



THE  
MUSIC  
THERAPY  
CHARITY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2020

- Company Registration No 955930  
- Charity Commission No 259077

THE MUSIC THERAPY CHARITY (company registration number 955930)

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**REPORT OF THE BOARD OF GOVERNORS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

1. The Charity is a company limited by guarantee; it has no issued share capital and is exempt for using Limited as part of its name. Every member in pursuance of clause 7 of the Memorandum of Association undertakes to contribute a sum not exceeding £1 in the event of the company being wound up whilst a member.
2. The objects for which the Charity is established are:
  - (a) to prevent, relieve and cure sickness and ill-health of every kind whether physical or mental by the use of arts, music therapy and colour therapy.
  - (b) to promote research into the use of arts, music therapy and colour therapy for the above purposes and to publish the results thereof; and in furtherance of these objects the Charity has powers, inter alia, to provide training for music therapists.

The governors have had regard to the Charity Commission's guidance on public benefit and believe that these objects provide a public benefit.

3. The President throughout the year was Nicola Benedetti MBE and the Charity is most grateful for her support.
4. At 30 June 2020, the Vice-Presidents were Sir Thomas Allen CBE, Simon Callow CBE, Richard Crewdson, Julius Drake, Roy Van Gelder, Dame Beryl Grey DBE, Brian Kay, John Lubbock OBE, Penny Neary, Baroness Nicholson of Winterbourne, Anne Skeggs, Professor Malcolm Troup, Benjamin Zander.
5. The Charity received in its unrestricted fund significant donations of £69,272 (£9,463 in 2019) including Gift Aid. This sum was boosted by the receipt of two large legacies. This year was the Charity's 50th anniversary; to celebrate this a major fund-raising event was held on 3 November 2019 raising £14,263 net. Investment income and bank deposit interest was £14,477 (£17,752 in 2019). During the year the Charity made grants totalling £74,764 (£47,216 in 2019), further details are given in section 7.
6. The net incoming resources on the general account was £8,652 (£39,367 loss in 2019). After deducting unrealised losses of £48,269 (£8,351 loss in 2019) on investments, the net decrease in funds was £39,617 (£47,718 loss in 2019). The total fund at 30 June 2020 was £354,688, compared with £394,306 a year previously.
7. Clinical Research Initiatives

The Governors have agreed to continue funding long-term doctoral academic research in conjunction with major initiatives as they arise.

A PhD grant of £70,424 was awarded to Nottingham University and this is being paid over 3 years in 3 instalments: £24,000 on 01/10/19; £24,000 on 01/10/20; £22,424 on 01/10/21. The title of this research project is "Development and evaluation of the Person Attuned Musical Interaction in Dementia Manual UK version (PAMI-UK)".

The response to the May 2019 Small Grants call resulted in awards to ARRIMT (£1,490), Laura Cook (£450), Joanna Parsons (£1,500), Catherine Richards (£1,500.88) and Julie Sutton (£1,500). The December 2019 Small Grants call resulted in awards to Gemma Lenton-Smith (£1,275), Giorgos Tsiris (£1,500), Helen Wallace (£1,500) and Tina Warnock (£1,548).

8. Grants totalling £40,000 were made to 54 postgraduate music therapy students at the following universities:

Anglia Ruskin	£4,000
Guildhall School of Music & Drama	£4,000
Nordoff Robbins	£12,000
Queen Margaret University	£4,000



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University of Derby	£4,000
University of Roehampton	£4,000
University of South Wales	£4,000
University of the West of England	£4,000

9. The Governors have considered the risks to which the Charity might be subject and are satisfied that systems are in place to mitigate such risks.

Covid-19 will undoubtedly have an effect on the Charity's income for the coming year. We have had to cancel our annual fund-raising event and as a result expect there to be a reduction in donations. The Charity is adapting in order to replace this reduction in income by increasing its online awareness and fund-raising. A survey has been carried out of all current grant-holders and there appears to be no significant impact on the studies which we are funding.

10. The Governors' aim in relation to reserves is to hold sufficient reserves to be able to finance the Charity's usual grants and administrative expenses for a period of three years if there were no incoming resources during that time.
11. At their meeting on 23 June 2020, the Governors adopted an updated Investment Policy which included a revised asset allocation policy and investment objective.

The target proportions of the portfolio to be invested in each asset class are:

Asset Class	Target (%)	Minimum (%)	Maximum (%)
Equities	60	50	80
Fixed Interest	15	0	30
Cash	25	15	35

The investment objective is to generate a high total return subject to an acceptable level of risk. The performance of the investment portfolio (excluding cash) is to be measured against the following composite benchmark:

FTSE All Share Index	80%
ICE BoAML 1-15 Gilt Index	10%
ICE BoAML 1-15 Non-Gilt Index	10%

The equity and fixed interest investments are achieved through holdings in the M&G Charifund and Charibond respectively. Investment performance for the year to 30 June 2020 was hit by the sharp fall in equity markets in March 2020 following the outbreak of Covid-19. However, there was a subsequent recovery of some of the losses by the 30 June 2020 year end. Despite this, there was a -12.0% return for the investment portfolio (excluding cash) for the financial year as a whole which compares to -8.5% for the composite benchmark.

Over the last five years, the investment portfolio (ex cash) has returned 2.6% per annum which compares to the composite benchmark of 3.6% per annum. The underperformance over both periods was as a result of both Charifund and Charibond lagging our benchmarks.

12. To assist with forward planning the charity's activities and to support any future grant bids, the Governors have approved a budget for 2020/21 and forecasts for 2021/22 and 2022/23.
13. The Governors, who are also the Directors, during the year were:

Professor Michael Thorne CBE (Chairman)  
 Professor Helen Odell-Miller OBE BA (Hons) MPhil PhD LGSM (MT) (Deputy Chairman)  
 Mr Roger Swain (Treasurer)  
 Lady Caroline Borg ARCM  
 Professor Ian Cross  
 Dr Rachel Darnley-Smith (appointed 16<sup>th</sup> September 2019)  
 Mr Dominic Delaforce  
 Mrs Pauline Etkin OBE DpPPEd PGDip (MT)  
 Mrs Angela Mary Harrison GRNCM PGDip (MT)  
 Mrs Grace Meadows (appointed 25<sup>th</sup> November 2019)  
 Dr Kate Thomson MB BS MRCP DCH  
 Mrs Susan E Waldman



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The Governors are appointed taking into account their relevant experience.

14. Mark Taylor FCCA of Banks & Co, 1 Carnegie Road, Newbury, Berkshire RG14 5DJ is the Independent Examiner.
15. The report of the Board of Governors has been prepared in accordance with the provisions of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD

Michael Thorne  
CHAIRMAN



23/09/2020

26 Fitzroy Square, London W1T 6BT

2020

**REPORT OF THE INDEPENDENT EXAMINER TO THE GOVERNORS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

I report to the governors who are the charity trustees on my examination of the accounts of the company for the year ended 30 June 2020 which are set out on pages 7 to 11.

**Responsibilities and basis of report**

As the charity governors of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

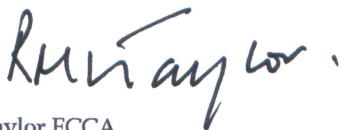
Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

**Independent examiner's statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



R M L Taylor FCCA  
On behalf of Banks & Co  
Chartered Certified Accountants  
1 Carnegie Road,  
Newbury, Berkshire,  
RG14 5DJ



2020

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	2020 £	2019 £
<b>INCOME AND ENDOWMENTS FROM:</b>			
Donations	2	69,272	9,463
Charitable activities		18,682	2,454
Investment income			
Bank deposit interest		204	123
Other investment income		14,273	17,629
<b>Total incoming resources</b>		<b>102,431</b>	<b>29,669</b>
<b>EXPENDITURE ON:</b>			
Raising Funds		3,658	4,139
Charitable Activities			
Grants to Music Therapists		40,000	32,000
Grants for Research Projects		34,764	15,216
Tony Wigram Travelling Fellowship		541	
Management costs			
Secretarial		11,236	11,196
Accountancy		2,075	2,875
Website and Computer Training		127	336
Advertising		-	1,914
Travel and Meeting Expenses		319	364
Other Management Cost		339	276
Governance costs - Independent Review		720	720
<b>Total resources expended</b>		<b>93,779</b>	<b>69,036</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>8,652</b>	<b>(39,367)</b>
<b>NET GAIN/(LOSS) ON INVESTMENT ASSETS</b>			
Net Gains/(Losses) on investments during the year		(48,269)	(8,351)
<b>NET MOVEMENT IN FUNDS</b>		<b>(39,617)</b>	<b>(47,718)</b>
<b>RECONCILIATION OF FUNDS:</b>			
Total funds brought forward		394,306	442,024
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>354,689</b>	<b>394,306</b>



**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	2020 Total funds £	2019 Total funds £
<b>FIXED ASSETS:</b>			
Investments at Market Value	3	270,074	340,343
<b>CURRENT ASSETS:</b>			
Debtors	5	48,394	760
Cash at bank and short term deposits		93,446	61,369
		141,840	62,129
<b>CURRENT LIABILITIES</b>			
Creditors: Amounts falling due within one year	6	(34,801)	(8,166)
<b>NET CURRENT ASSETS</b>			
		107,039	53,963
<b>LONG TERM LIABILITIES</b>			
Creditors: Amounts falling due after more than one year	7	(22,424)	-
<b>TOTAL ASSETS LESS LIABILITIES</b>			
		354,689	394,306
<b>THE FUNDS OF THE CHARITY</b>			
Unrestricted fund		354,689	394,306
<b>TOTAL CHARITY FUNDS</b>			
		354,689	394,306

For the year ended 30 June 2020, the Company was entitled to exemption from audit under s.477 of Companies Act 2006. The members have not required the company to obtain an audit of its accounts for the financial year in accordance with s.476 of the Act. The directors acknowledge their responsibilities:

- ensuring that the company keeps accounting records which comply with s.386 of the Companies Act 2006, and
- preparing accounts which give a true and fair view of the state of affairs of the company, as at end of the financial year, and of its profit or loss for the financial year in accordance with the requirements of s.394 and s.395 of the Companies Act 2006, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

These Accounts have been prepared in accordance with the provisions applicable to Companies subject to the small companies regime.

The financial statements were approved by the Board of Governors on 22/09/2020 and were signed on its behalf by:



Michael Thorne - Chairman



Roger Swain - Treasurer

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance the charity's deeds, the Charities Act 2011 and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102).

**Incoming resources**

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

**Expenditure Recognition**

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

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Grants offered subject to conditions which have not been met at the year end date are noted as commitments but not accrued as expenditure.

**Employees**

The charity does not employ any staff and its Governors are volunteers.

**Debtors and creditors receivable / payable within one year**

Debtors and creditors receivable or payable within one year are recorded at transaction price.

**Investment Policy**

The investment objective is to generate a high total return subject to an acceptable level of risk. Further details are given in the Governors' report.

**Taxation**

The company is a charity for the purpose of Section 505 of the Income and Corporation Taxes Act 1988 and as such is exempt from tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. The charity does not have any restricted funds.

**2 DONATIONS**

Donations

Gift Aid

	2020	2019
	£	£
Donations	68,064	9,400
Gift Aid	1,208	63
	<u>69,272</u>	<u>9,463</u>

**3 LISTED INVESTMENTS**

	Charifund £	Charibond £	Total £
<b>COST</b>			
At 1 July 2019	174,522	42,986	217,508
Additions	48,000	-	48,000
Disposal during the year	(41,302)	-	(41,302)
At 30 June 2020	<u>181,220</u>	<u>42,986</u>	<u>224,206</u>
<b>REVALUATION</b>			
At 1 July 2019	121,829	1,006	122,835
Disposals during the year	(28,698)	-	(28,698)
Increase/(decrease) in value during the year	(48,730)	461	(48,269)
At 30 June 2020	<u>44,401</u>	<u>1,467</u>	<u>45,868</u>
<b>MARKET VALUE</b>			
At 30 June 2020	<u>225,621</u>	<u>44,453</u>	<u>270,074</u>
At 30 June 2019	<u>296,351</u>	<u>43,992</u>	<u>340,343</u>

During the year the Charity acquired and sold units in its Charifund Holdings. 3,493.019 units were acquired for £48,000 (nil 2019) and 4,520.737 units were sold for £70,000 (£41,302 + £28,698) (2019: 1,944.138 for £30,000).

- 4 On the 8 September 2011 the Charity, along with other charities, became a Registered Member of the £1 Ordinary Guarantee class of Members in The Dudgeon Estate Nominee Company Ltd, which controls the activities of the agent who supervises the distribution of any further musical royalties arising from the estates of Gus and Sheila Dudgeon. In view of the difficulty of valuation, no value has been attributed to this holding in the balance sheet of the Charity.

	2020 £	2019 £
<b>5 DEBTORS</b>		
Income tax recoverable	-	60
Other Debtors	1,500	700
Prepayments	<u>46,894</u>	<u>-</u>
	<u>48,394</u>	<u>760</u>
<b>6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
Trade Creditors	5,500	3,300
Other creditors	5,301	4,866
Grant due to Nottingham University	<u>24,000</u>	<u>-</u>
	<u>34,801</u>	<u>8,166</u>
<b>7 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>		
Grant due to Nottingham University	<u>22,424</u>	<u>-</u>



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The Charity committed £70,424 to Nottingham University, to fund a long-term doctoral research project titled "Development and Evaluation of the Person Attuned Musical Interaction in Dementia Manual UK Version (PAI-UK). As at 30 June 2020 £46,424 remained outstanding (nil: 2019) and it will be paid over the next 2 years as to £24,000 in October 2020 and balance in October 2021.

**8 CONTINGENT LIABILITIES**

There were no contingent liabilities at 30 June 2020 (2019: nil)

**9 GOVERNORS' REMUNERATION AND BENEFITS**

No governors' remuneration or other benefits were paid for the year ended 30 June 2020 (2019: nil).

**Governors' expenses**

Except for reimbursements made in respect of expenditure incurred on behalf of the Charity no payments were made to members of the governors. Travel expenses of £144 and other charity expenses of £278 were repaid to 3 governors (£231 to 3 governors in 2019).

There are no employees who received total employee benefits, excluding pension costs, of more than £60,000.

**10 RELATED PARTY DISCLOSURE**

There are no related party transactions.

**11 ULTIMATE CONTROLLING PARTY**

The governors are considered to be the ultimate controlling party of the charity by virtue of their ability to act in concert in relation to the operational and financial policies of the charity.

**12 COMPANY DETAILS**

The company is registered in England, number 955930, and is registered with the Charity Commission, number 259077. Its registered office is 26 Fitzroy Square, London W1T 6BT.