

**Company registration number: 02372740**

**BRITISH RECORD INDUSTRY TRUST  
(A company limited by guarantee)**

Company registration number 02372740  
Charity registration number 1000413

**Report and financial statements  
for the year ended 31 December 2012**

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**British Record Industry Trust  
Annual Report and Financial Statements  
For the year ended 31 December 2012**

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**British Record Industry Trust  
Annual Report and Financial Statements  
For the year ended 31 December 2012**

**Trustees' Report**

The Trustees present their Annual Report together with the audited financial statements for the year ended 31 December 2012. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, the Charities Act 2006 and the Statement of Recommended Practice Accounting and Reporting by Charities 2005 ("Charities SORP 2005").

**Reference and Administrative Information**

<b>Trustees:</b>	John Craig OBE (Chairman) David Bryant (resigned 23 January 2012) Paul Burger (resigned 11 June 2012) Andrew Cleary Rob Dickins CBE Derek Green David Kassner Jonathan Morrish Geoff Taylor Tony Wadsworth CBE Korda Marshall David Sharpe (appointed 10 July 2012) John Deacon (appointed 10 July 2012) Simon Robson (appointed 28 February 2012) Emma Pike (appointed 10 July 2012)	
<b>Registered Office:</b>	Riverside Building County Hall Westminster Bridge Road London SE1 7JA	
<b>Charity Number:</b>	1000413	
<b>Company Number:</b>	02372740	
<b>Auditor:</b>	Nexia Smith & Williamson Portwall Place Portwall Lane Bristol BS1 6NA	
<b>Bankers:</b>	Coutts & Co 440 Strand London WC2R 0QS	
<b>Solicitors:</b>	Wiggin LLP 10th Floor, Met Building 22 Percy Street London W1T 2BU	
<b>Investment Managers:</b>	Investec Quayside House Canal Wharf Leeds LS11 5PU	Clariden Leu 27 Knightsbridge London SW1X 7LY

**British Record Industry Trust  
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**Trustees' Report (continued)**

**Structure, Governance and Management**

The British Record Industry Trust ("BRIT Trust") is a company limited by guarantee, formed on 17 April 1989, and is a registered charity, number 1000413. The company is governed by its Memorandum and Articles of Association.

The Trustees are appointed by the Board of Trustees. The Trust's Articles of Association require that there be no less than two members of the Trust at any point in time. The membership of the Board is made up of representatives of the music industry and associated companies.

Trustee meetings are held at least three times a year to consider grants and applications for funding, to review the financial performance of the investment portfolio and to monitor the administration of the Trust. The day to day management and administration is managed by Maggie Crowe and financial reporting is managed by Jenny Clarke, both employees of BPI (British Recorded Music Industry) Limited ("BPI").

The Trust also holds a 50% stake in Music Industry Trusts Limited, and typically receives an annual donation equal to 50% of the profits of Music Industry Trusts Limited.

**Trustee Induction and Training**

The Trustees are longstanding members of the record industry and are already familiar with the practical work and objectives of the Trust. New Trustees are recruited from the same talent pool. They are encouraged to visit the BRIT School and Nordoff Robbins events and locations (as well as other beneficiaries of the Trust) throughout the year to gain a broader understanding of the Trust's work. Trustees are advised of legal and best practice developments in charity law and company law by the Trust's secretariat, both at board meetings and by e-mail.

**Risk Management**

The Trustees consider underperformance from investment portfolios as the charity's major risk. As the main income for the Trust is received from the BRIT Awards Limited, the economic climate can impact on that company's financial success and is also a risk to the Trust.

As the Trust is small, with few transactions, the trustees have adopted suitable internal controls to minimise the risks to which the charity is exposed. Internal control risks are minimised by procedures for the authorisation of all transactions. Investment decisions have been delegated to professional independent investment managers, whose performance is reviewed quarterly against the WM Charity Fund Monitor and at each Trustee Meeting. A sub-committee of the Board monitors the Trust's invested assets on a regular basis and reports regularly to the Board.

The Trust has implemented a Risk Register following Charity Commission guidelines, which is subject to regular review by Trustees and secretariat.

**British Record Industry Trust  
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**Trustees' Report (continued)**

**Objectives and Activities and Public Benefit**

The object of the Trust, as set out in the Memorandum and Articles of Association, is the promotion of such exclusively charitable objects as the Trust may from time to time see fit. The mission of the Trust is to give young people a chance to express their musical creativity regardless of race, class, sex or ability. The Trust achieves this by working with organisations that encourage young people in the exploration and pursuit of educational, cultural or therapeutic benefits emanating from music. The mission and objectives are met through making grants to organisations undertaking activities aligned with the mission of the Trust.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit, reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year. The Trust carries out its objectives by providing grants to organisations undertaking activities aligned with the mission of the Trust.

Since its inception, over £15 million has been donated by the Trust to various other charities. Its principal beneficiaries are the BRIT School for Performing Arts and Technology and Nordoff Robbins Music Therapy. The BRIT School is based in Croydon, a CTC School opened in 1991, the BRIT Trust is the sponsor for the school and has donated over £8 million to date. It is the Trustees' intention to donate to the BRIT School for Performing Arts and Technology and Nordoff Robbins Music Therapy in future years subject to sufficient reserves being available.

**Grant-making Policy**

The Trust meets its objectives through the giving of grants and has a long standing relationship with a number of entities that receive funding each year. In addition, the Trust will also consider grants to other charitable organisations that fit the mission statement of the Trust.

The Trust invites grant applications from institutions through the BRIT Trust website and through word of mouth in the industry. Applicants will submit an application form, which details information about the charity, including financial requirements, aims and a description of benefit that the grant would provide.

Grant applications are considered at each Trustee meeting. After meeting the larger commitments of the BRIT School and Nordoff Robbins, if possible, it is the Trustees' policy to make a number of smaller donations to various charities.

**Achievements and Performance**

During the year, the Trustees have made grants to 10 organisations to further the stated aims of the Trust. Grants payable in the year range from £1,000 to £350,000 (2011: £1,000 to £350,000) and totalled £1,145,666 (2011: £802,063). Details of grants payable are given in note 5 to the financial statements.

The Trust continues to be funded principally by BRIT Awards Limited and Music Industry Trusts Limited. BRIT Awards Limited contributed £820,000 in the year (2011: £822,500).

**British Record Industry Trust  
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**Trustees' Report (continued)**

**Achievements and Performance (continued)**

During the year, the Trust contributed £735,000 (2011 £350,000) towards the costs of the BRIT School for Performing Arts and Technology, £300,000 (2011 £nil) of this was towards a capital project. This is a non fee-paying school jointly funded by the government and other sponsors. The school had its first intake of students in September 1991 and provides a curriculum of academic and performing arts subjects for its students.

The Trust donated a further £409,066 (2011 £452,063) to other projects during the year, which included £300,000 (2011 £300,000) to Nordoff Robbins Music Therapy, the UK's leading independent provider of music therapy services.

The Trust is run from the offices of BPI which also provides staff to administer the Trust. No charge is made in respect of this service. BPI recharges the Trust with expenses incurred specifically on its behalf. The Trustees do not receive remuneration for their services. The balance at year end due to BPI was £2,200 (2011 £Nil).

**Financial Review**

The results of the charity for the year are shown in detail in the Statement of Financial Activities on page 10. In summary, the Trust's total incoming resources were £1,227,360 (2011 £1,321,542) of which £248,894 (2011 £219,480) was from investment income.

Resources expended in the year totalled £1,246,319 (2011 £895,584).

In the investment portfolios, the net movement in funds is a gain of £432,721 (2011 loss of £301,267).

Income from investments is of significant importance to the Trust, as this supplements funding from the BRIT Awards Limited and Music Industry Trusts Limited.

**Investment Policy**

The Trust's investments have been acquired in accordance with the Trustees' powers as set out in the Memorandum and Articles of Association. The management of the Trust's investment funds is delegated to professional investment managers. The Trust's investment policy is for total gross returns with no investment restrictions.

The investments are split into Designated and General funds. Designated funds are amounts that have been put aside at the discretion of the Trustees and comprise an investment fund to provide income to meet the charity's annual General Administration Costs. General funds are expendable at the discretion of the Trustees in the furtherance of the objects of the charity.

**British Record Industry Trust  
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**Trustees' Report (continued)**

**Reserves Policy**

The Trust's main source of funding is from BRIT Awards Limited. This income is primarily distributed between the BRIT School for Performing Arts and Technology and Nordoff Robbins Music Therapy, although smaller donations are also made to a number of other good causes. The Trustees have no direct control over the value of funding received from BRIT Awards Limited.

As a result of the uncertainty in the Trust's long term funding, the trustees have determined that it is prudent to maintain reserves to enable them to provide long term support to both the BRIT School for Performing Arts and Technology and Nordoff Robbins Music Therapy, which in 2012 totalled £1,035,000 (2011 £650,000). Where possible, grants will be made to other appropriate good causes.

As the Trust is a grant-making trust with its main outgoings being grants to beneficiaries, the Trustees deem it appropriate to define the level of reserves required based on future expenditure. The Trust defines expenditure as the costs of maintaining the core level of funding to the BRIT School for Performing Arts and Technology and Nordoff Robbins Music Therapy, along with a minimal amount of administrative costs of the Trust. It is expected that one year's expenditure, as defined, will total £750,000.

In previous years the Trustees have held back a proportion of otherwise distributable income with a view to establishing a reasonable and realistic level of reserves. At 31 December 2012, the balance on the Designated Fund was £6,697,111 (2011 £6,114,043) and the balance on the General Fund was £644,950 (2011 £814,256), which gives total reserves of £7,342,061 (2011 £6,928,299).

The Trustees believe the Trust should set a target for its reserves such that, should the Trust's income from its principal donors (the BRIT Awards Limited and the Music Industry Trust) significantly reduce or cease, then the Trust's reserves alone would generate sufficient income to continue to support the Trust's beneficiaries and objectives to desirable levels in perpetuity. It is the Trustees' opinion that this would require total reserves of at least £10 million.

This reserves policy was adopted on 10 July 2012 and is reviewed by the Trustees on an annual basis for continued appropriateness. The Trustees will determine this according to the Trust's forecasts of future income levels and expenditure, future needs, contingencies and risks, the likelihood of these needs arising and the Trustees' ability to meet them.

**Future Plans and Subsequent Events**

The Trust plans to continue with its mission during 2013 and going forward.

It is the Trustees' intention to continue to support the BRIT School for Performing Arts and Technology and Nordoff Robbins Music Therapy.

**Compliance with Regulations**

These financial statements comply with current statutory requirements, the requirements of the Trust's Articles of Association and the requirements of Charities SORP 2005.

This report has been prepared in accordance with the special provisions relating to small companies of the Companies Act 2006.

**British Record Industry Trust  
Annual Report and Financial Statements  
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**Trustees' Report (continued)**

**Statement of Trustees' Responsibilities**

The trustees (who are also directors of the British Record Industry Trust for the purposes of company law) are responsible 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)

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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



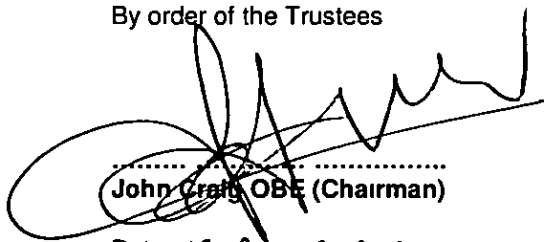
**British Record Industry Trust  
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**Trustees' Report (continued)**

**Auditors**

A resolution to appoint Nexia Smith & Williamson for the ensuing year will be proposed at July's Trustee meeting

By order of the Trustees



.....  
John Craig OBE (Chairman)

Date 15 August 2013

**British Record Industry Trust  
Annual Report and Financial Statements  
For the year ended 31 December 2012**

**Independent auditor's report to the members of British Record Industry Trust**

We have audited the financial statements of British Record Industry Trust for the year ended 31 December 2012, which comprises the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2012 and of its incoming resources and application of resources, including 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 Companies Act 2006.

**British Record Industry Trust  
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**Independent auditor's report to the members of British Record Industry Trust (continued)**

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 require us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime

*Nexia Smith & Williamson*

.....  
**Matthew Maneely (Senior Statutory Auditor)**  
for and on behalf of Nexia Smith & Williamson  
Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA

Date *15 August 2013*

**British Record Industry Trust**  
**Annual Report and Financial Statements**  
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**Statement of financial activities (including income and expenditure account)**

	Note	General fund	Designated fund	Total 2012	Total 2011 (restated)
		£	£	£	£
<b>Income and expenditure</b>					
<b>Incoming resources from generated funds:</b>					
Voluntary income	1, 2	978,466	-	978,466	1,102,062
Investment income	3	40,867	208,027	248,894	219,480
<b>Total incoming resources</b>		<b>1,019,333</b>	<b>208,027</b>	<b>1,227,360</b>	<b>1,321,542</b>
<b>Resources expended:</b>					
Charitable activities	4	(1,190,161)	-	(1,190,161)	(841,545)
Governance costs	8	(4,950)	-	(4,950)	(6,239)
		<b>(1,195,111)</b>	<b>-</b>	<b>(1,195,111)</b>	<b>(847,784)</b>
<b>Costs of generating funds:</b>					
Investment management costs	9	(11,207)	(40,001)	(51,208)	(47,800)
<b>Total resources expended</b>		<b>(1,206,318)</b>	<b>(40,001)</b>	<b>(1,246,319)</b>	<b>(895,584)</b>
<b>Net (outgoing)/incoming resources before transfers and other recognised (losses)/gains</b>					
		<b>(186,985)</b>	<b>168,026</b>	<b>(18,959)</b>	<b>425,958</b>
Net gains/(losses) on investment assets	12	17,679	415,042	432,721	(301,267)
<b>Net movements in funds</b>		<b>(169,306)</b>	<b>583,068</b>	<b>413,762</b>	<b>124,691</b>
<b>Unrestricted funds brought forward at 1 January</b>		<b>814,256</b>	<b>6,114,043</b>	<b>6,928,299</b>	<b>6,803,608</b>
<b>Unrestricted funds carried forward at 31 December</b>	16	<b>644,950</b>	<b>6,697,111</b>	<b>7,342,061</b>	<b>6,928,299</b>

All activities derive from continuing operations

The Charitable Company has no gains or losses other than those included in the net movement in funds

There is no difference between the net movement in funds and the historical cost equivalent

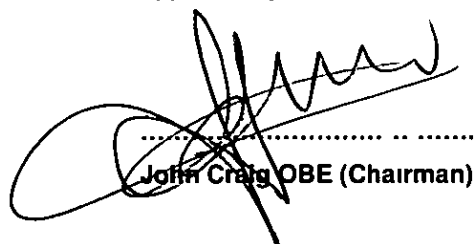
**British Record Industry Trust**  
**Annual Report and Financial Statements**  
**For the year ended 31 December 2012**

**Balance sheet**  
**At 31 December 2012**

	Note	2012	2011
		£	£
<b>Fixed assets</b>			
Investment in associated entity	11	1	1
Investments	12	<u>7,755,771</u>	<u>7,126,839</u>
		<b>7,755,772</b>	<b>7,126,840</b>
<b>Current assets</b>			
Debtors	13	<b>82,593</b>	71,692
Cash at bank and in hand		<u>582,346</u>	<u>487,492</u>
		<b>664,939</b>	<b>559,184</b>
<b>Creditors: amounts falling due within one year</b>	14	<u>(1,078,650)</u>	<u>(757,725)</u>
<b>Net current liabilities</b>		<u>(413,711)</u>	<u>(198,541)</u>
<b>Total assets less current liabilities</b>		<u><b>7,342,061</b></u>	<u><b>6,928,299</b></u>
<b>Unrestricted funds</b>			
General fund	16	<b>644,950</b>	814,256
Designated fund	16	<u>6,697,111</u>	<u>6,114,043</u>
		<u><b>7,342,061</b></u>	<u><b>6,928,299</b></u>

These financial statements have been prepared in accordance with the special provisions relating to small companies under Part 15 of the Companies Act 2006

Approved by the Trustees and signed on their behalf on 15 August 2013

  
 .....  
 John Craig OBE (Chairman)

Company registration number 02372740

**British Record Industry Trust**  
**Annual Report and Financial Statements**  
**For the year ended 31 December 2012**

**Notes to the financial statements**

**1. Accounting policies**

**Basis of preparation**

The financial statements are prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities issued in March 2006 ("SORP 2005"), the Companies Act 2006 and with applicable accounting standards. These particular accounting policies adopted by the Trustees, unless otherwise stated, have been applied consistently with the prior year are described below.

The company has taken advantage of the exemption from preparing a cash flow statement as set out in Financial Reporting Standard 1.

**Accounting convention**

The financial statements are prepared under the historical cost convention, as modified by the revaluation of investments to market value.

**Income**

All income is recognised in the statement of financial activities when the conditions for receipt have been met and there is reasonable assurance of receipt.

*Voluntary income*

This comprises donations. Donations are generally accounted for in the year to which they relate. Sundry donations are accounted for when receivable.

*Investment income*

This comprises investment income and interest. Interest receivable is accounted for in relation to the period that the interest accrues. Investment income is accounted for when receivable.

**Charitable activities**

Charitable activities comprise those costs incurred by the charitable company in the delivery of its activities for beneficiaries. This includes direct costs such as grants made and those costs of an indirect nature necessary to support them, including administration costs. There is considered to be only one type of charitable activity, being grant giving to encourage young people in relation to music. All expenditure is accounted for on an accruals basis.

*Grants payable*

Grants payable are accounted for when the Trustees have accepted a legal or constructive obligation to make the grant.

*Other expenditure for charitable purposes*

Other expenditure for charitable purposes comprise sundry expenses related to the support of music education and is accounted for when payable.

**Governance costs**

Governance costs include those costs incurred in meeting the constitutional and statutory requirements of the charitable company and include audit and accounting fees.

**Costs of generating funds**

Costs of generating funds comprise any costs associated with attracting voluntary income and the costs of generating investment income, typically investment management fees.

**British Record Industry Trust  
Annual Report and Financial Statements  
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**Notes to the financial statements (continued)**

**1. Accounting policies (continued)**

**Fund accounting**

The charity maintains various types of unrestricted funds as follows

Designated funds are amounts that have been put aside at the discretion of the Trustees and comprise an investment fund to provide income to meet the charity's annual General Administration Costs

General funds are expendable at the discretion of the Trustees in the furtherance of the objects of the charity

**Investments in associated entities**

The investment in the Trust's associate is stated at cost less provision for any impairment Music Industry Trusts Limited is not consolidated since the British Record Industry Trust does not have control of the entity The Trust exerts significant influence, along with the other 50% shareholder

**Investments**

**Fixed asset investments**

Investments are stated at market value as at the balance sheet date The Statement of Financial Activities includes gains and losses arising on revaluation and disposals throughout the year

**Realised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later) Unrealised gains and loss are calculated as the difference between the market value at the year end and the opening market value (or purchase date if later) As the Charity adopts a 'marking to market' approach in relation to its investment portfolio, realised and unrealised gains and losses are combined in the Statement of Financial Activities

**Foreign currencies**

Transactions in foreign currencies are recognised at the rate of exchange at the date of the transaction Monetary assets and liabilities are translated into sterling at the exchange rate on the balance sheet date All exchange differences are recognised through the Statement of Financial Activities

**Charitable commitments**

Commitments are accounted for as resources expended in the statement of financial activities

**Status of funds and members' liability**

All funds held by the charity are unrestricted

The liability of the members is limited but every member undertakes to contribute to the assets of the Trust in the event of the same being wound up while he is a member, or within one year after he ceases to be a member, for payment of debts and liabilities the Trust contracted before he ceases to be a member of costs, charges and expenses of winding up and for the adjustment of the rights of the contributions among themselves, such amounts as may be required not exceeding £1 At 31 December 2012 there were 13 members

**British Record Industry Trust**  
**Annual Report and Financial Statements**  
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**Notes to the financial statements (continued)**

**2. Voluntary income**

	2012 £	2011 £
Donation from Music Industry Trusts Limited	142,749	101,335
Donation from BRIT Awards Limited	820,000	822,500
Donation from BMF Media	3,684	-
Sundry	12,033	178,227
	<u>978,466</u>	<u>1,102,062</u>

Sundry and voluntary income relates to income received by the Trust from BRIT Awards Limited in respect of income received and downloaded music from the annual BRIT Awards show

**3. Investment income**

	2012 £	2011 £
Bank interest	198	198
Income from listed investments	248,696	219,282
	<u>248,894</u>	<u>219,480</u>

**4. Charitable activities**

	2012 £	2011 £
<b>Grants payable</b> (see note 5)	1,145,666	802,063
<b>Support costs:</b>		
Management and administration of the charity (see note 6)	6,893	2,847
Other charitable expenditure (see note 7)	37,602	36,635
	<u>1,190,161</u>	<u>841,545</u>



**British Record Industry Trust**  
**Annual Report and Financial Statements**  
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**Notes to the financial statements (continued)**

**5. Grants payable**

	2012	2011
	£	£
<b>Grants to institutions:</b>		
BRIT School for the Performing Arts & Technology	735,000	350,000
Nordoff-Robbins Music Therapy	300,000	300,000
Drugscope	60,000	30,000
Chickenshed	5,000	14,763
Midi Music Company	5,000	5,000
Heart n Soul	5,000	-
Paul Walter award	1,000	1,000
Young Voices	5,000	-
Kickz	-	(3,700)
Bigga Fish	5,000	-
The Amber Trust	-	1,000
Verd De Gris	-	4,000
Birmingham Ormiston Academy	(15,874)	100,000
Creative Access	40,540	-
	<u>1,145,666</u>	<u>802,063</u>

The grant in respect of the Birmingham Ormiston Academy project was over accrued in the prior year with the over provision being released in the current year

**6 Support costs - management and administration of the charity**

	2012	2011
	£	£
Bank charges	192	226
Sundry	6,701	2,621
	<u>6,893</u>	<u>2,847</u>

**7 Support costs - other charitable expenditure**

	2012	2011
	£	£
Music education support (consisting of consultancy fees)	<u>37,602</u>	<u>36,635</u>

**British Record Industry Trust**  
**Annual Report and Financial Statements**  
**For the year ended 31 December 2012**

**Notes to the financial statements (continued)**

**8. Governance costs**

	2012 £	2011 £
Auditors' remuneration - Audit	<u>4,950</u>	<u>6,239</u>

**9. Costs of generating funds**

	2012 £	2011 £
Investment management fees	<u>51,208</u>	<u>47,800</u>

**10. Information regarding Trustees and employees**

No Trustee or person related or connected by business to them received any emoluments from the charity in either the current or the preceding year

During the year the Trust paid expenses to the value of £1,478 (2011 £214) and £427 (2011 £nil) respectively on behalf of Paul Burger and John Deacon

Messrs Wadsworth and Taylor, trustees of the charity, were directors of BRIT Awards Limited during the year, which has donated £820,000 (2011 £822,500) to the Trust in the year

Mr Taylor, a trustee of the charity, was a director of Music Industry Trusts Limited, an associated entity of the Trust, during the year, which has donated £142,749 (2011 £101,335) to the Trust in the year

Messrs Craig and Morrish, trustees of the charity, were directors of the BRIT School for the Performing Arts & Technology, during the year, which has received grants of £735,000 (2011 £350,000) from the Trust in the year

Mr Green, a trustee of the charity, was a director of Nordoff-Robbins Music Therapy during the year, which has received a grant of £300,000 (2011 £300,000) from the Trust

The charity had no employees in either the current or the preceding year. The charity paid £1,890 (2011 £1,698) for the purchase of directors liability insurance

Messrs Craig, Taylor, Wadsworth and Marshall are Directors of the BPI (British Recorded Music Industry) Limited ("BPI"). The Trust is run from the offices of BPI, which also provides staff to administer the Trust. No charge is made in respect of this service. BPI recharges the Trust with expenses incurred specifically on its behalf. The Trustees do not receive remuneration for their services. The balance at year end due to BPI was £2,200 (2011 £nil), which is included within other creditors.

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**Notes to the financial statements (continued)**

**11. Investment in associated entity**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Cost at 1 January and 31 December 2012	<u>1</u>	<u>1</u>

The investment in an associated entity represents a 50% interest in the ordinary share capital of Music Industry Trusts Limited, a company incorporated in Great Britain. The remaining 50% interest in the ordinary share capital of Music Industry Trusts Limited is owned by Nordoff-Robbins Music Therapy.

Music Industry Trusts Limited donates its profits under the Gift Aid scheme to both the British Record Industry Trust and Nordoff-Robbins Music Therapy. As at the balance sheet date £52,494 (2011: £20,450) is receivable by the Trust. Details of the results for the year of Music Industry Trusts Limited and of its position as at 31 December 2012 are as follows:

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Extracts from the profit and loss account:</b>		
Turnover	<u>542,250</u>	<u>458,235</u>
Profit before donations	<u>218,275</u>	<u>200,900</u>
Profit before and after taxation	<u>-</u>	<u>-</u>
<b>Extracts from the balance sheet:</b>		
Net assets	<u>2</u>	<u>2</u>

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**12 Investments**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>(restated)</b>
		<b>£</b>
Market value at 1 January	6,905,841	6,884,310
Additions to investments at cost	1,319,641	3,448,026
Disposals at carrying value	(1,090,648)	(3,125,228)
Net gain/(loss) on revaluation	<u>432,721</u>	<u>(301,267)</u>
<b>Total investments</b>	<b>7,567,555</b>	<b>6,905,841</b>
Invested cash	<u>188,216</u>	<u>220,998</u>
<b>Market value at 31 December</b>	<b><u>7,755,771</u></b>	<b><u>7,126,839</u></b>

**Investments comprise the following:**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Investments listed on a recognised stock exchange	7,437,971	6,623,141
Cash deposits held as part of investment portfolio	<u>317,800</u>	<u>503,698</u>
<b>Total</b>	<b><u>7,755,771</u></b>	<b><u>7,126,839</u></b>

**Being at market value**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Investment assets in the United Kingdom	4,075,917	4,079,976
Investment assets outside the United Kingdom	<u>3,679,854</u>	<u>3,046,863</u>
<b>Total</b>	<b><u>7,755,771</u></b>	<b><u>7,126,839</u></b>

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**Notes to the financial statements (continued)**

**12. Investments held as fixed assets (continued)**

Investments are revalued at market value at the year end. The investment portfolios are managed by Investec and Clarden Leu. Investec work to a brief of investment in moderate risk investments with the aim of producing a balance between income and capital growth, and all investments are held within unrestricted funds. Clarden Leu work to a brief in below average risk investments with the primary aim of produce income, and all investments are held in unrestricted funds.

**13. Debtors**

	2012 £	2011 £
Amounts owed by Music Industry Trusts Limited	52,494	20,450
Amounts owed by BRIT Awards Limited	-	22,500
Other debtors	29,169	27,893
Prepayments	930	849
	<u>82,593</u>	<u>71,692</u>

**14. Creditors: amounts falling due within one year**

	2012 £	2011 £
Grant commitments	1,035,000	650,000
Other creditors	38,700	101,500
Accruals	4,950	6,225
	<u>1,078,650</u>	<u>757,725</u>

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**Notes to the financial statements (continued)**

**14. Creditors: amounts falling due within one year (continued)**

<b>Grant Commitments</b>	<b>Grants payable at 1 January 2012 £</b>	<b>Grants awarded during the year £</b>	<b>Grants paid in the year £</b>	<b>Grants payable at 31 December 2012 £</b>
BRIT School for the Performing Arts & Technology	350,000	735,000	(350,000)	<b>735,000</b>
Nordoff-Robbins Music Therapy	300,000	300,000	(300,000)	<b>300,000</b>
	<u>650,000</u>	<u>1,035,000</u>	<u>650,000</u>	<u><b>1,035,000</b></u>

**15. Analysis of assets and liabilities between funds**

	<b>Unrestricted funds</b>			
	<b>General fund</b>	<b>Designated fund</b>	<b>Total 2012</b>	<b>Total 2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>				
Investment in associates	1	-	1	1
Investments	1,073,315	6,682,456	7,755,771	7,126,839
<b>Current assets</b>				
Debtors	67,938	14,655	82,593	71,692
Cash at bank and in hand	582,346	-	582,346	487,492
<b>Current liabilities</b>	<u>(1,078,650)</u>	<u>-</u>	<u>(1,078,650)</u>	<u>(757,725)</u>
	<u><b>644,950</b></u>	<u><b>6,697,111</b></u>	<u><b>7,344,061</b></u>	<u><b>6,928,299</b></u>

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**16 Movement in Funds**

	As at 1 January 2012 £	Incoming resources £	Outgoing resources £	Transfers £	As at 31 December 2012 £
<b>Unrestricted Funds</b>					
Designated Investment Fund	6,114,043	623,069	(40,001)	-	<b>6,697,111</b>
General Funds	<u>814,256</u>	<u>1,038,279</u>	<u>(1,207,585)</u>	<u>-</u>	<b><u>644,950</u></b>
	<u>6,928,299</u>	<u>1,661,348</u>	<u>(1,247,586)</u>	<u>-</u>	<b><u>7,342,061</u></b>

Unrestricted funds include unrealised gains and losses in respect of investments held at the balance sheet date