

**MUSIC IN HOSPITALS**  
(Registered Charity No: 1051659)  
(Office of Scottish Charities No: SCO38864)  
(Company No: 3138683)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31 MARCH 2010

## Officers and Committees: MUSIC IN HOSPITALS

A company limited by guarantee, Registered in England No.3138683  
Registered Charity No. in England and Wales 1051659 and in Scotland SCO38864  
Registered Office: Case House, 85-89 High Street, Walton on Thames, Surrey KT12 1DZ

**Royal Patron:** HRH the Duchess of Gloucester GCVO  
**Scottish Patron:** Sally Magnusson  
**Welsh Patron:** Aled Jones

**President:** Sir Thomas Allen CBE  
**Vice Presidents:** Dame Evelyn Glennie DBE, Julian Lloyd Webber,  
Dame Felicity Lott DBE, Dame Vera Lynn DBE, Richard Stilgoe OBE  
**Presidents Emeriti:** Nella Kerr MBE  
Sylvia Lindsay MBE  
Ian Wallace OBE (deceased 12/10/2009)

**Chairman:** Michael Cooper-Mitchell  
**Vice Chairman:** Gillian Dinsmore  
**Hon Treasurer:** Arthur Davey  
**Company Secretary:** Diana Greenman

**Trustees (Directors):** Michael Cooper, Michael Cooper-Mitchell, Arthur Davey, George Davies (resigned 30/9/2009), Gillian Dinsmore, G Ronald G Graham CBE, John Jesky (appointed 30/9/2009), John Middleton (appointed 9/2/2010), Adrian Platt, Helen Rayfield (appointed 9/2/2010), John Riley (retired 30/9/2009), Andrew Robertson OBE, Christopher Robinson, Dr Sivasankaran Sashidharan, Michael Taylor, John Trew

### MUSIC IN HOSPITALS in England, Wales, Northern Ireland & Channel Islands

#### Committee

**Chairman:** Michael Cooper-Mitchell  
**Vice Chairman:** Michael Taylor  
**Members:** Dr John Blunden, Tineke Bosma, Michael Cooper, Michael Cooper-Mitchell, Arthur Davey, James Davis CBE, Brian Heaton, Dr Andrew Hoy, Graeme Humphrey, John Jesky, Watcyn Lewis, Margaret Lion, John Middleton, Adrian Platt, Helen Rayfield, John Riley, Christopher Robinson, Prof Ray Rowden, Emma Ryder Richardson, Dr Michael Swallow OBE, Michael Taylor, John Trew, Peter Worlidge

**Chief Executive:** Diana Greenman  
**Office:** Case House, 85-89 High Street, Walton on Thames, Surrey KT12 1DZ

### MUSIC IN HOSPITALS in Scotland

#### Committee

**Convenor:** Gillian Dinsmore  
**Vice Convenor:** G Ronald G Graham CBE  
**Members:** Robin Barr, Dr William Boyd, William Cowling, Gillian Dinsmore, Margaret Donaldson, G Ronald G Graham CBE, Dr Alan Jacques, Helen Lawson, Jennifer Logan, Penny Loudon, Lorimer MacKenzie, Dr Sashidharan Sivasankaran, Andrew Robertson OBE, Dr Fiona Robertson

**Chief Executive:** Alison Frazer  
**Office:** 10 Forth Street, Edinburgh EH1 3LD

**Solicitors:** Bates, Wells & Braithwaite, London EC4 (*England*)  
Balfour & Manson, Edinburgh (*Scotland*)

**Auditors:** Kingston Smith LLP, Redhill, Surrey

**Bankers:** National Westminster Bank plc, Walton-on-Thames, Surrey (*England*)  
Clydesdale Bank plc, Edinburgh (*Scotland*)

**Investment Advisers:** Close Wealth Management, London EC2 (to December 2009)  
Rensburg Sheppards Investment Management Ltd. (from December 2009)  
Smith & Williamson Investment Management, Glasgow

# **MUSIC IN HOSPITALS**

## **Trustees' Report for the financial period 1 April 2009 to 31 March 2010**

The trustees are pleased to present their Report, together with the Financial Statements of the Company. The Financial Statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice 2005 – Accounting and Reporting by Charities.

### **Our Aim and Objectives for the Public Benefit**

#### **Our aim**

Our charity's aim is to benefit the public by improving the quality of life for adults and children with all kinds of illness and disability through the joy and therapeutic benefits of professionally performed live music in hospitals, hospices, day care centres, special needs schools and care homes.

#### **Ensuring our work delivers our aim**

We review our aim, objectives and activities each year. This report identifies what we have achieved and the outcomes of our work in the previous 12 months. The report looks at the success of our activities and the benefits they have brought to those groups of people we are set up to help. The report also helps us to ensure our aim, objectives and activities remain focused on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aim and objectives they have set.

#### **The focus of our work**

Our main objectives for the year continued to benefit the public by promoting the relief of physical or mental sickness and the preservation and protection of health by the provision of high quality live music as a therapeutic agent. The strategies we used to meet these objectives included continuing to:

- forge close links with healthcare centres in order to meet the needs of adults and children in their care
- work closely with the NHS, Government Departments and healthcare services to reinforce the benefits of live music within healthcare
- maintain the high standard of our artists' musical and presentation skills
- develop the cultural diversity of our musicians to meet the ever growing requirements of our increasingly diverse audiences being cared for across the healthcare spectrum
- provide free and fully subsidised concerts through fundraising, ensuring those healthcare centres with limited funds were still able to benefit from our service
- strengthen the charity's wider geographical presence and depth in areas of need

**Our vision** is to reach out to every healthcare establishment across the UK with Music in Hospitals' concerts and to raise awareness of the therapeutic benefits of live music within healthcare.

#### **How our Activities Deliver Public Benefit**

All our charitable activities focus on the delivery of high quality live music for sick and disabled adults, children and older people. The concerts are given by small groups of professional musicians who have been carefully chosen following audition. They are selected for their high standard of musicianship, communication skills, breadth of repertoire and their ability to relate to each member of the audience whatever their age, illness, ethnic background or disability. These charitable activities are undertaken to further our charitable purposes for public benefit.

#### **Who uses and benefits from our services**

Our objects and funding provide a service for adults and children with all kinds of illness and disability, and older people in England, Wales, Northern Ireland, the Channel Islands and Scotland.

The following chart demonstrates our activities across England, Wales, Northern Ireland and the Channel Islands, and Scotland over the past 12 months:

2009/2010	England, Wales, Northern Ireland & Channel Islands	Scotland	UK Total
Number of concerts in healthcare centres	3,340	1,697	5,037
Approximate number of adults and children who benefitted from our concerts	83,500	42,425	125,925
Different healthcare centres we visited	1,390	587	1,977
Healthcare centres visited for the first time	327	54	381
Number of free concerts provided	1,626	356	1,982

Healthcare centres are asked to contribute approximately half the cost of the concert and Music in Hospitals funds the balance from its own resources. Music in Hospitals also approaches benefactors for grants and sponsorships which cover the full cost of some concerts, allowing the charity to provide these concerts free of charge to healthcare centres with limited resources.

### Our activities

Music in Hospitals brings the joy and therapeutic benefits of live music to people being cared for across the healthcare spectrum. Research has shown that the introduction of live music into healthcare enhances the quality of life of patients, improves communication, empathy and understanding of patients' needs, reduces stress and the perception of pain, sometimes leading to the reduction of medication required. In addition, there is strong evidence that live music induces positive physiological and psychological changes in clinical outcomes, resulting in shortening the length of stay in hospital.

The concerts offer a shared experience where those in healthcare can socialise and interact amongst themselves, with staff, volunteers, relatives and the musicians, breaking down social and cultural barriers and the routine of long term care.

Music in Hospitals' concerts provide the opportunity for our audiences to participate in a warm, informal, social and cultural activity that helps tackle the feelings of isolation, vulnerability, anxiety and depression often experienced during an unfamiliar and difficult time. Participation is encouraged which provides a natural physiotherapy as members of the audience sing, tap their feet, clap and dance or just sit back, relax and reminisce.

### Support of the medical profession

Since its foundation in 1948, the charity has been "patient-driven" and provided a public benefit for people with a disability or who are sick or elderly. Care is taken at all times to consult and involve doctors, nurses and care staff with a view to ensuring that the concerts provided are truly enjoyable and have a therapeutic value. The concerts are monitored by the care establishments, the charity's staff and from time to time by trustees and committee members.

Health Boards and NHS Trusts recognise the therapeutic value of concerts and many healthcare centres have regular concerts. The charity will continue to forge closer links with healthcare centres in order to meet the needs of adults and children in their care and to meet the challenge of providing its service where it is most needed.

## Structure, Governance and Management

### Governing Document

The name of the charity was changed from The Council for Music in Hospitals to Music in Hospitals on the 13 November 2009. Music in Hospitals is a company limited by guarantee governed by its Memorandum and Articles of Association dated 11 October 1995 and amended to allow for current governance arrangements on 20 April 2004 and on 4 July 2007. Music in Hospitals is registered as a charity with the

Charity Commission and the Office of the Scottish Charity Regulator. The company is referred to as the charity in this report.

### **Recruitment and Appointment of Trustees (Board of Directors)**

The charity's directors, for the purpose of charity law, are referred to as trustees in this report. The trustees of the charity are listed on page 1. Under the requirements of the Articles of Association the trustees serve for a period of one year after which they are required to retire at each annual general meeting. Subject to the trustees not having attained the age of 75, they are eligible to stand for re-election at the annual general meeting. New trustees are appointed in the light of their specialist expertise.

All trustees gave of their time voluntarily and received no benefits from the charity. No trustee remuneration was paid in the year. Details of trustees' expenses are disclosed in note 6 to the accounts.

Trustees are required to disclose all relevant interests and register them with the Company Secretary and abstain from voting where a conflict of interest arises.

### **Trustees Induction and Training**

The trustees have all received the Charity Commission Guidelines on Trustees Responsibilities.

All trustees have a sufficient understanding of the charity's activities and resources to enable them properly to fulfil their responsibilities. Job descriptions are in place for the Chairman and Hon Treasurer.

New trustees undergo a briefing with the Chairman or Scottish Convenor and the Company Secretary or Chief Executive Scotland, and cover:

- the obligations of trustees
- the main documents which set out the operational framework of the charity including the Memorandum and Articles of Association
- the committee and decision making processes
- the business plan
- resourcing and the current financial position as set out in the latest published accounts
- future plans and objectives

All trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

### **Organisational Structure**

The board of trustees, which can have up to 15 members, administers the charity. The board meets not less than twice a year and there are sub-committees covering fundraising, remuneration, finance and audit.

Subject, in each case, to the overall responsibilities of the trustees, the business of the charity in England, Wales, Northern Ireland and the Channel Islands is managed under the direction of Diana Greenman in Walton on Thames, Surrey and supported by satellite offices located in Wales and the North West of England, whilst the charity's business in Scotland is managed under the direction of Alison Frazer from an office in Edinburgh.

The management of the charity's operations is supported by an English Committee in respect of England, Wales, Northern Ireland and the Channel Islands and by a Scottish Committee in respect of Scotland. The members of the English and Scottish Committees are appointed by the board. All persons serving on these two committees are members of the charity, of which there are 37. The trustees are very grateful to all those who actively assist the charity by their membership.

Details of the charity's solicitors, auditors, bankers and investment advisers are listed on page 1.

**Volunteers** The charity occasionally accepts offers of help from volunteers.

## **Risk Management**

The trustees have conducted a review of the major risks to which the charity is exposed and confirm that systems are in place to mitigate those risks. The trustees' risk management strategy comprises:

- a review of the risks the charity may face at least annually
- the establishment of systems and procedures to mitigate those risks identified
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise

## **Financial Review**

The results for the year are set out in the Statement of Financial Activities (SOFA) and the Income and Expenditure Account.

The charity's activities are supported by net assets totalling £1,193,119 including tangible assets with a net book value at 31 March 2010 of £47,073. Funds which are required at short notice are deposited with the CCLA Investment Management Ltd (COIF Charity Funds) and CAF Bank (Charities Aid Foundation). The changes in fixed assets during the period are set out in notes 7 and 8 to the accounts. The Memorandum of Association of the charity precludes the payment of a dividend. A proportion of the £1,091,862 income received during the 12 month accounting period ended 31 March 2010 will be utilised to fund concerts in 2010/11. In addition, the charity received a separate donation of £50,000 which is to be treated as expendable endowments, the income from which is to support the provision of concerts in specific regions of Scotland in the medium and long term.

The charity strives to keep a tight control of its costs and in the period ended 31 March 2010 82% was directly attributable to charitable expenditure, namely improving the quality of life of people in care throughout the UK through the provision of live concerts. The charity owes much to its dedicated professional musicians who receive a modest fee.

During the 12 month accounting period Music in Hospitals:

- received a total income of £1,141,862
- received from healthcare centres £303,961 towards the cost of concerts.
- raised the sum of £809,732 through fundraising
- attributed 82% of costs to charitable expenditure
- benefited from the financial support offered to hospitals, hospices and homes by county, local and community councils, Leagues of Friends, schools, service clubs and other funding organisations

## **Principal Funding Sources**

To achieve the projected number of concerts each year, the charity operates a strong fundraising programme to attract grants and donations from a variety of sources to bridge the gap between the sum paid by the care establishment and the actual cost of providing the concert.

In 2009/10 the care centres, where possible, contributed approximately one half of the cost of a concert and Music in Hospitals funded the balance from its own resources. Some healthcare centres, due to budget constraints, are unable to afford to contribute towards the cost and we raise funds to enable the charity to offer concerts at a greatly reduced fee or free of charge ensuring that, where possible, no one is excluded, through lack of funds, from receiving the public benefit we provide.

The charity is not dependent on any one donor or group of donors and receives support from a substantial number of separate sources including individuals, companies, local authorities and charitable trusts in support of its work, together with a three-year grant from each of the Department of Health and the Scottish Government.

## **Restricted and Unrestricted Funds**

The Restricted Funds available are to be used for purposes specified by the donors. The Unrestricted Funds underpin the core work of the charity and support the shortfall between the contribution made towards the cost of concerts by the healthcare centres and the actual cost to the charity. During the year sums were received which have formed an expendable endowment, the income from which is to support the provision of concerts in specific regions of Scotland in the medium and long term.

## Investments

The charity's investment policy is to produce a reasonable long term overall return by means of a balanced portfolio. The trustees expect income returns and capital values to rise at least in line with inflation over the 12 month accounting period, although this may not be achievable at times of economic downturn and falling market values. The policy is regularly reviewed by the trustees in conjunction with the charity's independent investment fund managers. The trustees rely on recognised bench marks to review performance.

During the accounting period from 1 April 2009 to 31 March 2010, the value of the charity's investment portfolio increased from £578,917 (as at 31 March 2009) to £797,453 (cash balances held by the stockbrokers are included in cash at bank figure). However, it should be noted that £50,000, being an expendable endowment donation, was added to the charity's investment portfolio. Excluding this addition, the value of the portfolio rose by 29% during the year.

Following a review of the charity's investment advisers, the trustees appointed Rensburg Sheppards Investment Management Ltd from December 2009.

## Reserves Policy

The charity's reserves comprise a) expendable endowment, the income from which is to support the provision of concerts in specific regions of Scotland in the medium and long term; b) restricted funds, arising from donations for the provision of concerts in specified areas of the United Kingdom or specified categories of care units, usually in the short term; and c) unrestricted funds. The charity's operations are conducted through two separately administered offices, one covering England, Wales, Northern Ireland & Channel Islands, and one covering Scotland. Restricted and unrestricted funds raised in these two areas are held in separate bank accounts and unrestricted funds, whilst available for the charity as the trustees determine, are effectively designated for use in the areas in which the funds are raised. Where unrestricted funds are held in the charity's investment portfolio, the value is designated between the two areas reflecting where the funds were raised. See notes 13 and 14.

The trustees have adopted the following **Reserves Policy**:

- **The reasons why the Charity needs reserves:** The charity holds reserves to ensure that it can meet its foreseeable commitments, bearing in mind the current level of activity and any further expansion plans. Where the trustees resolve to expand the charity's activities by opening one or more regional offices, they may utilise a proportion of the charity's reserves to fund such specific projects.
- **What level (or range) of reserves the trustees believe the charity needs:** The trustees consider that the charity should (subject as mentioned below) aim to maintain free\* reserves at the equivalent of between 80% and 110% of yearly expenditure net of fees from healthcare establishments. (*\* not including restricted funds, endowment funds and the charity's tangible fixed assets*)
- **What steps the charity will take to establish or maintain reserves at the agreed level (or range):** Annual budgets are normally prepared on a break-even basis. However, the trustees are prepared both for a small surplus to maintain reserves in line with inflation or for a small deficit should reserves be required to support charitable activities. Should reserves fall below the level set by the Reserves policy the trustees would take steps to increase fundraising or to reduce costs. If reserves move the other way the trustees would spend funds on additional concerts.
- **Arrangements for monitoring and reviewing the policy:** The policy is reviewed annually by the trustees.

At 31 March 2010 the charity's free reserves were £725,133 which represented 92% of yearly expenditure net of fees from healthcare establishments – see Note 13. The figure of 92% is within the target level of reserves.

## Plans For The Future

Music in Hospitals has plans to open further offices in England over the next few years. Experience has shown that a local presence in specific regions across the country has helped us establish stronger links with healthcare centres and local communities. Good examples are the success of our offices in Wales and the North West of England.

We intend to increase our fundraising efforts, which will enable us to reach a greater number of patients, residents and clients being cared for across the healthcare spectrum. However, we are conscious of the present decline in economic activity and are aware that fundraising will be considerably more difficult in the foreseeable future. Our budget for the next 12 months reflects the anticipated continued downturn.

We continue to seek new musicians to broaden our concert programme by recruiting a wide selection of musicians who will provide cultural diversity and to increase their geographical spread.

#### **Strategic Objectives for 12 month period 1 April 2010 to 31 March 2011**

- to provide 4,866 concerts in healthcare centres across the UK
- to involve around 122,000 people in a variety of healthcare settings, special needs groups and disadvantaged members of the community
- to raise a total income of some £1,087,000
- to continue to provide free or subsidised concerts through fundraising
- to maintain the high standard of artists' musical and presentation skills
- to continue to seek new musicians to increase the diversity of music
- to increase the number of concerts in areas of deprivation
- to raise the profile of the charity through increased coverage in press, radio, television and other media
- to forge closer links with healthcare centres in order to meet the needs of adults and children in their care
- to maintain a close control over costs

#### **Trustees' responsibilities in relation to the financial statements**

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity as at the balance sheet date for that period. In preparing those accounts, the trustees are required to follow best practice and:

- select suitable accounting policies and then apply them consistently
- make sound judgements and estimates that are reasonable and prudent
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. The trustees 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.

#### **Disclosure of information to auditors**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

#### **Auditors**

Kingston Smith LLP has indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year.

By Order of the Board



Michael Cooper-Mitchell  
Chairman  
10 June 2010

# MUSIC IN HOSPITALS INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MUSIC IN HOSPITALS

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We have audited the financial statements of Music in Hospitals for the year ended 31 March 2010 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's trustees and members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken for no purpose other than to draw to the attention of the charitable company's trustees and members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and the charitable company's trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of Music in Hospitals for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

We have been appointed auditors under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether, in our opinion, the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implication for our report if we become aware of any apparent misstatements within it.

## Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2010 and of its incoming resources and application of resources, including income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been properly prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information provided in the Trustees' Annual Report is consistent with the financial statements.

*Kingston Smith LL*

Kingston Smith LLP  
Surrey House  
36-44 High Street  
Redhill  
Surrey  
RH1 1RH

David Montgomery (Senior Statutory Auditor)  
for and on behalf of Kingston Smith LLP, Statutory Auditor

Date: 6 July 2010

MUSIC IN HOSPITALS  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2010

	Notes	Unrestricted Funds £	Restricted Funds £	Expendable Endowment Funds £	2010 Total £	2009 Total £
<b>Incoming Resources</b>						
<b>Incoming resources from generated funds:</b>						
Voluntary income:						
Legacies		8,500	20,000	-	28,500	6,741
Grants and donations		49,975	5,000	-	54,975	51,498
Activities for generating funds:						
Fund raising events		54,072	-	-	54,072	59,547
Investment and deposit income	3	23,304	4,865	-	28,169	37,417
<b>Incoming resources from charitable activities:</b>						
Concert fees from healthcare establishments		303,961	-	-	303,961	299,138
Grants and donations for concerts		139,199	482,986	50,000	672,185	747,117
<b>Other incoming resources</b>						
Profit on sale of fixed assets		-	-	-	-	493
<b>Total Incoming Resources</b>		<b>579,011</b>	<b>512,851</b>	<b>50,000</b>	<b>1,141,862</b>	<b>1,201,951</b>
<b>Resources Expended</b>						
<b>Costs of generating funds:</b>						
Costs of generating voluntary income and income for concerts		167,068	-	-	167,068	150,708
Investment management costs		5,505	-	960	6,465	4,066
<b>Charitable activities</b>						
Artists' fees and expenses for concerts		202,927	298,389	-	501,316	481,955
Other costs in respect of charitable activities		162,316	238,672	-	400,988	388,397
<b>Governance costs</b>		<b>18,505</b>	<b>-</b>	<b>-</b>	<b>18,505</b>	<b>23,268</b>
<b>Total Resources Expended</b>	4	<b>556,321</b>	<b>537,061</b>	<b>960</b>	<b>1,094,342</b>	<b>1,048,394</b>
<b>Net Incoming Resources Before Other Recognised Gains</b>	5	<b>22,690</b>	<b>(24,210)</b>	<b>49,040</b>	<b>47,520</b>	<b>153,557</b>
<b>Other Recognised Gains and Losses</b>						
Net gains/(losses) on investments (realised and unrealised)		137,106	-	38,873	175,979	(102,835)
<b>Total Recognised Gains and Losses</b>		<b>159,796</b>	<b>(24,210)</b>	<b>87,913</b>	<b>223,499</b>	<b>50,722</b>
<b>Transfers between Funds</b>		<b>5,000</b>	<b>(5,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Movement in Funds</b>		<b>164,796</b>	<b>(29,210)</b>	<b>87,913</b>	<b>223,499</b>	<b>50,722</b>
<b>Reconciliation Of Funds</b>						
<b>Total Funds Brought Forward</b>		<b>607,410</b>	<b>262,336</b>	<b>99,874</b>	<b>969,620</b>	<b>918,898</b>
<b>Total Funds Carried Forward</b>		<b>772,206</b>	<b>233,126</b>	<b>187,787</b>	<b>1,193,119</b>	<b>969,620</b>

**MUSIC IN HOSPITALS  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	2010 £	2009 £
<b>INCOME</b>			
Fees from hospitals and homes		303,961	299,138
Grants and donations		677,160	698,615
Legacies		28,500	6,741
Fund raising projects		54,072	59,547
Investment income	3	28,169	37,417
		<u>1,091,862</u>	<u>1,101,458</u>
<b>EXPENDITURE</b>			
Fund raising and publicity		173,533	154,774
Artists fees and expenses		501,316	481,955
Other costs in respect of charitable activities		400,988	388,397
Governance costs		18,505	23,268
	4	<u>1,094,342</u>	<u>1,048,394</u>
<b>OPERATING (DEFICIT)/SURPLUS FOR THE PERIOD</b>	5	(2,480)	53,064
<b>PROFIT ON SALE OF FIXED ASSETS</b>		-	493
<b>REALISED GAINS/(LOSSES) ON INVESTMENTS</b>		<u>88,301</u>	<u>(16,492)</u>
<b>SURPLUS FOR THE YEAR</b>		<u>85,821</u>	<u>37,065</u>
<b><u>STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES</u></b>			
		2010 £	2009 £
<b>SURPLUS FOR THE YEAR</b>		85,821	37,065
<b>EXPENDABLE ENDOWMENT FUNDS RECEIVED</b>		50,000	100,000
<b>UNREALISED GAINS/(LOSSES) ON INVESTMENTS</b>		<u>87,678</u>	<u>(86,343)</u>
<b>TOTAL GAINS AND LOSSES RECOGNISED SINCE 31 MARCH 2009</b>		<u><u>223,499</u></u>	<u><u>50,722</u></u>

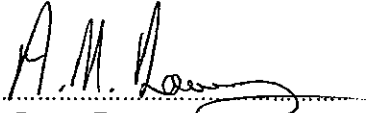
None of the company's activities was acquired or discontinued during the year ended 31 March 2010.

MUSIC IN HOSPITALS  
BALANCE SHEET  
AS AT 31 MARCH 2010

	Notes	2010		2009	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	7		47,073		48,714
Investments	8		<u>797,453</u>		<u>578,917</u>
			844,526		627,631
<b>CURRENT ASSETS</b>					
Debtors	9	54,358		36,892	
Cash at bank		353,125		405,831	
Cash in hand		<u>101</u>		<u>86</u>	
		407,584		442,809	
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	10	<u>58,991</u>		<u>100,820</u>	
<b>NET CURRENT ASSETS</b>			<u>348,593</u>		<u>341,989</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,193,119</u>		<u>969,620</u>
<b>THE FUNDS OF THE CHARITY</b>					
<b>UNRESTRICTED FUNDS</b>					
	13		772,206		607,410
<b>RESTRICTED FUNDS</b>					
	14		233,126		262,336
<b>EXPENDABLE ENDOWMENT FUNDS</b>					
	15		187,787		99,874
			<u>1,193,119</u>		<u>969,620</u>

Signed on behalf of the Board by :-

  
.....  
Michael Cooper-Mitchell - Chairman

  
.....  
Arthur Davey - Treasurer

}  
}  
} Directors  
}  
}  
}

Approved by the Directors on 10.6.10

**MUSIC IN HOSPITALS  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2010**

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**1. Status**

The company is limited by guarantee and does not have share capital. Every member of the company undertakes to contribute to the assets of the company in the event of the same being wound up during the time that he is a member or within one year after he ceases to be a member, for the payment of the debts and liabilities of the company contracted before he ceased to be a member, such amount as may be required not exceeding £10.

The company is a registered charity.

**2. Accounting Policies**

(a) The accounts have been prepared under the historical cost convention, subject to the revaluation of investments (refer (c) below), in accordance with the Companies Act 2006 and applicable accounting standards, the Charities and Trustee Investment (Scotland) Act and follow the recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice, issued in 2005. The principal accounting policies have remained unchanged from the previous year.

(b) Depreciation has been provided on fixed assets at rates calculated to write off the cost less estimated net residual value of each asset over its effective life, as follows:

Freehold Property	2% straight line on cost
Office Equipment	20% straight line on cost
Computer Equipment	20% straight line on cost
Musical Equipment	17.5% on reducing balance

(c) Investments are included at current market value.

(d) Donations, grants and legacies are accounted for when the charity is notified of their entitlement to the income and it is both certain and measurable. In most instances this will be when the monies are received. When such income is received for use in subsequent accounting periods, it will be carried forward as deferred income. Grants and donations received specifically to perform concerts or to contribute to the shortfall in concert income are treated as Incoming Resources From Charitable Activities while other grants and donations are treated as Voluntary Income. Costs attributable to concerts specifically funded by a grant or a donation may fall in a subsequent accounting period to that in which the grant or donation was received.

(e) Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration on each activity, comprising the salaries and office costs, is apportioned as set out in note 4.

(f) Pension costs - the Company operates pension schemes for certain of its employees. The schemes are defined contribution schemes and the contributions are charged against income as they are paid. The opportunity to join the schemes is available to all employees.

(g) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets this criterion is charged to the fund.

(h) Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**3. Investment Income**

	2010	2009
	£	£
Deposit interest	1,804	14,422
Investment income from quoted investments	26,365	22,995
	<u>28,169</u>	<u>37,417</u>

MUSIC IN HOSPITALS  
 NOTES TO THE ACCOUNTS  
 FOR THE YEAR ENDED 31 MARCH 2010

4. Total Resources Expended	Charitable activities	Fund-raising	Governance	2010	2009
	£	£	£	£	£
<b>Costs directly allocated to activities</b>					
Artists' fees and expenses	501,316	-	-	501,316	481,955
Staff costs	-	87,324	-	87,324	84,573
Advertising	-	152	-	152	897
DVD costs	-	-	-	-	1,180
Travelling	-	7,698	1,565	9,263	7,436
Cost of fund-raising events	-	14,696	-	14,696	18,455
General office costs	-	9,595	3,654	13,249	11,016
Audit fees	-	-	12,340	12,340	14,080
Annual report	-	-	946	946	5,393
Investment management costs	-	6,465	-	6,465	4,066
<b>Support costs allocated to activities</b>					
Staff costs	333,758	36,060	-	369,818	340,780
Depreciation	7,716	-	-	7,716	8,268
General office costs	27,116	3,934	-	31,050	27,436
Premises and equipment expenses	32,398	7,609	-	40,007	42,859
	<u>902,304</u>	<u>173,533</u>	<u>18,505</u>	<u>1,094,342</u>	<u>1,048,394</u>

Support costs have been allocated on the following basis:

Staff costs - time spent

Depreciation - usage

Other expenses - floor area

5. Net Incoming Resources	2010	2009
This is stated after charging:	£	£
Auditors' remuneration	12,340	14,080
Depreciation of tangible fixed assets	<u>7,716</u>	<u>8,268</u>

MUSIC IN HOSPITALS  
 NOTES TO THE ACCOUNTS  
 FOR THE YEAR ENDED 31 MARCH 2010

6. Employees

	2010	2009
	No.	No.
Chief Executives (England, Wales, Northern Ireland and Scotland)	2	2
Fund raising and publicity	3	3
Concert organisation and support	12	11
	<u>17</u>	<u>16</u>

Staff costs amounted to:	2010	2009
	£	£
Wages and salaries	406,340	379,236
Social Security costs	39,367	37,493
Pension contributions	11,436	8,624
	<u>457,143</u>	<u>425,353</u>

No employee was paid £60,000 or more during the year.  
 The directors received no remuneration during the year.  
 Five directors received reimbursed travel expenses during the year totalling £2,299 (2009: five received £785).

7. Fixed Assets

Movements during the period are summarised as follows:

	Freehold Premises £	Office Equipment £	Musical Equipment £	Computer Equipment £	Total £
<b>Cost</b>					
At 01.04.09	42,253	16,359	13,486	60,880	132,978
Additions	-	-	2,091	3,984	6,075
Disposals	-	(800)	(300)	-	(1,100)
At 31.03.10	<u>42,253</u>	<u>15,559</u>	<u>15,277</u>	<u>64,864</u>	<u>137,953</u>
<b>Depreciation</b>					
At 01.04.09	11,831	10,705	9,763	51,965	84,264
Charge for year	845	1,860	1,018	3,993	7,716
Disposals	-	(800)	(300)	-	(1,100)
At 31.03.10	<u>12,676</u>	<u>11,765</u>	<u>10,481</u>	<u>55,958</u>	<u>90,880</u>
<b>Net Book Value</b>					
At 31.03.10	<u>29,577</u>	<u>3,794</u>	<u>4,796</u>	<u>8,906</u>	<u>47,073</u>
At 31.03.09	<u>30,422</u>	<u>5,654</u>	<u>3,723</u>	<u>8,915</u>	<u>48,714</u>

The freehold premises are occupied by Music in Hospitals for charitable activities.

MUSIC IN HOSPITALS  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2010

8. Investments	2010	2009
	£	£
Quoted Shares and Securities		
Market value 31 March 2009	578,917	572,246
Additions	603,746	240,947
Disposals	(472,888)	(147,933)
Net gains/(losses) on revaluation at 31 March 2010	87,678	(86,343)
<b>Market Value 31 March 2010</b>	<b>797,453</b>	<b>578,917</b>
<b>Historical Cost as at 31 March 2010</b>	<b>750,383</b>	<b>717,086</b>

The percentage of investments held outside of the UK at the year end is 12.89% (2009: 17%).

9. Debtors	2010	2009
	£	£
Other debtors	46,072	31,907
Prepayments	8,286	4,985
	54,358	36,892

10. Creditors : Amounts Falling Due within One Year	2010	2009
	£	£
Artists' fees and expenses	24,502	18,496
Taxes and social security	12,060	12,258
Other creditors	22,429	70,066
	58,991	100,820

11. Financial Commitments

At 31 March 2010 the company was committed to making the following payments under non-cancellable operating leases:

Operating leases which expire:	Land & Buildings		Other	
	2010	2009	2010	2009
	£	£	£	£
Within one year	-	-	779	335
Between two and five years	-	-	1,145	1,145
In more than five years	14,720	14,720	-	-

12. Analysis of Net Assets between Funds

	General Funds	Restricted Funds	Expendable Endowment Funds	Total Funds
	£	£	£	£
Fixed assets	47,073	-	-	47,073
Investments	609,848	-	187,605	797,453
Current assets	174,276	233,126	182	407,584
Current liabilities	(58,991)	-	-	(58,991)
Net assets	772,206	233,126	187,787	1,193,119

MUSIC IN HOSPITALS  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2010

13. Unrestricted Funds

	At 1 April 2009 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2010 £
Fixed assets fund:					
England, Wales, NI and CI	15,356	-	-	295	15,651
Scotland	33,358	-	-	(1,936)	31,422
Property fund - England	138,699	-	-	-	138,699 *
England, Wales, NI and CI	344,936	426,801	361,847	4,705	414,595 *
Scotland	75,061	289,316	194,474	1,936	171,839 *
	<u>607,410</u>	<u>716,117</u>	<u>556,321</u>	<u>5,000</u>	<u>772,206</u>

The designated fixed assets funds represent the net book value of tangible fixed assets and the net proceeds of sale of a property in 2007/08, formerly the office premises of the charity in England. This latter fund is to be used to meet future costs and liabilities in relation to current leasehold premises in England, such as the obligation to pay dilapidations. It is also to fund the charity's development and expansion programme.

The remaining unrestricted funds, which are represented by investments, cash and other net current assets, are designated between the charity's two main areas of operation, being England, Wales, Northern Ireland & Channel Islands, and Scotland, on the expectation by the Trustees that funds raised and held in bank accounts in the name of the areas will be expended in those areas.

\* The funds marked with an asterisk represent the free reserves of the charity totalling £725,133.

14. Restricted Funds

	At 1 April 2009 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2010 £
DoH - Section 64 General Grant	1,829	30,000	26,772	-	5,057
The Gannochy Trust	9,377	15,000	18,444	-	5,933
Fixed asset fund	-	5,000	-	(5,000)	-
Restricted funds for performing concerts in specific areas of the United Kingdom					
England, Wales, NI and CI	126,766	128,476	179,051	-	76,191
Scotland	69,956	76,199	116,550	-	29,605
Restricted funds for performing concerts at specific categories of care units					
England, Wales, NI and CI	49,946	214,508	155,772	-	108,682
Scotland	4,462	43,668	40,472	-	7,658
	<u>262,336</u>	<u>512,851</u>	<u>537,061</u>	<u>(5,000)</u>	<u>233,126</u>

Department of Health - Section 64 General Grant - Grant for providing music for people with mental health problems

The Gannochy Trust - Funds received to support concerts in Perth & Kinross

Fixed asset fund - This restricted fund relates to income generated for the acquisition of specific fixed assets. The restriction in place has been fulfilled by the acquisition of the assets and therefore the funds have been transferred out of the restricted funds to unrestricted funds.

All other restricted funds are for performing concerts in specific geographical locations or at specific categories of care units.

MUSIC IN HOSPITALS  
 NOTES TO THE ACCOUNTS  
 FOR THE YEAR ENDED 31 MARCH 2010

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15. Expendable Endowment Funds

	At 1 April 2009	Incoming Resources	Outgoing Resources	At 31 March 2010
	£	£	£	£
Concerts in Scotland Fund A	49,937	75,684	640	124,981
Concerts in Scotland Fund B	49,937	13,189	320	62,806
	<u>99,874</u>	<u>88,873</u>	<u>960</u>	<u>187,787</u>

**Concerts in Scotland Fund A:** The income generated from this fund, donated from the Margaret J Stephen's Charitable Trust, is for the provision of concerts in hospitals and care homes in the Dundee and Angus area.

**Concerts in Scotland Fund B:** The income generated from this fund, donated from the Gibson Graham Charitable Trust, is for the provision of concerts in hospitals and care homes in Strathclyde, with a special preference for Kintyre (Cambeltown and Minard).

16. Commitments

There were no capital commitments at 31 March 2010.

17. Pension Costs

The company operates contributory pension schemes. They are defined contribution schemes and contributions are charged against income as they accrue. The charge for the year was £11,436 (2009: £8,624)

18. Control

For the whole of the year the company was under the control of its directors.

**MUSIC IN HOSPITALS**  
**(Registered Charity No: 1051659)**  
**(Office of Scottish Charities No: SCO38864)**  
**(Company No: 3138683)**

**MANAGEMENT ACCOUNTS**

**FOR THE YEAR ENDED**

**31 MARCH 2010**

MUSIC IN HOSPITALS  
 OPERATING ACCOUNT  
 FOR THE YEAR ENDED 31 MARCH 2010

	2010		2009	
	£	£	£	£
<b>Operating Income</b>				
Fees from hospitals and homes		303,961		299,138
Grants and donations		636,160		651,615
Legacies		28,500		6,741
Department of Health - Section 64 General Grant		30,000		35,000
Scottish Executive - Section 16B Core Grant		11,000		12,000
Fund raising projects		54,072		59,547
		<u>1,063,693</u>		<u>1,064,041</u>
Investment and deposit income		28,169		37,417
		<u>1,091,862</u>		<u>1,101,458</u>
<b>Less : Operating Expenditure</b>				
Fund raising projects	14,696		18,455	
Artists' fees and expenses	501,316		481,955	
Salaries	457,143		425,353	
Rates	2,571		2,159	
Rent	22,836		22,901	
Printing and stationery	15,670		14,678	
Postage	11,406		10,883	
Telephone	4,614		5,040	
Office light and heat	1,793		1,603	
Repairs and maintenance of equipment	8,640		9,312	
Insurance	3,987		5,724	
Travelling and motor expenses	7,698		6,651	
Advertising and publicity	152		2,077	
Subscriptions	1,756		1,956	
Bookkeeping and secretarial fees	3,654		3,010	
Bank charges	1,358		1,486	
Audit	12,340		14,080	
Investment management costs	6,465		4,066	
Cleaning and waste disposal	180		830	
Trustees and committee members expenses	1,565		785	
Hire of equipment	-		330	
Sundry expenses	6,786		6,792	
Depreciation	7,716		8,268	
		<u>1,094,342</u>		<u>1,048,394</u>
<b>Operating Surplus</b>		(2,480)		53,064
Profit on disposal of fixed assets		-		493
<b>Surplus for the year</b>		<u>(2,480)</u>		<u>53,557</u>

**MUSIC IN HOSPITALS  
OPERATING ACCOUNT FOR ENGLAND, WALES AND NORTHERN IRELAND  
FOR THE YEAR ENDED 31 MARCH 2010**

	2010		2009	
	£	£	£	£
<b>Operating Income</b>				
Fees from hospitals and homes		176,201		174,482
Grants and donations		431,972		459,359
Legacies		3,000		6,741
Department of Health - Section 64 General Grant		30,000		35,000
Fund raising projects		39,902		47,608
		<u>681,075</u>		<u>723,190</u>
Investment and deposit income		17,316		28,373
		<u>698,391</u>		<u>751,563</u>
<b>Less : Operating Expenditure</b>				
Fund raising projects	12,621		15,435	
Artists' fees and expenses	330,777		316,180	
Salaries	298,634		275,438	
Rates	1,382		1,190	
Rent	22,836		22,901	
Printing and stationery	8,888		9,375	
Postage	7,365		7,569	
Telephone	2,118		2,339	
Repairs and maintenance of equipment	6,363		5,191	
Insurance	1,579		2,434	
Travelling and motor expenses	6,143		6,633	
Advertising and publicity	152		-	
Subscriptions	1,209		1,296	
Bookkeeping and secretarial fees	1,219		1,621	
Bank charges	881		1,051	
Audit	8,001		10,904	
Investment management costs	4,272		3,057	
Cleaning and waste disposal	-		650	
Trustees and committee members expenses	349		392	
Sundry expenses	2,874		3,829	
Depreciation	5,779		6,076	
		<u>723,442</u>		<u>693,561</u>
<b>Operating (Deficit)/Surplus for the year</b>		<u>(25,051)</u>		<u>58,002</u>

MUSIC IN HOSPITALS  
 OPERATING ACCOUNT FOR SCOTLAND  
 FOR THE YEAR ENDED 31 MARCH 2010

	2010		2009	
	£	£	£	£
<b>Operating Income</b>				
Fees from hospitals and homes		127,760		124,656
Grants and donations		204,188		192,256
Legacies		25,500		-
Scottish Executive - Section 16B Core Grant		11,000		12,000
Fund raising projects		14,170		11,939
		<u>382,618</u>		<u>340,851</u>
Investment and deposit income		10,853		9,044
		<u>393,471</u>		<u>349,895</u>
<b>Less : Operating Expenditure</b>				
Fund raising projects	2,075		3,020	
Artists' fees and expenses	170,539		165,775	
Salaries	158,509		149,915	
Rates	1,189		969	
Printing and stationery	6,782		5,303	
Postage	4,041		3,314	
Telephone	2,496		2,701	
Office light and heat	1,793		1,603	
Repairs and maintenance of equipment	2,277		4,121	
Insurance	2,408		3,290	
Travelling and motor expenses	1,555		18	
Advertising and publicity	-		2,077	
Subscriptions	547		660	
Bookkeeping and secretarial fees	2,435		1,389	
Bank charges	477		435	
Audit	4,339		3,176	
Investment management costs	2,193		1,009	
Cleaning and waste disposal	180		180	
Trustees and committee members expenses	1,216		393	
Hire of equipment	-		330	
Sundry expenses	3,912		2,963	
Depreciation	1,937		2,192	
		<u>370,900</u>		<u>354,833</u>
<b>Operating Surplus/(Deficit)</b>		22,571		(4,938)
Profit on disposal of fixed assets		-		493
<b>Operating Surplus/(Deficit)</b>		<u>22,571</u>		<u>(4,445)</u>