

Company number: 9296727  
Charity number: 1160261

INCORPORATED SOCIETY OF MUSICIANS TRUST

DIRECTORS' REPORT AND  
UNAUDITED FINANCIAL STATEMENTS

*FOR THE YEAR ENDED*  
31 AUGUST 2021

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

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

LEGAL AND ADMINISTRATIVE INFORMATION  
*FOR THE YEAR ENDED 31 AUGUST 2021*

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Directors and Trustees	Deborah Keyser (appointed Chair from 24 April 2021) Dr Jeremy Huw Williams Professor Christopher Collins (former Chair from 24 April 2021) Vick Bain (future Chair from 24 April 2021) Pauline Black Dr Marius Carboni Dr Michelle Castelletti Nicolas Chisholm MBE Tim Daniell Dr Paul Edlin Reginald Fletcher Ivor Flint (Treasurer) Trevor Ford Professor Stephen Goss Eugene Monteith Professor David Smith Nicky Spence
Company secretary	Deborah Annetts
Company registered number	9296727
Charity registered number	1160261
Registered office (and principal office)	4-5 Inverness Mews London W2 3JQ

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LEGAL AND ADMINISTRATIVE INFORMATION  
*FOR THE YEAR ENDED 31 AUGUST 2021*

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Independent examiner	Amy Healey FCA CTA DChA Lindeyer Francis Ferguson Limited Chartered Accountants North House 198 High Street Tonbridge Kent TN9 1BE
Bankers	NatWest Bank plc Portman Square London W1A 1DW
Solicitors	Bates Wells Braithwaite 10 Queen Street Place London EC4R 1BE

INCORPORATED SOCIETY OF MUSICIANS TRUST  
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DIRECTORS' REPORT  
*FOR THE PERIOD ENDED 31 AUGUST 2021*

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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 2021. 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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FOR THE PERIOD ENDED 31 AUGUST 2021

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Achievements and performance

The Trust's activity throughout 2020-21 centred around continuing to support musicians navigate the ongoing challenges to the profession – whether from COVID-19, Brexit or the pressures facing teachers and those working in music education. Consequently, strands of work were developed to assist musicians around work opportunities, disseminating vital information on the issues of the day and supporting career development.

In the education sphere, the Trust also held its first series of TeachMeets in May and June 2021. Sessions were held for primary, secondary and music hub teachers. Consisting of presentations from teachers followed by discussion on topics such as composition, improvisation, whole class teaching and the recovery curriculum there were 74 attendees across the three events.

The Trust was commissioned by the National College to produce six bespoke webinars on curriculum music at primary and secondary level which were prepared and delivered by Dr Alison Daubney and Prof Martin Fautley. The Trust also extended its partnership with ABRSM to renew the inclusion of two ISM Trust webinars, *Setting up your business* and *Looking after your hearing health* in its 'Becoming a better music teacher' course on Futurelearn to spring 2022.

The webinar programme continued to flourish with 19 webinars being delivered across the year. Themes running through the programme included SEND with webinars on music and dyslexia, working with visually impaired children and young people, experiences as a neurodiverse composer, and teaching students with ASD; Brexit, with webinars looking at what the Trade and Cooperation Agreement (TCA) means for musicians, immigration routes and applying for a Musical Instrument Certificate; keeping school music safe during COVID-19 and transitioning to online teaching; and exploring issues around equality, diversity and inclusion through topics such as diversifying music lessons, inclusive and accessible music making, and the inclusion of world music in the national curriculum.

The last work-strand looked at ways for musicians to increase or diversify their income through webinars on topics such as online realtime music making, and through a partnership with Scottish technology start-up Delic, the Trust embarked upon a series of webinars on topics such as how technology can aid creativity and using merchandise to diversify your revenue. This will continue into 2021-22.

Although COVID-19 restrictions meant that most of the Trust's in person activities, such as the seminar programme, were severely curtailed, three in-person events took place, one at Milton Keynes Music Hub and two events for Cornwall Music Hub. The Trust embarked upon a four-year partnership with NMC Records to support its 'Discover' hub on the newly relaunched NMC website. This partnership will enable the Trust to engage with the composer and contemporary classical community. Sales of the Trust's publications *Play* and *Performance Anxiety* continued to perform strongly with 40 and 57 sales respectively across the year.

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The Friends of the ISM Trust membership was overhauled to make the member benefits more relevant and accordingly the price was reduced to £25 per annum. This resulted in an increase in members with membership standing at 117 as at 31 August 2021.

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 8,153 views.

The Trust's social media as at 26 August 2021 stands at 2,189 users. The ISM Trust saw a large increase in engagement on its Twitter platform following the Trust's online conference, *Where to next for music education?* in November 2021 and will be further reported on in the next annual report.

#### 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 training in trustee duties and charity governance was provided to Trustees in 2020. 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 fell by 39.5% over the previous year to £59,004 (2020: £97,569) and expenditure fell by 54.5% to £51,009 (2020: £112,127). During the year under review, the Trust generated a surplus of £7,995 (2020: £14,558 deficit). The ISM Trust derives its income from three main sources: membership subscriptions, income from events, and donations and legacies.

Income from membership subscriptions fell during the year with £3,236 recognised in the reporting period (2020: £5,377), a decrease of 39.8%. At the start of the financial year, the Trust redesigned the membership offer and reduced the membership fee by 59.7% which resulted in the fall in income. £5,915 (2020: £5,637) has been generated as a result of professional development work an increase of 4.9% over the previous year.

The ISM did not provide a donation this year (2020: £85,000) to support the work of the Trust as the Trust had sufficient reserves to carry out its charitable activities this year. The Trustees acknowledge with thanks a legacy to the Trust from the estate of the late Thomas Johnstone Prentice. Total donations and legacies received during the year were £49,853 (2020: £86,555). The Trustees are most grateful to all individuals who made donations or organised fundraising initiatives during the reporting period.

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DIRECTORS' REPORT  
*FOR THE PERIOD ENDED 31 AUGUST 2021*

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Expenditure on charitable activities fell by £62,083 to £48,319 (2020: £110,402), a fall of 56.2% largely due to the funding costs of £40,000 recognised during 2019-20 regarding the partnership with NMC on the project called Discover. Other costs fell as expected due to an overall reduction in activities within the Trust this year.

#### Reserves

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 2021, the Trust had £90,153 (2020: £82,158) of unrestricted reserves to carry forward, the equivalent of 21 months (2020: 9 months) of the 2020-21 annual expenditure which is well above the target range.

These reserves are being held to support plans for future conferences and events and to develop a program of educational professional development for the sector which is at the core of the ISM Trust's work.

#### Plans for Future Periods

The Trust will continue to offer information to support the sector around key issues such as music education, how to navigate Brexit and the ongoing impact of COVID-19. In particular it will building on the very successful music education conference held in November 2021. The Trust will continue its partnership with NMC Records to support its 'Discover' hub on the newly relaunched NMC website. This partnership is an exciting opportunity to enable the Trust to engage with the composer and contemporary classical community.

#### 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



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DIRECTORS' REPORT  
*FOR THE PERIOD ENDED 31 AUGUST 2021*

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- 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.

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 16 February 2022 and signed on their behalf by:

Deborah Keyser  
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

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I report on the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2021.

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.

Date: 22 February 2022

Amy Healey FCA CTA DChA  
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 2021

	Notes	2021 £	2020 £
Income from:			
Donations and legacies		49,853	86,555
Charitable activities		5,915	5,637
Other trading activities		3,236	5,377
Total income	2	59,004	97,569
Expenditure on:			
Raising funds		2,690	1,725
Charitable activities		48,319	110,402
Total expenditure	3	51,009	112,127
Net expenditure and net movement in funds		7,995	( 14,558)
Reconciliation of funds:			
Total funds brought forward		82,158	96,716
Total funds carried forward		90,153	82,158
All funds are unrestricted.			

INCORPORATED SOCIETY OF MUSICIANS TRUST  
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BALANCE SHEET  
AS AT 31 AUGUST 2021

	Notes	£	2021 £	£	2020 £
Current assets					
Debtors	5	1,780		2,673	
Cash at bank and in hand		119,517		128,048	
		<u>121,297</u>		<u>130,721</u>	
Creditors: amounts falling due within one year	6	<u>( 21,144)</u>		<u>( 28,563)</u>	
Net current assets			100,153		102,158
Creditors: amounts falling due after more than one year	7		<u>( 10,000)</u>		<u>( 20,000)</u>
Total net assets			<u>90,153</u>		<u>82,158</u>
Funds of the charity					
Unrestricted funds			<u>90,153</u>		<u>82,158</u>

For the financial period ended 31 August 2021 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 16 February 2022 and signed by:

Deborah Keyser  
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 2021*

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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

Whilst COVID-19 continues to influence the company's activities, the Trustees have a reasonable expectation that the business will continue as a going concern as it will take action to alleviate the risks caused by reducing future expenditure or by utilising its reserves.

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.

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*FOR THE YEAR ENDED 31 AUGUST 2021*

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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 performed.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Fund that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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 be recovered.

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.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

2 Income

	2021 £	2020 £
Donations and legacies		
Donations from Incorporated Society of Musicians	-	85,000
Other donations	49,853	1,555
	<u>49,853</u>	<u>86,555</u>
Charitable activities		
Professional development fees	5,915	5,637
Other trading activities		
Membership subscriptions	3,236	5,377
	<u>59,004</u>	<u>97,569</u>

3 Expenditure

	2021 Direct costs £	2021 Support costs £	2021 Total costs £	2020 Total costs £
Raising funds				
Membership services	1,476	1,214	2,690	1,725
Charitable activities				
Professional development	18,476	28,225	46,701	68,903
Promotion of the arts	451	1,167	1,618	41,499
	<u>18,927</u>	<u>29,392</u>	<u>48,319</u>	<u>110,402</u>
	<u>20,403</u>	<u>30,606</u>	<u>51,009</u>	<u>112,127</u>

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

3 Expenditure (continued)

	2021	2020
	£	£
Direct costs		
Wages and salaries	9,876	13,661
Employer's national insurance contributions	1,073	1,500
Employer's pension contributions	878	921
Professional development	280	3,613
Membership services	1,007	1,044
Consultancy fees	600	-
Seminars	1,075	4,078
Webinars	5,140	2,116
Advertising	214	1,783
Grants	-	40,000
Other	260	255
	<u>20,403</u>	<u>68,971</u>
	2021	2020
	£	£
Support costs		
Wages and salaries	17,328	20,301
Employer's national insurance contributions	1,963	2,218
Employer's pension contributions	1,619	1,795
Advertising	710	7,778
Computer costs	-	17
Management charges	6,121	7,327
Irrecoverable VAT	561	1,264
Administration	69	275
Governance:	-	
Legal and professional fees	160	156
Independent examiner's fee	2,075	2,025
	<u>30,606</u>	<u>43,156</u>

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



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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 £4,608 (2020: £7,043).

5 Debtors

	2021 £	2020 £
Trade debtors	-	1,294
Prepayments and accrued income	1,780	1,379
	<u>1,780</u>	<u>2,673</u>

6 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	50	-
Grants payable	10,000	20,000
Amounts due to Incorporated Society of Musicians	6,693	3,649
Accruals and deferred income	4,401	4,914
	<u>21,144</u>	<u>28,563</u>

7 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Grants payable	<u>10,000</u>	<u>20,000</u>

The grant commitment totalling £20,000 (2020: £40,000) relates to a sponsorship agreement with NMC Records to support the facilitation of a new digital platform. Funding is being released over a three year period to assist with digital content creation and promotion.

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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 music profession.

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:

	<i>Reserves at 31 August 2021 £</i>	<i>Surplus for the year to 31 August 2021 £</i>
Benevolent Fund of the Incorporate Society of Musicians	<u>4,079,314</u>	<u>308,973</u>

10 Related party transactions

At the balance sheet date, the charity owed £6,693 (2020: £3,649) to the Incorporated Society of Musicians (ISM) in respect of expenses paid on behalf of the charity. Re-charged expenses totalled £38,858 (2020: £47,724), consisting of £6,121 (2020: £7,327) of management costs and £32,737 (2020: £40,397) 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 no donations from the ISM (2020: £85,000).