

Company number: 9296727
Charity number: 1160261

INCORPORATED SOCIETY OF MUSICIANS TRUST

DIRECTORS' REPORT AND
UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 AUGUST 2020

INCORPORATED SOCIETY OF MUSICIANS TRUST
(A company limited by guarantee)

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INCORPORATED SOCIETY OF MUSICIANS TRUST
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LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2020

Directors and Trustees	Dr Jeremy Huw Williams (chair until 25 April 2020) Professor Christopher Collins (from 18 September 2019 and Chair from 25 April 2020) Vick Bain (from 25 April 2020) Pauline Black Dr Marius Carboni Dr Michelle Castelletti Nicolas Chisholm MBE Tim Daniell Paul Edlin (from 25 April 2020) Reginald Fletcher (from 25 April 2020) Ivor Flint (Treasurer) Trevor Ford Professor Stephen Goss Deborah Keyser (from 18 December 2019) Eugene Monteith (from 17 June 2020) Karl Lutchmayer (until 25 April 2020) Elizabeth Partridge (until 25 April 2020) Kevin Rogers (until 25 April 2020) Professor David Saint (until 25 April 2020) Ed Scolding (until 25 April 2020) Professor David Smith Nicky Spence (from 25 April 2020) Susan Sturrock (until 25 April 2020) George Vass (until 5 September 2019)
Company secretary	Deborah Annetts
Company registered number	9296727
Charity registered number	1160261
Registered office (and principal office)	4-5 Inverness Mews London W2 3JQ

INCORPORATED SOCIETY OF MUSICIANS TRUST
(A company limited by guarantee)

LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2020

Independent examiner	Amy Healey FCA CTA DChA Lindey Francis Ferguson Limited Chartered Accountants North House 198 High Street Tonbridge Kent TN9 1BE
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Bankers	NatWest Bank plc Portman Square London W1A 1DW
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Solicitors	Bates Wells Braithwaite 10 Queen Street Place London EC4R 1BE
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INCORPORATED SOCIETY OF MUSICIANS TRUST
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Directors (who are also Trustees of the charity for the purposes of the Charities Act 2011) present their annual report together with the financial statements of Incorporated Society of Musicians Trust ('ISM Trust' or 'the Trust') for the period ended 31 August 2020. The Directors confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019) (Charities SORP (FRS 102)).

Structure, governance and management

The ISM Trust, which is a Company Limited by Guarantee, was incorporated on 5 November 2014. It was set up by the Council of the Incorporated Society of Musicians ('ISM') and received its charity status on 30 January 2015. It is governed by its Articles of Association. The management of the charity is the responsibility of the Board of Directors. The Directors are appointed by the members and the sole member of the charity is the ISM (a company limited by guarantee, registered number 36882). On a regular basis new Trustees are appointed to the charity. Trustees are identified on the basis of their skills and their knowledge of the music sector.

In 2015, the ISM Trust became the sole corporate trustee of the Benevolent Fund of the Incorporated Society of Musicians (ISM Members Fund, a charitable trust). The three organisations, namely the ISM, the ISM Trust and the ISM Members Fund, work closely together and are operating under the name "the ISM Group".

Objectives and activities

The objects of the ISM Trust are to:

- advance education;
- advance health; and
- promote the arts, particularly music.

Professional development work is delivered by the ISM Trust, by itself and in partnership with other organisations or respected practitioners in their field. Professional development was delivered by the ISM Trust through webinars, webcasts, regional seminars and training events, and resources. The Directors had due regard to the Charity Commission's guidance on public benefit when setting objectives and planning activities. A number of ISM staff delivered services on behalf of the Trust: none of them were employed by the Trust. The work of the Trust was also supported by the Senior Leadership Team and the Trust's board.

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Achievements and performance

Work in the early part of the year centred on the implementation of legacy plan from The Empowered Musician, the one-day conference attended by 400 musicians in October 2018. As the COVID-19 pandemic took hold the Trust pivoted to disseminating information and advice through webinars to support the music profession through the crisis. Subjects ranged from moving to online teaching, safeguarding online and risk assessments.

Across the year the Trust delivered 15 webinars in total, two of which were collaborations with The Amber Trust. The Trust also developed closer ties to ABRSM through the licensing of two webinars for inclusion in its *Becoming a Better Music Teacher* course available on the Futurelearn platform. The course ran 5 times across the financial year with *Setting up your business* viewed 3,058 times and *Looking after your hearing health* 3,562 times. It is clear that there is a real appetite for learning digitally across a range of areas and the ISM Trust will continue to provide a high quality offer to all those engaged in the music sector.

Seminars continued to be presented by music education specialists including Dr Alison Daubney and Paul Harris on behalf of the Trust. In total eight seminars were delivered to Derby, Cornwall, Hounslow and Tri-borough Music Hubs, Severn Arts, Kingston and East Riding Schools' Music Services and to a group of ISM members in Liverpool.

In March 2020 the Trust launched *Indian Takeaway! Rag and Tal basics* a major new online resource by Indian music specialist Yogesh Dattani was launched at the Music and Drama Education Expo in London. It has been viewed 1280 times since it was launched.

Sales of *Performance anxiety: A practical guide for music teachers* and its sister publication *Play: A psychological toolkit for optimal music performance* remained steady with combined sales of 117 E-book and 54 printed copies sold throughout the year.

There have been approximately 58,780 visits to the Trust's website across the financial year. The most popular was the Primary Music Toolkit page which had 8153 views.

Reach across the ISM Trust social media (Facebook and Twitter) at 31 August 2020 stands at 1,871 followers.

Compliance

The ISM Trust is registered as a data controller in its own right at the Information Commissioner's Office (ICO). All ISM staff working on Trust activities are bound by the provisions of the ISM Group Data Governance Policy introduced across all ISM Group companies in 2018 as part of our activities to ensure compliance with the General Data Protection Regulation (EU) 2016/679 ('GDPR') and the Data Protection Act 2018. The Trust was also registered with the Fundraising Regulator and in accordance with Charity Commission guidance further

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FOR THE YEAR ENDED 31 AUGUST 2020

training in trustee duties and charity governance was provided to Trustees in 2019. New Trustees received guidance in relation to trustee duties and charity governance during the course of the year.

Financial Review

During the reporting period, total income grew by 1.3% over the previous year to £97,569 (2019: £96,284) and expenditure fell by 6.4% to £112,127 (2019: £119,828). During the year under review, the Trust generated a deficit of £14,558 (2019: £23,544).

The ISM Trust derives its income from three main sources: membership subscriptions, income from events, and donations.

Income from membership subscriptions grew during the year with £5,377 recognised in the reporting period (2019: £4,600), an increase of 16.9%.

£5,637 (2019: £11,634) has been generated as a result of professional development work a fall of 51.5% over the previous year. During the financial year, the COVID-19 outbreak and the resulting lockdowns around the UK led to the cancellation of all planned face-to-face events in the last 6 months of the year which is largely the reason for the reduced income in the period.

The ISM provided £85,000 (2019: £80,000) by way of donations to continue supporting the work of the ISM Trust. The Trustees acknowledge with thanks a legacy to the Trust from the estate of the late Orience Evelyn Burton. Total donations and legacies received during the year were £86,555 (2019: £80,050). The trustees are most grateful to all individuals who made donations or organised fundraising initiatives during the reporting period.

Expenditure on charitable activities fell by £9,426 to £110,402 (2019: £119,828), a fall of 7.9% largely due to no major conference being held during the year. The ISM Trust started its partnership with NMC on a new project called Discover which led to £40,000 of recognised costs in the financial year.

Reserves

Currently, the ISM Trust is funded largely by the ISM. The ISM Trust's Reserves Policy is to maintain a sufficient level of reserves to enable normal operating activities to continue over a period of up to 4 months should a shortfall in income occur and to take account of potential risks and contingencies that may arise from time to time. On 31 August 2020, the Trust had £82,158 (2019: £96,716) of unrestricted reserves to carry forward, the equivalent of 9 months (2019: 10 months) of the 2019/20 annual expenditure which is well above the target range.

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FOR THE YEAR ENDED 31 AUGUST 2020

These reserves are being held to support plans for The Empowered Musician legacy and the expansion of the educational work of the Trust.

Plans for Future Periods

The Trust will continue to offer information to support the sector around Brexit and the ongoing impact of COVID-19. Online seminars will be developed and offered in place of face to face events whilst restrictions remain.

The Trust will continue its partnership with NMC Records to promote and support composers and artists working in the area of contemporary music in the UK.

The Friends of the ISM Trust membership scheme will be reviewed.

Statement of Directors' responsibilities

The Directors (who are also Trustees of the charity for the purposes of the Charities Act 2011) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

This report was approved by the Directors of the ISM Trust on 12 February 2021 and signed on their behalf by:

Professor Christopher Collins
Chairman of the ISM Trust

Deborah Annetts
Chief Executive Officer

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INDEPENDENT EXAMINERS' REPORT TO THE DIRECTORS OF INCORPORATED SOCIETY OF
MUSICIANS TRUST

I report on the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2020.

Responsibilities and basis of report

As the charity's trustees 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 charity'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:

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 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.

Amy Healey FCA CTA DChA Date: 1 March 2021
Lindeyer Francis Ferguson Limited
North House, 198 High Street
Tonbridge
Kent TN9 1BE

INCORPORATED SOCIETY OF MUSICIANS TRUST
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STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	2019 £
Income from:			
Donations and legacies		86,555	80,050
Charitable activities		5,637	11,634
Other trading activities		5,377	4,600
Total income	2	97,569	96,284
Expenditure on:			
Raising funds		1,725	-
Charitable activities		110,402	119,828
Total expenditure	3	112,127	119,828
Net expenditure and net movement in funds		(14,558)	(23,544)
Reconciliation of funds:			
Total funds brought forward		96,716	120,260
Total funds carried forward		82,158	96,716

All funds are unrestricted.

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BALANCE SHEET
AS AT 31 AUGUST 2020

		2020		2019	
	Notes	£	£	£	£
Current assets					
Debtors	5	2,673		1,754	
Cash at bank and in hand		128,048		108,176	
		<u>130,721</u>		<u>109,930</u>	
Creditors: amounts falling due within one year	6	(28,563)		(13,214)	
Net current assets			102,158		96,716
Creditors: amounts falling due after more than one year	7	(20,000)		-	
Total net assets		<u>82,158</u>		<u>96,716</u>	
Funds of the charity					
Unrestricted funds		<u>82,158</u>		<u>96,716</u>	

For the financial period ended 31 August 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476;
- The Executive Committee acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved by the trustees on 12 February 2021 and signed by:

Chris Collins
Chairman of the ISM Trust

Deborah Annetts
Chief Executive

Company registration number: 9296727

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation

The financial statements have been prepared in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements are presented in pounds sterling and rounded to the nearest pound.

Incorporated Society of Musicians Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.2 Going concern

The directors have considered the effect of the COVID-19 outbreak on the company's activities. Although the outbreak has caused some disruption to the business, the directors do not believe that this will be significant, they have a reasonable expectation that the business will continue as a going concern as it will take action to mitigate the risks caused by Covid-19 by reducing future expenditure. There are no material uncertainties about the charity's ability to continue, and so the going concern basis of accounting has been adopted.

1.3 Group reporting

The charity has taken advantage of the exemption under section 399 of the Companies Act 2006 and section 139 of the Charities Act 2011 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the charity as an individual entity and not about its group.

1.4 Status

The charity is a company limited by guarantee, incorporated in England and Wales. The address of the registered office is 4-5 Inverness Mews, London, W2 3JQ. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.5 Income recognition

Income is recognised once the charity has entitlement to income, it is probable that the income will be received and the amount of the income receivable can be measured reliably. For donations this is usually on receipt. Professional development fee income is recognised in the period in which the services are

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1.6 Resources expended

Expenditure is recognised when a present legal or constructive obligation exists at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and the amount can be measured or estimated reliably. It is inclusive of any VAT which cannot

Expenditure has been included under expense categories that aggregate all costs for allocation to activities. Support costs are those incurred in support of expenditure on the objects of the charity, and have been allocated between charitable activities and costs of raising funds on the basis of direct staff costs.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. The grants are accounted for where either the Trustee has agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the Trust.

1.7 Financial instruments

The charity has financial instruments of a kind that qualify as basic financial instruments. The charity's short term debtors and creditors are recognised at settlement value.

1.8 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

2 Income

	2020 £	2019 £
Donations and legacies		
Donations from Incorporated Society of Musicians	85,000	80,000
Other donations	1,555	50
	<hr/> 86,555	<hr/> 80,050
Charitable activities		
Professional development fees	5,637	11,634
Other trading activities		
Membership subscriptions	5,377	4,600
	<hr/> 97,569	<hr/> 96,284

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3 Expenditure

	<i>2020</i> <i>Direct costs</i> <i>£</i>	<i>2020</i> <i>Support costs</i> <i>£</i>	<i>2020</i> <i>Total costs</i> <i>£</i>	<i>2019</i> <i>Total costs</i> <i>£</i>
Raising funds				
Membership services	1,229	496	1,725	-
Charitable activities				
Professional development	27,335	41,568	68,903	119,828
Promotion of the arts	40,407	1,092	41,499	-
	67,742	42,660	110,402	119,828
	68,971	43,156	112,127	119,828
			<i>2020</i> <i>£</i>	<i>2019</i> <i>£</i>
Direct costs				
Wages and salaries			13,661	19,159
Employer's national insurance contributions			1,500	2,077
Employer's pension contributions			921	1,047
Professional development			3,613	49,425
Membership services			1,044	-
Consultancy fees			-	304
Seminars			4,078	4,501
Webinars			2,116	2,362
Advertising			1,783	6,573
Grants			40,000	-
Other			255	249
			68,971	85,697

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3 Expenditure (continued)

	2020 £	2019 £
Support costs		
Wages and salaries	20,301	17,336
Employer's national insurance contributions	2,218	1,885
Employer's pension contributions	1,795	1,450
Consultancy fees	-	171
Advertising	7,778	109
Stationery	-	24
Computer costs	17	-
Management charges	7,327	8,953
Irrecoverable VAT	1,264	864
Administration	275	730
Governance:		
Legal and professional fees	156	634
Independent examiner's fee	2,025	1,975
	<u>43,156</u>	<u>34,131</u>

Management charges comprise costs recharged from the Incorporated Society of Musicians (ISM) for the use of premises, administration and other related expenditure.

4 Staff costs

Wages and salaries relate to employment costs recharged from Incorporated Society of Musicians (ISM) for the time spent by their employees working on the activities of the ISM Trust.

No Trustee received remuneration or reimbursement of expenses during either year.

The key management of the charity includes Trustees, the Chief Executive of ISM and the Head of Business Development of ISM. The aggregate amount of employee benefits recharged from ISM in respect of key management was £7,043 (2019: £2,908).

5 Debtors

	2020 £	2019 £
Trade debtors	1,294	1,343
Prepayments and accrued income	1,379	411
	<u>2,673</u>	<u>1,754</u>

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NOTES TO THE FINANCIAL STATEMENTS
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6 Creditors: amounts falling due within one year

	2020	2019
	£	£
Grants payable	20,000	-
Amounts due to Incorporated Society of Musicians	3,649	4,759
Accruals and deferred income	4,914	8,455
	<u>28,563</u>	<u>13,214</u>

7 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Grants payable	<u>20,000</u>	<u>-</u>

The grant commitment totalling £40,000 relates to a sponsorship agreement with NMC Records to support the facilitation of a new digital platform. Funding is to be released over a three year period to assist with digital content creation and promotion.

8 Control

The parent company is Incorporated Society of Musicians, a company limited by guarantee and registered in England and Wales (registered number - 00036882), which is the charity's sole member. The Incorporated Society of Musicians is a professional body for musicians, and its principal purpose and activities are to promote the art of music and to protect and support the interests of musicians and the

9 Subsidiary undertaking

The ISM Trust is the sole corporate trustee of the Benevolent Fund of the Incorporated Society of Musicians (ISM Benevolent Fund, a charitable trust) and is deemed to have control. Its registered office is 4-5 Inverness Mews, London, W2 3JQ. The principle activity of the ISM Benevolent Fund is to provide relief and prevent poverty amongst ISM members and the dependents of deceased members.

The aggregate amount of reserves and the results for the last relevant financial year were as follows:

	Reserves at 31 August 2020 £	Deficit for the year to 31 August 2020 £
Benevolent Fund of the Incorporated Society of Musicians	<u>3,770,341</u>	<u>(257,145)</u>

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FOR THE YEAR ENDED 31 AUGUST 2020

10 Related party transactions

At the balance sheet date, the charity owed £3,649 (2019: £4,759) to the Incorporated Society of Musicians (ISM) in respect of expenses paid on behalf of the charity. Re-charged expenses totalled £47,724 (2019: £51,907), consisting of £7,327 (2019: £8,953) of management costs and £40,397 (2019: £42,954) for employment costs. The ISM is considered to be a related party as it is the charity's sole member, and it has directors in common with the charity.

During the year, the charity received donations from the ISM amounting in aggregate to £85,000 (2019: £80,000).

11 Contingent asset

During the year the ISM Trust were notified of a legacy in relation to the estate of Mrs Burton. The legacy entitled the Trust to the proceeds of the sale of a piano and music repertoire. The piano was subsequently valued, and was sold post year end, and the income has been recognised within these financial statements. The music repertoire is yet to be obtained, and hence has not been valued or sold, and as no reliable estimate of the value is currently available this has not been recognised within these financial statements.