

Company number: 9296727
Charity number: 1160261

INCORPORATED SOCIETY OF MUSICIANS TRUST

**DIRECTORS' REPORT AND
UNAUDITED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED
31 AUGUST 2023

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

CONTENTS

Legal and Administrative information	1-2
Directors' report	3-7
Independent examiner's report	8-9
Statement of financial activities	10
Balance sheet	11
Notes to the financial statements	12-17

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

LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2023

Directors and Trustees	Vick Bain (Chair) Pauline Black (Chair from 21 April 2023) Dr Marius Carboni Dr Michelle Castelletti Nicolas Chisholm MBE Professor Christopher Collins Dr Kirsty Devaney Dr Paul Edlin Ivor Flint (Treasurer) Professor Stephen Goss Deborah Keyser Eugene Monteith Professor David Smith Nicky Spence Dr Jeremy Huw Williams Bushra El-Turk (appointed 7 December 2022)
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 2023

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
Baker Street
London, W1U 6AT

Solicitors Bates Wells Braithwaite
10 Queen Street Place
London
EC4R 1BE

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

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

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 year ended 31 August 2023. 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 and they 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.

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

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

Professional development was delivered by the ISM Trust through webinars, webcasts, a regional seminar, 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.

Achievements and performance

In the 2022-23 financial year the Trust focused on reacting to significant sector-wide challenges, as well as continuing its work on music education.

We launched the Primary Singing Toolkit in March 2023. This free digital resource, created in partnership with Voices Foundation, was developed from our shared goal of improving music education and the belief in the power of singing and music to change lives. Designed to give non-specialist primary school teachers the confidence and skills to sing with their pupils and teach the foundations of good singing technique, the Toolkit is an online resource made up of 14 videos and seven lesson plans.

Since its launch, the Toolkit has been accessed by over 5,000 users. Users rated the quality of the resource as 4.4/5 (with 5 being excellent). The Primary Singing Toolkit has been shortlisted for Outstanding Music Education Resource at the Music & Drama Education Awards 2024.

All ISM Trust resources were redesigned and rebranded to bring them up to date and in line with the new ISM Trust brand and website. The Teachers' Pack for instrumental and vocal music teachers was rewritten to reflect current best practice, with new sections on setting up as a teacher, managing finances, record keeping and data protection, online teaching and health and wellbeing.

Webinars, seminars and partnerships

A total of ten free webinars were held across the year, attracting 462 live attendees and 2,300 views overall. Webinars included a series of three webinars on the ongoing cost of living crisis – these webinars helped musicians navigate challenging times by learning how to manage money, stay mentally and physically well, and make more money from their music – and in response to the publication of the English National Plan for Music Education in June 2022, we delivered a series of two webinars to help music leads and teachers write their Music Development Plan. Feedback from

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

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

our webinar programme was very positive, with 63% of attendees rating the webinars as excellent.

The Trust continued to offer seminars to schools and music hubs, and Dr Alison Daubney, Greg Daubney and Paul Harris delivered two training sessions on performance anxiety and teaching pedagogy. The Trust continues to work in partnership with organisations from across the music sector, including NMC Recordings and ABRSM.

Future activity

The Trust has a full programme of work planned for 2023-24 building on the organic growth it has experienced since its formation in 2014. The series of free webinars will continue and cover topics such as Music and Social Prescribing, Ofsted: Music in Schools and Tax for Musicians. Following the successful Primary Singing Toolkit launched in March 2023, another major singing resource is planned in conjunction with the Voices Foundation.

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

Overview

During the reporting period, total income grew by 311.0% over the previous year to £70,094 (2022: £17,056) and expenditure grew by 2.8% to £56,926 (2022: £55,349). During the year under review, the Trust generated a surplus of £13,168 (2022: £38,293 deficit) which was higher than the budgeted figure. The ISM Trust derives its income from three main sources: membership subscriptions, income from events, and donations and legacies.

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

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

Income

During the reported period, the Trust's total income was £70,094. The ISM Trust receives nearly all its income through receipt of donations and legacies supplemented by income from membership fees, and its charitable work. Income from **donations and legacies** increased over the course of the year, with £55,897 recognised in the year (2022: £9,973). The ISM provided a donation this year of £50,000 (2022: £Nil) to support the work of the Trust. The Trustees are appreciative to everyone who donated during the reporting period and would like to recognise and express gratitude for legacies from the estates of Marion Russell and Annemauraide Hamilton.

Membership subscriptions income remained consistent with the prior year with £3,752 recognised in the reporting period (2022: £3,330). However, at the year end (August 2023) the number of members had grown to 156 which represents a growth of 12%. During the year in question as part of the ISM Trusts **charitable activities**, a new resource called the Primary Singing Toolkit was launched which was supported by the School Music Association (SMA) leading to sponsorship income of £8,090. This income in addition to income from other professional development activities led to income from charitable activities of £10,445 (2022: £3,753).

Expenditure

Total expenditure for the period amounted to £56,926. Expenditure on **charitable activities** came to £54,216 (2022: £53,689), slightly higher than the prior year and was led by the rebranding of existing resources, the new Primary Singing Toolkit and other professional development activities.

Reserves

The ISM Trust's reserves policy states that normal operating activities should be able to continue for up to 4 months in the event of an income shortfall, while also considering certain risks and contingencies that could occasionally develop. On 31 August 2023, the Trust had £65,028 (2022: £51,860) of unrestricted reserves to carry forward, the equivalent of almost 14 months of the 2022-23 annual expenditure which is well above the target range. The ISM Trust's primary objective is to build an educational professional development programme for the industry; hence these reserves are being held to support plans for upcoming conferences, events, and resources.

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

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

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.

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 19 February 2024 and signed on their behalf by:

Pauline Black
Chairman of the ISM Trust

Deborah Annetts
Chief Executive Officer

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

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

I report to the trustees on my examination of the accounts of the Incorporated Society of Musicians Trust ('the charitable company') for the year ended 31 August 2023.

Responsibilities and basis of report

As the trustees of the charitable 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 charitable 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 the charitable company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the charitable 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).

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

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

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
Lindeyer Francis Ferguson Limited

North House, 198 High Street
Tonbridge
Kent TN9 1BE

Date: 26 February 2024

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

STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)
FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	2022 £
Income from:			
Donations and legacies		55,897	9,973
Charitable activities		10,445	3,753
Other trading activities		3,752	3,330
Total income	2	70,094	17,056
Expenditure on:			
Raising funds		2,710	1,660
Charitable activities		54,216	53,689
Total expenditure	3	56,926	55,349
Net income/(expenditure) and net movement in funds		13,168	(38,293)
Reconciliation of funds:			
Total funds brought forward		51,860	90,153
Total funds carried forward		65,028	51,860

There were no restricted funds in the current nor preceeding period.

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

BALANCE SHEET
AS AT 31 AUGUST 2023

	Notes	£	2023 £	£	2022 £
Current assets					
Debtors	5	251		9,297	
Cash at bank and in hand		74,875		61,494	
		<u>75,126</u>		<u>70,791</u>	
Creditors: amounts falling due within one year	6	(10,098)		(18,931)	
Net current assets			65,028		51,860
Total net assets			<u><u>65,028</u></u>		<u><u>51,860</u></u>
Funds of the charity					
Unrestricted funds			<u><u>65,028</u></u>		<u><u>51,860</u></u>

For the financial period ended 31 August 2023 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 companies subject to the small companies regime.

The financial statements were approved by the trustees on 19 February 2024 and signed by:

Pauline Black
Chairman of the ISM Trust

Deborah Annetts
Chief Executive

Company registration number: 9296727

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 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.

1.3 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.

1.4 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1.4 Income recognition (continued)

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2 Income

	2023	2022
	£	£
Donations and legacies:		
Donations from Incorporated Society of Musicians	50,000	-
Legacy income	5,729	8,500
Other donations	168	1,473
	<u>55,897</u>	<u>9,973</u>
Charitable activities		
Professional development fees	10,445	3,753
Other trading activities		
Membership subscriptions	3,752	3,330
	<u>70,094</u>	<u>17,056</u>
Total income	<u>70,094</u>	<u>17,056</u>

3 Expenditure

	2023	2023	2023	2022
	Direct	Support	Total	Total
	costs	costs	costs	costs
	£	£	£	£
Raising funds				
Membership services	1,694	1,016	2,710	1,661
Charitable activities				
Professional development	28,988	23,451	52,439	51,357
Promotion of the arts	725	1,052	1,777	2,331
	<u>29,713</u>	<u>24,503</u>	<u>54,216</u>	<u>53,688</u>
	<u>31,407</u>	<u>25,519</u>	<u>56,926</u>	<u>55,349</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

3 Expenditure (continued)

	2023	2022
	£	£
Direct costs		
Wages and salaries	14,644	9,304
Employer's national insurance contributions	1,634	1,025
Employer's pension contributions	1,309	862
Professional development	6,248	2,973
Membership services	994	1,410
Consultancy fees	105	-
Seminars	1,042	1,939
Webinars	2,744	1,959
Advertising	2,466	109
Other	221	215
	<u>31,407</u>	<u>19,796</u>
	2023	2022
	£	£
Support costs		
Wages and salaries	11,539	18,021
Employer's national insurance contributions	1,331	2,176
Employer's pension contributions	1,123	1,783
Advertising	1,613	2,880
Management charges	5,884	6,881
Irrecoverable VAT	969	845
Administration	465	123
Governance:		
Legal and professional fees	420	719
Independent examiner's fee	2,175	2,125
	<u>25,519</u>	<u>35,553</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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, the Director of Business Development, the Director of Finance & Facilities and the Head of Charity Development of the ISM. The aggregate amount of employee benefits recharged from ISM in respect of key management was £21,467 (2022: £23,465).

5 Debtors

	2023	2022
	£	£
Trade debtors	-	600
Prepayments and accrued income	251	8,697
	<u>251</u>	<u>9,297</u>

6 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	100	-
Grants payable	-	10,000
Amounts due to Incorporated Society of Musicians	4,122	3,303
Accruals and deferred income	5,876	5,628
	<u>10,098</u>	<u>18,931</u>

7 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8 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

	<i>Reserves at 31 August 2023 £</i>	<i>Surplus for the year to 31 August 2023 £</i>
Benevolent Fund of the Incorporated Society of Musicians	4,674,924	308,269

9 Related party transactions

At the balance sheet date, the charity owed £4,122 (2022: £3,303) to the Incorporated Society of Musicians (ISM) in respect of expenses paid on behalf of the charity. Re-charged expenses totalled £37,463 (2022: £40,052), consisting of £5,882 (2022: £6,881) of management costs and £31,581 (2022: £33,171) for employment costs. During the year, the charity received £50,000 in donations from the ISM (2022: none). 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.