure on:			
Raising funds			
Publicity & fundraising activities	4	172	105
Investment managers fees		70	57
		242	162
Charitable activities	5	2,460	680
Total		2,702	842
Net income before gains on investments		(529)	3
Net gains on investments	6	925	1,858
Net gain on revaluation of fixed assets		13	24
Net income being net movement in funds		409	1,885
Transfers between funds	13	-	-
Total fund balance brought forward at 1 st January		15,129	13,244
Total fund balance carried forward at 31 st December	13,14	15,538	15,129

All amounts relate to continuing activities.

The notes on pages 26 to 36 form part of these financial statements.

PRs Members' Fund

Eighty Seventh Annual Report of the
Trustees and Financial StatementsBalance Sheet as at 31st December 2020

	<u>Note</u>	<u>2020</u> £'000	<u>2019</u> £'000
Fixed assets			
Tangible fixed assets	7	-	-
Investment property	8	227	214
Investment assets	9	12,421	14,328
Programme-related investments	12	377	419
Dealing account deposit		-	22
		<hr/>	<hr/>
		13,025	14,983
		<hr/>	<hr/>
Current assets			
Sundry debtors		123	75
Dealing account deposit		1,618	-
Bank and cash balances		904	205
		<hr/>	<hr/>
		2,645	280
		<hr/>	<hr/>
Less: Current liabilities			
Sundry creditors and accrued charges		95	116
HM Revenue and Customs VAT due		37	18
		<hr/>	<hr/>
		132	134
		<hr/>	<hr/>
Net current assets		2,513	146
		<hr/>	<hr/>
Net assets		15,538	15,129
		<hr/> <hr/>	<hr/> <hr/>
Funds 13,14			
Restricted funds		-	-
Unrestricted funds:			
General funds		2,890	587
Designated funds - investments		12,648	14,542
		<hr/>	<hr/>
Total funds		15,538	15,129
		<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved by the Trustees on 18th March 2021 and signed on its behalf
by
Muff Winwood Mark Fishlock

Muff Winwood

Mark Fishlock

The notes on pages 26 to 36 form part of these financial statements.

PRs Members' Fund

Eighty Seventh Annual Report of the
Trustees and Financial StatementsStatement of Cash Flows for the year ended 31st December 2020

	<u>Note</u>	<u>Total funds 2020 £'000</u>	<u>Total funds 2019 £'000</u>
Cash flows from operating activities:			
Net cash used in activities	(a)	(883)	(414)
Cash flows from investing activities:			
Dividends and interest from investments		304	354
Proceeds from sale of investments		5,633	11,323
Purchase of investments		(2,801)	(11,586)
New loans issued to beneficiaries		-	(7)
Repayment of loans from beneficiaries		42	12
Net cash provided by investing activities		3,178	96
Change in cash and cash equivalents in the reporting period		2,295	(318)
Cash and cash equivalents at the beginning of the reporting period	(b)	227	545
Cash and cash equivalents at the end of the reporting period	(b)	2,522	227
(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)		409	1,885
Adjustments for:			
Gains on investments		(925)	(1,858)
Gain on revaluations		(13)	(24)
Dividends and interest from investments		(304)	(354)
(Increase) in debtors		(48)	(50)
Decrease in creditors		(2)	(13)
Net cash used in activities		(883)	(414)
(b) Analysis of cash and cash equivalents			
Cash in hand		904	205
Dealing account deposit		1,618	22
Total cash and cash equivalents		2,522	227

PRS Members' Fund**Eighty Seventh Annual Report of the
Trustees and Financial Statements****Financial Statements for the year ended 31st December 2020****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 1st January 2019) (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 31st December 2021, the most significant areas of uncertainty that affect the carrying value of assets held by the Fund are the level of investment return and the performance of the investment markets (see the investment policy and performance and risk management sections of the Report of the Trustees for more information).

(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.

(c) 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.

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

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

PRS Members' Fund**Eighty Seventh Annual Report of the
Trustees and Financial Statements****Financial Statements for the year ended 31st December 2020****Notes (continued)****1. Accounting policies (continued)****(d) 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.

(e) 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

(f) 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.

(g) 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.

(h) 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.

PRS Members' Fund

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

Financial Statements for the year ended 31st December 2020

Notes (continued)

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.

(i) 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.

(j) 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>2020</u>	<u>2019</u>
	£	£
Donations and legacies	1,285,249	165,999
Royalty bequests	544,512	291,205
PRS donation – donated facilities	39,383	33,366
Other income	17	4
	<u>1,869,161</u>	<u>490,574</u>

In 2020, all donation and legacies income totalling £1,869,161 was attributable to unrestricted funds (2019: £490,574). Donations received in 2020 include £943,691 (2019: £Nil) received in relation to the Emergency Relief Fund campaign.

3. Investment income

	<u>2020</u>	<u>2019</u>
	£	£
Dividends	290,406	340,285
Interest	3,429	4,092
Rental income	10,000	9,947
	<u>303,835</u>	<u>354,325</u>

In 2020, all investment income totalling £303,835 was attributable to unrestricted funds (2019: £354,325 to unrestricted funds).

PRS Members' Fund

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

Financial Statements for the year ended 31st December 2020

Notes (continued)

4. Publicity & fundraising activities

	<u>2020</u> £	<u>2019</u> £
Salaries (Note 10)	103,661	62,834
Marketing and communications	8,273	8,340
Event costs	-	1,200
Support costs (Note 11)	60,404	32,554
	<u>172,338</u>	<u>104,928</u>

In 2020, no fundraising expenditure was attributable to restricted funds (2019: £Nil), the full £172,338 (2019: £104,928) of fundraising expenditure was attributable to unrestricted funds.

5. Charitable activities

	<u>2020</u> £	<u>2019</u> £
Grants to beneficiaries	2,282,995	440,380
Costs of programme of visits (Note 10)	103,661	146,613
Grant to British Association for Performing Arts Medicine	7,500	6,750
Travel and motor expenses	2,364	3,803
Eastbourne flat	3,315	2,905
Website costs	448	3,386
Support costs (Note 11)	60,404	75,958
	<u>2,460,687</u>	<u>679,796</u>

Included within cost of programmes are travel costs of £925 (2019: £3,899). Included in grants to beneficiaries are grants made as part of the Emergency Relief Fund totalling £1,965,280 (2019: £Nil).

For both 2020 and 2019 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 Seventh Annual Report of the
Trustees and Financial Statements**

Financial Statements for the year ended 31st December 2020

Notes (continued)

6. Net investment gains		<u>2020</u>	<u>2019</u>
		£	£
	Realised	(283,382)	1,813,912
	Unrealised	1,208,050	44,845
		<hr/>	<hr/>
		924,668	1,858,757
		<hr/> <hr/>	<hr/> <hr/>
7. Tangible fixed assets			<u>Computers</u>
			£
	Cost at 1 st January 2020 and at 31 st December 2020		17,271
			<hr/>
	Depreciation at 1 st January 2020 and at 31 st December 2020		17,271
			<hr/>
	Net book value at 1 st January 2020 and at 31 st December 2020		-
			<hr/> <hr/>
8. Investment property			<u>2020</u>
			£
	At 1 st January 2020		214,000
	Additions, at cost		-
	Revaluation		13,000
			<hr/>
	Valuation at 31 st December 2020		227,000
			<hr/> <hr/>

The 2020 valuation was made by the Trustees, on an open market value for existing use basis.

PRS Members' Fund

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

Financial Statements for the year ended 31st December 2020

Notes (continued)

9. Investments

	<u>2020</u> £'000	<u>2019</u> £'000
Market value:		
At 1 st January 2020	14,328	12,207
Additions, at cost	2,801	11,586
Disposal proceeds	(5,633)	(11,323)
Net gains on disposals and revaluations	925	1,858
	<hr/>	<hr/>
At 31 st December 2020	12,421	14,328
	<hr/> <hr/>	<hr/> <hr/>
Historic cost:		
At 31 st December 2020	10,456	12,730
	<hr/> <hr/>	<hr/> <hr/>
Investments at market value comprised:		
	<u>2020</u> £'000	<u>2019</u> £'000
UK fixed interest securities	1,752	1,863
Equities	9,636	10,766
Other investments	1,033	1,167
Cash	-	532
	<hr/>	<hr/>
	12,421	14,328
	<hr/> <hr/>	<hr/> <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.

PRS Members' Fund

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

Financial Statements for the year ended 31st December 2020

Notes (continued)

10. Trustees and employees

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 (2019: £Nil).

15 Trustees (2019: 15) were reimbursed for travel expenses for the amount of £1,867 in the year (2019: £3,803).

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>2020</u>	<u>2019</u>
	£	£
Salaries	161,501	164,923
Social security costs	16,977	15,612
Pension contributions	11,619	11,340
Travel costs	925	3,899
VAT disallowed on above costs	16,300	13,673
	<u>207,322</u>	<u>209,447</u>

The Fund has 2 full-time staff (2019: 2), 3 part-time staff members (2019: 3) and 3 contracted visitors (2019: 4) and, in addition, uses temporary staff and volunteers as required.

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

	<u>2020</u>	<u>2019</u>
	£	£
Publicity & fundraising activities	103,661	62,834
Charitable activities	103,661	146,613
	<u>207,322</u>	<u>209,447</u>

PRS Members' Fund

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

Financial Statements for the year ended 31st December 2020

Notes (continued)

11. Allocation of governance and support costs

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

	<u>2020</u> £	<u>2019</u> £
Publicity & fundraising activities	60,404	75,958
Charitable activities	60,404	32,554
	<hr/>	<hr/>
	120,808	108,512
	<hr/> <hr/>	<hr/> <hr/>

Included in the above support costs are:

	£	£
Other support costs:		
Accountancy and bookkeeping	6,699	8,764
Printing, postage & stationery	299	534
Sundries	7,163	10,537
Travel and motor expenses	1,867	3,707
Strategic review	-	10,537
VAT disallowable	18,172	13,673
Insurance	2,118	1,560
Rent and services provided by PRS	39,383	33,366
Business rates	11,255	33,366
Governance costs:		
Auditor's remuneration – external audit	10,000	8,225
Catering for Trustees' meetings	451	9,913
Impact measurement project	3,850	-
IT costs	6,972	3,386
Legal fees	12,579	10,342
	<hr/>	<hr/>
	120,808	108,512
	<hr/> <hr/>	<hr/> <hr/>

12. Programme-related investments

	<u>2020</u> £	<u>2019</u> £
Loans to beneficiaries	258,352	287,845
Cyril Wood Court Trust	118,585	131,091
	<hr/>	<hr/>
	376,937	418,936
	<hr/> <hr/>	<hr/> <hr/>

Loans have been made to 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.

PRS Members' Fund

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

Financial Statements for the year ended 31st December 2020

Notes (continued)

13. Analysis of funds – current year

	Balance at 1 st Jan 2020 £'000	Income £'000	Expenditure £'000	Gains £'000	Transfers £'000	Balance at 31 st Dec 2020 £'000
Unrestricted funds:						
Designated funds – investments	14,542	304	(70)	938	(3,066)	12,648
General funds	587	1,869	(2,632)	-	3,066	2,890
	<u>15,129</u>	<u>2,173</u>	<u>(2,704)</u>	<u>938</u>	<u>-</u>	<u>15,538</u>

Analysis of funds – prior year

	Balance at 1 st Jan 2019 £'000	Income £'000	Expenditure £'000	Gains £'000	Transfers £'000	Balance at 31 st 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>

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.

PRS Members' Fund

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

Financial Statements for the year ended 31st December 2020

Notes (continued)

14. Analysis of net assets between funds – current year

	Tangible fixed assets £'000	Investment property £'000	Investment assets £'000	Net current assets £'000	Total £'000
Designated funds:					
Investments	-	227	12,421	-	12,648
Unrestricted funds:					
General funds	-	-	-	2,890	2,890
Total funds	-	227	12,421	2,890	15,538

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	-	214	14,328	-	14,542
Unrestricted funds:					
General funds	-	-	-	587	587
Total funds	-	214	14,328	587	15,129

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

PRS Members' Fund

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

Financial Statements for the year ended 31st December 2020

Notes (continued)

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 (2019: £nil).

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>2020</u>	<u>2019</u>
	£	£
<i>Amounts payable:</i>		
Not later than one year	42,320	42,320
2-5 years	169,281	169,281
5+ years	144,005	186,325
	<u>355,606</u>	<u>397,926</u>