

The Worshipful Company of Musicians Charitable Fund

Charity Registration No. 310040

ANNUAL REPORT AND
FINANCIAL STATEMENTS
for the year ended
31 December 2020

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The Worshipful Company of Musicians Charitable Fund - No. 310040

Trustee, Officers and Advisers

Address 1 Speed Highwalk, Barbican, London, EC2Y 8DX

Website www.wcom.org.uk **Email** clerk@wcom.org.uk

Trustee The Worshipful Company of Musicians

The Court of Assistants

Master	J Nichols (installed 10 November 2020)
Senior Warden	J Kelly
Junior Warden	Rt. Revd G Knowles CVO
Immediate Pastmaster	M Lewin

M J Summerfield	M Hockney MBE
P W P Campion	Hon. R Lyttelton
Ald. Sir A Parmley	A Hughes
Prof. J Morehen (deceased 25 March 2021)	A Mumford
Sir A Cleaver	Miss C McGuinness
Mrs K N Duncan OBE	D Cresswell
A W Morris	Ms T May
Ald. Sir R Gifford (deceased 25 May 2021)	C Jackson
Lady Brewer OBE	J Harle
	A Spofforth (appointed 27 January 2021)

Honorary Treasurer	Mr J McCuin
Clerk	Mr H Lloyd
Deputy Clerk	Mrs A Ratcliffe
Yeomen Co-ordinator	Dr C Twite
Company Accountant	Mrs C Harries
Hon. Counsel	Mr R Salter QC

The Advisers

Bankers	C Hoare & Co, 37 Fleet Street, London, EC4P 4DQ
Auditor	Buzzacott, 130 Wood Street, London, EC2V 6DL
Investment managers	Willis Towers Watson Investment Management 51 Lime Street, London, EC3M 7DQ

The Worshipful Company of Musicians Charitable Fund - No. 310040

Trustee's Report for the year ended 31 December 2020

The Trustee presents its report and the audited financial statements for the year ended 31 December 2020.

The financial statements comply with current legal requirements, the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charity's governing document.

Legal Status

The Worshipful Company of Musicians Charitable Fund is a registered charity (No. 310040 – England and Wales) and is the amalgamation of numerous funds governed by a scheme created on 15 November 1999.

The Worshipful Company of Musicians (the Company) is the Trustee for the above charity and it or the members of its Court are trustees of the two charities listed below (the three charities are collectively known as the Charitable Funds):

- The Musicians' Company Fund (previously known as the Allcard Fund) (No. 264303 – England and Wales) is governed by a scheme created on 26 November 2001.
- The Concordia Foundation Artists Fund (No 1132981 – England and Wales) registered with the Charity Commission on 25 November 2009.

Governance

The above charities are the charitable arm of The Worshipful Company of Musicians which is an ancient craft guild devoted to the performing arts. Its members, known as Liverymen, are performers, composers, instrument makers, teachers, administrators and music lovers.

Responsibility for the overall management and organisation of the three charities rests with the Trustee (The Worshipful Company of Musicians), which is run by the Court of Assistants of the Company. Additional, appropriately experienced Liverymen are included in the Finance and Investment Committee and Donations and Awards Committee.

The day to day running of the Company is administered by the Clerk and his team.

The Court of the Company has up to 23 members. Individual members are elected by existing members of the Court and will tend to reflect the various skills and experience appropriate to the running of the Company. Once a member of the Court, he or she will normally and subject to the approval of other Court members, proceed to the role of Master, having in the previous two years occupied the role of Junior Warden, then Senior Warden. Following his or her year as Master, Pastmasters will continue to serve on the Court and appropriate Committees for a further ten years, after which they become Honorary Assistants able to contribute to debate but with no vote on Court or committee matters.

Court members learn about the business of the Company's charities and their responsibilities through the work of the Court and the Committees. As they will have been members previously of the Livery of the Company, they will have received the Company's Annual Reports, Yearbooks and the Company's regular publication *Preserve Harmony* which describe the work of the Company and the charities it manages.

The Worshipful Company of Musicians Charitable Fund - No. 310040

Trustee's Report for the year ended 31 December 2020 (Continued)

Aims, Objectives and Achievements

The Worshipful Company of Musicians Charitable Fund provides scholarships, prizes and performance opportunities across a variety of musical disciplines, helping to raise standards of scholarship and performance practice likely to benefit the profession of music in general. Its object is to encourage, support and promote musical performance and education to the highest professional standards. It focuses on helping young musicians at the start of their professional careers.

The Medal fund supports medals recognising excellence and achievement nominated by the UK Conservatoires of Music, Brass Bands and Military Bands and also jazz players (Jazz Awards).

Funding is normally given to support public concert performance opportunities for young performers via the Maisie Lewis Young Artists' Fund, no performances were possible in 2020 owing to the Covid-19 pandemic.

The Scholarship and Prize Funds supports Awards to exceptional young musicians, pianists, instrumentalists and singers. During 2020, the majority of the Company's awards were held by video submission assessed remotely by panels. The composition awards for Jazz (The Dankworth Prize & Eddie Harvey Award) were held and the winners concert was livestreamed from the Guildhall School of Music & Drama in November 2020. There were some exceptions where it was not possible for the awards to be given, including the John Christie Award to a young singer at Glyndebourne Opera, which could not be awarded owing to the cancellation of the 2020 Glyndebourne season. The Musicians' Company works closely with music conservatoires, universities and other musical organisations in its support for classical performance and composition, jazz, brass and military bands which are all among the wide range of music the Company supports.

The Covid 19 pandemic had a catastrophic effect on the lives and careers of musicians with performances cancelled and venues dark. This was even worse for young musicians, at the start of their careers, trying to establish themselves, the key area of the Musicians' Company's charitable activities support. The transfer of live performances to those online became the norm. The Musicians' Company launched its online recital series *#Midday Music* in June 2020 to provide a performance platform for the Company's Young Artists during the lockdown and also some remuneration for a 10 -15 minute recital. The series ran from June 2020 – February 2021 and featured 90 Young Artists in 64 videos. The cost of the series was £12,200. The 2020 Prince's Prize could not be held and the Award of £10,000 was used to finance the series and an additional £7,100 was raised through the Company's JustGiving Page on the Company's YouTube channel. *Midday Music* has had over 19,000 viewings.

Grant Making Policy

The charity's policy is to make awards that promote excellence in music, whether performance, composition, scholarship or creation of instruments. Grants are made to support musical education and to give public performances; musicology; instrument making; music technology. Additionally, the charity sponsors music competitions and awards medals which themselves promote excellence.

Future Plans

An in depth review of all the Company's scholarship funds was carried out during 2019 and 2020 to assess the continuing importance and relevance of each award and to determine the affordability of potential increases in awards and frequency of making awards. The recommendations of this review will be implemented in the next few years.

The Worshipful Company of Musicians Charitable Fund - No. 310040 Trustee's Report for the year ended 31 December 2020 (Continued)

The Musicians' Company will continue to support its young artists as the music profession emerges from the devastation of the Covid-19 epidemic.

The Musicians' Company will relaunch its online recital series along the lines of *#Midday Music*, giving a platform to performers who have just joined the Young Artists' programme. Once the Company concerts can resume, these longer concerts will also be recorded for later online broadcast.

Public Benefit

The Trustee has considered the Charity Commission's guidance on public benefit. The charity's purpose is to further the art and science of music. It does so through supporting professional musicians early in their careers and the music profession in general. Music adds significant value to society through access to excellence in performance and the charity contributes to this value by administering and allocating awards and scholarships that help raise the standards of education and training in performance and composition. The charity puts particular emphasis on enabling the artists it supports to bring performance to the public and enabling musical performance for diverse audiences is central to our purpose.

In normal circumstances, activities that the charity would support in a year include: -

- Three public classical music concerts.
- Four public jazz concerts.
- A showcase recital for the winners of the Company's international guitar competition.
- A fellowship available by interview/audition, open to any musician of proven ability, minimum age 28, but prevented by financial stringency from fully exercising and improving their talent.
- Awards, scholarships and bursaries granted to musical institutions throughout the UK to recognise achievement by professional and student musicians and to encourage the maintenance and improvement of standards.
- Twenty-eight medals awarded recognising excellence and achievement nominated by the UK Conservatoires of Music, Brass Bands and Military Bands and also jazz players (Jazz Awards).

In our opinion the results of the support we are able to make available to musicians and music-based projects in all areas of society confer immeasurable public benefit.

Financial review and Results for the Year

The results for the year ended 31 December 2020 are shown on page 11 of the financial statements. The Trustee believes that the financial position of the charity is adequate for its immediate purposes.

Reserves

The charity has no free reserves as expenditure is met by transfers from permanent endowments under a total returns policy.

It is the policy of the Trustee to maintain and enhance the value of the permanent endowment funds in order to enable the level of grants, prizes and scholarships awarded to be maintained, having regard to the need to maintain such funds in perpetuity. Accordingly, the funds are invested under the following Investment Policy.

Investment Policy

From 1 January 2018, the Trustee, by resolution, adopted a total returns approach to the permanent endowment funds in accordance with the requirements of the Charity Commission believing that this approach is in the best interests of the charity.

The Worshipful Company of Musicians Charitable Fund - No. 310040

Trustee's Report for the year ended 31 December 2020 (Continued)

The initial value for implementing the total return approach was determined at 31 December 2001 when the value of the endowment funds at that date was £2,077,025. Taking account of subsequent additions, a value of £2,549,650 is being used as a proxy for the original value of the endowment funds as at 1 January 2018. During 2020, the withdrawal to the restricted income funds from the unapplied total return was £196,979 (2019 - £208,088). The fund reconciliation is disclosed in note 5 to the financial statements.

The investment policy is to adopt a medium risk investment strategy with the intention of achieving a real rate of return (i.e. above inflation and investment fees) over periods of 5 years – allowing for the volatility of markets.

In accordance with the policy, the Trustee has appointed an investment committee to work with the independent brokers (Willis Towers Watson Investment Management Ltd) to monitor regularly the performance of the Towers Watson Partners Fund. Willis Towers Watson charge a flat management fee of 0.5% per annum. The administrators (Bank of New York Mellon) charge a custody fee averaging around 0.075% per annum.

Risk

The Trustee has assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity and is satisfied that systems are in place to mitigate the exposure to major operational risks.

The charity's investment portfolio proved to be sufficiently diverse in a medium risk investment strategy, so as not to be affected by the impact of the Covid-19 epidemic and gained 7.75% on the year.

Responsibilities of the Trustee

The Trustee is required by Charity Law 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 income and expenditure for the year. In preparing such accounts, the Trustee is required to:

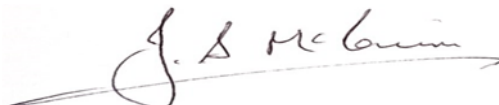
- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The Trustee is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity. It is also responsible for safeguarding the assets of the charity and hence for taking steps for the prevention and detection of fraud and other irregularities.

Approved by the Court of the Trustee and signed on its behalf by



John Nichols (Master)



John McCuin (Honorary Treasurer)

7th July 2021

Independent Auditor's Report to the Trustee of The Worshipful Company of Musicians Charitable Fund

Opinion

We have audited the financial statements of The Worshipful Company of Musicians Charitable Fund (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, and the notes to the financial statements including the principal 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).

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 income and expenditure 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 other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Independent Auditor's Report to the Trustee of The Worshipful Company of Musicians Charitable Fund

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

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 given in the Trustee's 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 Trustee

As explained more fully in the statement of the responsibilities of the Trustee, the Trustee is 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 Trustee 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 Trustee is 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 Trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report to the Trustee of The Worshipful Company of Musicians Charitable Fund

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

How the audit was considered capable of detecting irregularities including fraud

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with representatives of the Trustee and other management, and from our knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011 and the financial reporting framework described above;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

Independent Auditor's Report to the Trustee of The Worshipful Company of Musicians Charitable Fund

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with the charity's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of those charged with governance and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Trustee, as a body, in accordance with section 145 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Trustee those matters we are required to state to it 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 Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL
Date:



19/8/21

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Worshipful Company of Musicians Charitable Fund - No. 310040
STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2020

	Note	2020 Restricted £	2020 Permanent endowment £	2020 Total funds £
Income				
Donations and legacies				
Donations		1,865	-	1,865
Legacies		5,000	-	5,000
		<hr/>	<hr/>	<hr/>
		6,865	-	6,865
Charitable activities				
Concert income		1,929	-	1,929
Other				
Royalties		-	32,667	32,667
		<hr/>	<hr/>	<hr/>
Total income		8,794	32,667	41,461
Expenditure on:				
Raising funds		6,717	-	6,717
Charitable activities		183,538	-	183,538
Governance		13,433	-	13,433
		<hr/>	<hr/>	<hr/>
Total expenditure	2	203,688	-	203,688
Net (expenditure)/income for the year before investment gains and losses and transfers				
		(194,894)	32,667	(162,227)
Gains on investments				
	5	4,793	232,831	237,624
Net (expenditure)/income for the year before transfers				
		(190,101)	265,498	75,397
Transfers between funds				
	5	196,979	(196,979)	-
		<hr/>	<hr/>	<hr/>
Net movement in funds for the year		6,878	68,519	75,397
Reconciliation of funds				
Net movement in funds for the year		6,878	68,519	75,397
Total funds brought forward		60,914	2,959,045	3,019,959
		<hr/>	<hr/>	<hr/>
Total funds carried forward		£67,792	£3,027,564	£3,095,356
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Worshipful Company of Musicians Charitable Fund - No. 310040
STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2019

	<i>Note</i>	2019 Restricted	2019 Permanent endowment	2019 Total funds
		£	£	£
Income				
Donations				
Donations (including gift aid)		5,827	-	5,827
Charitable activities				
Concert income		4,204	-	4,204
Other				
Royalties		-	15,385	15,385
Investment income		22	1,054	1,076
Total income		10,053	16,439	26,492
Expenditure on:				
Raising funds		6,549	-	6,549
Charitable activities		202,366	-	202,366
Governance		13,098	-	13,098
Total expenditure	2	222,013	-	222,013
Net (expenditure)/income for the year before investment gains and losses and transfers		(211,960)	16,439	(195,521)
Gains on investments	5	5,193	252,562	257,755
Net (expenditure)/income for the year before transfers		(206,767)	269,001	62,234
Transfers between funds	5	208,088	(208,088)	-
Net movement in funds for the year		1,321	60,913	62,234
Reconciliation of funds				
Net movement in funds for the year		1,321	60,913	62,234
Total funds brought forward		59,593	2,898,132	2,957,725
Total funds carried forward		£60,914	£2,959,045	£3,019,959

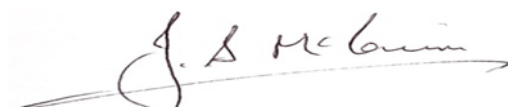
The Worshipful Company of Musicians Charitable Fund – No. 310040
BALANCE SHEET as at 31 December 2020

	Note	2020 £	2019 £
Fixed Assets			
Investments	5	3,062,064	3,062,991
Total Fixed Assets		3,062,064	3,062,991
Current Assets			
Stock	7	25,710	12,300
Debtors	8	851	4,205
Cash at bank		28,275	9,331
Total Current Assets		54,836	25,836
Liabilities			
Creditors falling due within one year	9	(21,544)	(68,868)
Net Current Assets/(Liabilities)		33,292	(43,032)
Net Assets		£3,095,356	£3,019,959
Permanent endowment funds		3,027,564	2,959,045
Restricted income funds		67,792	60,914
		£3,095,356	£3,019,959

Approved by the Court of the Trustee and signed
on its behalf by



John Nichols (Master)



John McCuin (Honorary Treasurer)

7th July 2021

The Worshipful Company of Musicians Charitable Fund – No. 310040

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are as follows:

- a) **Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Charities SORP (FRS 102), and the charity's governing documents.

The charity meets the definition of a public benefit entity under FRS 102.
- b) **Preparation of accounts on a going concern basis**

The Trustee has assessed whether the use of the going concern assumption is appropriate in preparing these financial statements with respect to a period of at least one year from the date of approval of these financial statements including considering the impact of Covid-19 on the charity's income, expenditure, investments and reserves; and its beneficiaries. They have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.
- c) **Investments**

Investments are stated at market value at the year-end.

Realised gains and losses are calculated by reference to the opening balance sheet valuation or subsequent cost and the sale proceeds of those investments.

Unrealised gains and losses are calculated by comparing the opening balance sheet valuation to the year-end valuation as adjusted for investments bought and sold during the year.
- d) **Stock**

Stock is valued at the lower of cost and net realisable value.
- e) **Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.
- f) **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.
- g) **Donations and Legacies**

Donations and legacies are credited on a receivable basis.
- h) **Expenditure**

Expenditure is accounted for on an accruals basis.
- i) **Apportionment of costs**

The Worshipful Company of Musicians (the Company) is the Trustee of this charity and two others (as referred to on page 3). The costs of supporting, managing and administering the three charities and their activities is paid by the Company and recharged by apportionment across the three charities. The charge has been calculated as 75% of the expenses of the Company but excluding the cost of Company functions and regalia. The apportioned charge has been allocated to the charity's activities on a basis consistent with the use of resources as follows:
Raising funds 5%; charitable support costs 85%; governance 10%.
- j) **Charitable Expenditure**

Charitable expenditure comprises all costs and payments incurred in furthering the aims of the charity including support costs. Grants are accounted for in the period in which they are awarded and the beneficiary has been notified.

The Worshipful Company of Musicians Charitable Fund – No. 310040
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

1. Accounting Policies (continued)

k) **Financial instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Except for investments which are included at market value, as noted above, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

l) **Funds structure**

The permanent endowment funds comprise assets (investments) which normally must be held as capital. From 1 January 2018, the charity has operated a total return approach to the permanent endowment funds. Using this approach, the charity is required to analyse the fund between the amount held for investment (non-distributable funds) and the unapplied total return. The charity is permitted to allocate from the unapplied total return element such sums as the trustee sees appropriate provided the trustee exercise their statutory duty to be even handed as between present and future beneficiaries and that they maintain the unapplied total return at such a level as to ensure it remains positive after having due consideration to the volatility of the investment markets.

2. Analysis of expenditure

	2020	2019
	£	£
Staff costs (see note 3)	79,308	67,615
The Worshipful Company of Musicians' charge as described below	55,026	63,363
	134,334	130,978
	134,334	130,978
The recharge from the Company is allocated as follows:		
Raising Funds – 5% of above	6,717	6,549
	6,717	6,549
	6,717	6,549
Governance – 10% of above	13,433	13,098
	13,433	13,098
	13,433	13,098
Charitable Activities		
Charitable support costs – 85% of above	114,184	111,331
Grants, scholarships and awards (see note 4)	61,067	83,562
Direct costs (see below)	8,287	7,473
	183,538	202,366
	183,538	202,366
Total expenditure for the year	203,688	£222,013
	203,688	£222,013

Direct costs include venue hire for auditions and concerts, advertising, printing, catering and adjudication.

The Worshipful Company of Musicians Charitable Fund – No. 310040
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

2. Analysis of expenditure (continued)

The Worshipful Company of Musicians (the Company) (or the members of the Court of the Company) is the Trustee of this charity and two others (as referred to on page 3). The costs of supporting, managing and administering the three charities and their activities is paid by the Company and recharged across the three charities by apportionment. The charge has been calculated as 75% of the expenses of the Company but excluding the cost of Company functions and regalia.

All the apportioned charges referred to above have been allocated to the activities on a basis consistent with the use of resources as follows:

Costs of raising funds – 5%

Including costs of collecting voluntary income; publicity and investment management.

Charitable expenditure – 85%

The management of the funding of grants, awards, medals and the organising of auditions, competitions and live performance opportunities

Governance – 10 %

Including accountancy services, audit and constitutional and statutory costs.

3. Staff Costs

	2020	2019
	£	£
Included in recharged costs are the following staff costs:		
Salaries and wages	67,847	58,506
Social security costs	7,565	5,274
Pension costs	3,896	3,835
	<hr/>	<hr/>
	£79,308	£67,615
	<hr/> <hr/>	<hr/> <hr/>

There are four employees (2019 – four)

The employees are jointly employed by the Worshipful Company of Musicians and the Charitable Funds. The payroll costs have been borne in the ratio of 25% by the Company and 75% by the Charitable Funds.

No employees received remuneration from this charity in excess of £60,000 in 2020 or 2019.

Key management comprises the Court of Assistants of the Worshipful Company of Musicians as devolved to their Clerk. Total key management remuneration (including employers National Insurance) for services to this charity was £34,897 (2019 - £33,045).

The Worshipful Company of Musicians Charitable Fund – No. 310040
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

4. Grants, Scholarships and Awards

	2020	2019
	£	£
To schools, conservatoires and other academic institutions for music scholarships/bursaries/training fees	32,350	46,850
For individual musician's prizes, awards and medals	26,717	36,712
Grants to other organisations and festivals for the promotion of music	2,000	-
	£61,067	£83,562

Included above are the following large prizes & grants:

Lambert Scholarships – RCM	16,000	16,000
Lambert Fellowship – Individual Prize Winner	16,350	15,850
John Christie Award - Glyndebourne	-	15,000
Biddy Baxter and John Hosier Music Trust – Individual Prize Winner	14,000	14,000

Further information can be obtained from the Company's website: www.wcom.org.uk.

5. Fixed Asset Investments

	2020	2019
	£	£
Market value on 1 January	3,062,991	2,982,140
Disposals	(238,551)	(176,904)
Net realised and unrealised gains/(losses)	237,624	257,755
	£3,062,064	£3,062,991

The permanent endowment fund investments and movements in the unapplied total return are set out below:

	2020	2020	2020
	Trust for	Unapplied	Total
	investment	total return	endowment
	£	£	£
At 1 January 2020	2,549,650	409,395	2,959,045
Add: Total return			
- Investment income including royalties	-	32,667	32,667
- Net realised and unrealised gains	-	232,831	232,831
Unapplied total return applied to income	-	(196,979)	(196,979)
	£2,549,650	£477,914	£3,027,564

The Worshipful Company of Musicians Charitable Fund - No. 310040
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

5. Fixed Asset Investments (continued)

	2019 Trust for investment	2019 Unapplied total return	2019 Total endowment
	£	£	£
At 1 January 2019	2,549,650	348,482	2,898,132
Add: Total return			
- Investment income including royalties	-	16,439	16,439
- Net realised and unrealised losses	-	252,562	252,562
Unapplied total return applied to income	-	(208,088)	(208,088)
	<hr/>	<hr/>	<hr/>
At 31 December 2019	£2,549,650	£409,395	£2,959,045
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

From 1 January 2018, the Trustee, by resolution, adopted a total returns approach to the permanent endowment funds in accordance with the requirements of the Charity Commission believing that this approach is in the best interests of the charity. The initial value for implementing the total return approach was determined at 31 December 2001 when the value of the endowment funds at that date was £2,077,025 and taking account of subsequent additions, a value of £2,549,650 is being used as a proxy for the original value of the endowment funds. During 2020, the withdrawal to the restricted income funds from the unapplied total return was £196,979 (2019 - £208,088). This is shown as a transfer between funds in the statement of financial activities on page 10.

6. Heritage Asset

The charity is custodian of a Joseph Guarneri violin (valued for insurance purposes at £850,000). This violin has been loaned to Daniel Roberts (performing with the Castilian Quartet). He contributes to the insurance cover.

7. Stock

	2020 £	2019 £
Stock of silver and bronze medals	£25,710	£12,300
	<hr/>	<hr/>

8. Debtors

	2020 £	2019 £
Other debtors	851	3,251
Prepayments and accrued income	-	954
	<hr/>	<hr/>
	851	£4,205
	<hr/> <hr/>	<hr/> <hr/>

The Worshipful Company of Musicians Charitable Fund - No. 310040
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

9. Liabilities: Creditors falling due within one year

	2020	2019
	£	£
Due to The Worshipful Company of Musicians	21,500	60,405
Other creditors	44	8,463
	<hr/>	<hr/>
	£21,544	£68,868
	<hr/> <hr/>	<hr/> <hr/>

10. Related Party Transactions

The Trustee of this charity is The Worshipful Company of Musicians (the Company). The Company or the members of the Court of the Company are also trustees of the two other charities referred to on page 3.

Rent and service charges amounting to £16,677 (2019 - £16,940) were paid to the City of London Corporation (the Corporation) by the Company part of which was recharged to the charities. Pastmasters Alderman Sir Andrew Parmley and Alderman Sir Roger Gifford are members of the Court of Aldermen of the Corporation and Miss Catherine McGuinness is a Common Councillor and Chair of Policy and Resources Committee of the Corporation. None of these individuals derive any personal benefit from the payment made by the Company.

Responsibility for the overall management and organisation of the three charities rests with the Company. The costs of supporting, managing and administering the three charities and their activities is paid by the Company and are recharged across the three charities by apportionment. The apportioned charge for this charity for 2020 was £55,026 (2019 - £63,363). The outstanding balance owed by the charity to the Company at the end of the year was £21,500 (2019 - £60,405).

No Court member of The Worshipful Company of Musicians received any remuneration. Travelling expenses of £344 and entertaining and subsistence expenses of £166 were reimbursed to 9 Court members during the year. (2019 - £470 entertaining expenses for 8 Court members).

There are no related party transactions requiring disclosure other than the transactions referred to above.

