

Charity number 206801

BENEVOLENT FUND OF THE
INCORPORATED SOCIETY OF MUSICIANS
(ISM Members Fund)

TRUSTEE'S REPORT AND UNAUDITED
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 AUGUST 2020

BENEVOLENT FUND OF THE INCORPORATED SOCIETY OF MUSICIANS
(working name “ISM Members Fund”)

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BENEVOLENT FUND OF THE INCORPORATED SOCIETY OF MUSICIANS
(ISM Members Fund)

REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2020

Trustees On 1 October 2015, under a Scheme issued by the Charity Commission, the Incorporated Society of Musicians Trust ('ISM Trust') became the sole corporate Trustee of the ISM Members Fund. The ISM Trust is company number 9296727 and registered charity number 1160261.

The Trustees of the ISM Trust are:-

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)

Charity registered number : 206801

Principal office 4-5 Inverness Mews
London W2 3JQ
This is also the principal office of the ISM Trust.

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REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2020

Independent examiner	Amy Healey FCA CTA DChA Lindeyer Francis Ferguson Limited Chartered Accountants North House 198 High Street Tonbridge Kent TN9 1BE
Bankers	National Westminster Bank Portman Square London W1A 1DW
Solicitors	Bates Wells Braithwaite 10 Queen Street Place London EC4R 1BE
Investment managers	Cazenove Capital Management Ltd 12 Moorgate London EC2R 6DA

BENEVOLENT FUND OF THE INCORPORATED SOCIETY OF MUSICIANS (ISM Members Fund)

TRUSTEE'S REPORT *FOR THE YEAR ENDED 31 AUGUST 2020*

The Trustee presents its annual report together with the financial statements of the Benevolent Fund of the Incorporated Society of Musicians ('the Fund') for the year ended 31 August 2020. The Trustee confirms that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the Fund'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)).

The information set out on pages 1-2 forms part of this report.

Structure, governance and management

The Fund is an unincorporated association which was established on 5 January 1917. It is governed by a Trust Deed which states that the Fund's object is the relief of necessitous members of the Incorporated Society of Musicians ('ISM'), former members and widows or other dependants of deceased members.

By a new Scheme issued by the Charity Commission on 1 October 2015, individual members of ISM Council ceased to be Trustees of the Fund and the Incorporated Society of Musicians Trust (ISM Trust, a charitable company limited by guarantee), of which the ISM is the sole member, 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". The ISM staff administering the Fund were Deborah Annetts (Chief Executive), Sabrina Taylor (Head of Finance) and Sarah Osborn (Head of Business Development). The work of the Fund was also supported by the Senior Leadership Team and the Trustee.

Objectives and activities

The Trustee had due regard to the Charity Commission's guidance on public benefit when setting objectives and planning activities.

The Fund continued to implement the new strategy agreed by the Trustee in June 2018 following a review of its activities in March 2017 and the subsequent amendments to its objects that were approved by the Charity Commission in December 2017. The Fund now focuses on delivering services and resources that support physical, mental, and financial health. The first of three new services, the addition of face-to-face counselling and cognitive behavioural therapy to enhance the existing 24-hour personal support and advice line, launched in July 2019.

The second, a physiotherapy service to rehabilitate musculoskeletal injuries, launched as a pilot service in November 2019. The intended launch of a service to support hearing health was postponed as a result of the COVID-19 pandemic. The Trustee was mindful of the pandemic during the latter part of the financial year and

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TRUSTEE'S REPORT *FOR THE YEAR ENDED 31 AUGUST 2020*

made sure that the services being delivered were aligned to the developing needs of ISM beneficiaries while at the same time being in line with the Fund's objectives.

The Fund continued to provide assistance to regular grant recipients throughout the year.

ACHIEVEMENTS AND PERFORMANCE

During the year, the Fund offered assistance to relieve a wide range of issues relating to poverty.

In total, 20 individuals (2019: 30) received assistance by way of charitable grants. Also, there were times when applicants to the Fund were signposted to other sources of help, such as medical support, debt advice, welfare benefits, and other charities.

The Fund continued to provide an outsourced 24-hour personal advice and support telephone helpline available to all ISM members and their dependants. The number of people accessing the service increased by 46% compared to the previous year. This includes 43 people who received counselling sessions either face-to-face, by telephone, or online over the course of the year.

A total of 31 people used the physiotherapy service across the year of which 8 received treatment through face to face physiotherapy sessions and a further 23 were provided with a bespoke programme to self-manage their injury which was supplemented by telephone support.

FINANCIAL REVIEW

During the reporting period, total income fell by 14.3% over the previous year to £135,364 (2019: £157,918) and expenditure grew by 4.9% to £146,934 (2019: £140,113). During the year under review, the Fund generated a deficit of £11,570 (2019: a surplus of £17,805) before realised and unrealised gains/losses on the revaluation of investments. The net losses on investments were £245,575 (2019: £105,458) due to the markets having a very turbulent period in the last 6 months of the financial year. This led to the financial year yielding a deficit after investment losses of £257,145 (2019: £87,653).

Donations and legacies

The Trustee acknowledges with thanks a legacy to the Fund from the estate of the late Anne Allan. Total donations and legacies received during the year were £2,306 (2019: £7,335). The Trustee is most grateful to all the individuals who made donations or organised fundraising initiatives.

BENEVOLENT FUND OF THE INCORPORATED SOCIETY OF MUSICIANS
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TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

Investments

The investment objective is to maintain and increase real capital value whilst generating sufficient income to cover the Fund's current expenditure. During the financial year, the COVID-19 outbreak and resulting measures taken by various governments to contain the virus negatively affected the economy and subsequently, our investment income fell in the last 6 months of the financial year. During the year, the value of the Fund's investments fell by 6.8% to £3.59million in line with general market trends and these investments generated income of £133,058 (2019: £150,583). The portfolio is expected however to recover over the long-term.

Charitable activities

Expenditure on direct charitable activities increased by £10,294 to £131,177, an increase of 15.5% largely due to the introduction of new services. Following on from the launch of a new face-to-face counselling service and Cognitive Behavioural Therapy (CBT) service in the previous financial year the Fund also launched a new physiotherapy service for our beneficiaries.

During the year, the Fund spent £36,044 (2019: £58,346) on grants to individuals. £36,863 (2019: £8,262) on counselling services and £3,995 (2019: £0) on physiotherapy services.

Support costs concerning charitable activities were reduced by £2,755, 4.8% during the reporting period.

Reserves

The Fund's Reserves Policy is to maintain a sufficient level of free reserves to enable normal operating activities to continue over a period of up to 6 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, these free reserves totalled £183,511 (2019: £179,125), the equivalent of 15 months (2019: 15 months) of the Fund's annual expenditure, which is well above the target range and sufficient enough to support the future plans of the Fund.

The total funds held as of 31 August 2020 were £3.77million (2019: £4.03million). Of these funds, £396,336 (2019: £425,211) were held in an expendable endowment fund and £3.15million (2019: £3.38million) in funds held for restricted purposes in our permanent endowment. The remaining unrestricted funds amount to £223,167 (2019: £221,883).

Post Balance Sheet Events

At the date of writing the Trustee report there has been a significant increase in value of our investment portfolio of approximately £200,000 because of signs of economic recovery from the COVID-19 pandemic in the stock market.

BENEVOLENT FUND OF THE INCORPORATED SOCIETY OF MUSICIANS (ISM Members Fund)

TRUSTEE'S REPORT *FOR THE YEAR ENDED 31 AUGUST 2020*

Compliance

The Fund is registered as a data controller in its own right at the Information Commissioner's Office (ICO). All ISM staff working on Fund 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. While the Fund's activities are, in general, not subject to any statutory requirements under data protection law to undertake data protection impact assessments (DPIAs), we undertook some DPIAs in relation to the new services introduced by the Fund, as part of our commitment to best practice. Where necessary we also created tailored fair processing notices for users of our services to ensure fairness and transparency of our processing of any personal information. The Fund continued to be registered with the Fundraising Regulator as part of our commitment to best practice and transparency in fundraising. New Trustees to the ISM Trust who constitute the Trustee received guidance in relation to trustee duties and charity governance during the course of the year.

Plans for future periods

The COVID-19 pandemic has severely impacted the music profession. As a result, the Fund has paused work on the pilot hearing health scheme in order to re-orientate its focus towards providing support through the crisis. It will distribute hardship grants to those in most need through a partnership with Help Musicians. A number of resources to support the prevention of poverty will also be produced.

Plans to develop and enhance the website remain in place.

Trustee's Responsibilities Statement

The Trustee is responsible for preparing the Trustee's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustee is 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.

BENEVOLENT FUND OF THE INCORPORATED SOCIETY OF MUSICIANS
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TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustee is responsible for keeping proper 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the

Trust Deed. It is 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 was approved by the Trustees of the ISM Trust acting on behalf of the Trust as the Fund's sole corporate Trustee on 12 February 2021 and signed on their behalf by:

Professor Christopher Collins
Chairman of the ISM Trust

Deborah Annetts
Chief Executive Officer

BENEVOLENT FUND OF THE INCORPORATED SOCIETY OF MUSICIANS
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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

I report to the Trustee on my examination of the accounts of the Benevolent Fund of the Incorporated Society of Musicians (the Fund) for the year ended 31 August 2020.

Responsibilities and basis of report

As the charity Trustee of the Fund you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Fund's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the Fund as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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
Chartered Accountants
North House
198 High Street
Tonbridge
Kent TB9 1BE

1 March 2021

BENEVOLENT FUND OF THE INCORPORATED SOCIETY OF MUSICIANS
(ISM Members Fund)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	<i>Unrestricted funds 2020 £</i>	<i>Expendable endowment 2020 £</i>	<i>Permanent endowment 2020 £</i>	<i>Total funds 2020 £</i>	<i>Total funds 2019 £</i>
Income from:						
Donations and legacies		2,306	-	-	2,306	7,335
Investments		133,058	-	-	133,058	150,583
Total income		135,364	-	-	135,364	157,918
Expenditure on:						
Raising funds						
Investment management fees		175	1,741	13,841	15,757	16,474
Charitable activities	2	131,177	-	-	131,177	123,639
Total expenditure		131,352	1,741	13,841	146,934	140,113
Net (expenditure)/ income		4,012	(1,741)	(13,841)	(11,570)	17,805
Net losses on investments		(2,729)	(27,134)	(215,712)	(245,575)	(105,458)
Net movement in funds		1,283	(28,875)	(229,553)	(257,145)	(87,653)
Reconciliation of funds						
Total funds brought forward		221,884	425,211	3,380,391	4,027,486	4,115,139
Total funds carried forward		223,167	396,336	3,150,838	3,770,341	4,027,486

There were no restricted funds in the current or preceding periods.

BENEVOLENT FUND OF THE INCORPORATED SOCIETY OF MUSICIANS
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BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	£	2020 £	£	2019 £
Fixed assets					
Investments	4		3,586,830		3,848,361
Current assets					
Debtors: prepayments and accrued income		3,378		9,009	
Cash at bank		188,522		180,196	
		<u>191,900</u>		<u>189,205</u>	
Creditors: amounts falling due within one year	5	(8,389)		(10,080)	
		<u></u>		<u></u>	
Net current assets			183,511		179,125
			<u></u>		<u></u>
Total net assets			<u>3,770,341</u>		<u>4,027,486</u>
The funds of the charity					
Endowment funds					
Expendable endowment			396,336		425,211
Permanent endowment			3,150,838		3,380,392
			<u>3,547,174</u>		<u>3,805,603</u>
Unrestricted funds			223,167		221,883
			<u></u>		<u></u>
Total funds	6		<u>3,770,341</u>		<u>4,027,486</u>

The financial statements were approved by the trustees of the ISM Trust acting on behalf of the Trust as the Fund's sole corporate Trustee on 12 February 2021 and signed on their behalf by:

Chris Collins
Chair of the ISM Trust

Deborah Annetts
Chief Executive

BENEVOLENT FUND OF THE INCORPORATED SOCIETY OF MUSICIANS
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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 under the historical cost convention, as modified by the revaluation of investments, and 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 Charities Act 2011.

Benevolent Fund of the Incorporated Society of Musicians 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). The financial statements are presented in pounds sterling and rounded to the nearest pound.

There are no material uncertainties about the charity's ability to continue, and so the going concern basis of accounting has been adopted.

1.2 Going concern

The trustee have considered the effect of the COVID-19 outbreak on the charity's activities. Although the outbreak has caused some disruption to the charity, the trustees do not believe that this will be significant, they have a reasonable expectation that the charity will continue as a going concern as it will take action to mitigate the risks caused by Covid-19 by reducing future expenditure.

1.3 Status

The Benevolent Fund of Incorporated Society of Musicians is an unincorporated charity governed by a Trust Deed and is registered with the Charity Commission for England and Wales. The address of the registered office is 4-5 Inverness Mews, London, W2 3JQ.

1.4 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. For donations this is usually on receipt. Legacies are recognised when probate is granted, the executor for the estate has established that there are sufficient assets after settling liabilities and any conditions attached to the legacy have been met. Investment income is recognised when it is receivable.

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

1 Accounting policies continued

1.5 Expenditure

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.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Fund. 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 Fund.

1.6 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured that their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

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 measured at their settlement value.

1.8 Fund accounting

The permanent endowment fund is the capital of the members fund and must be held permanently.

The expendable endowment consists of funds currently held as capital of the members fund. However the Trustee has discretion over the use of the funds and these can be expended if required.

Unrestricted funds are those funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the charity and which have not been designated for other purposes.

2 Charitable activities

	2020	2019
	£	£
Supporting physical, mental, and financial health:		
Grants to individuals	36,044	58,346
Counselling helpline costs	36,863	8,262
Physiotherapy	3,995	-
Support costs (see below)	54,275	57,031
	<u>131,177</u>	<u>123,639</u>

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

2 Charitable activities continued

	2020 £	2019 £
Support costs are made up as follows:		
Management charges	39,925	41,132
Other costs	8,517	5,585
Governance costs:		
Legal fees	3,403	7,944
Independent examination fees	2,430	2,370
	<u>54,275</u>	<u>57,031</u>

All grants are for the relief and prevention of poverty amongst ISM (Incorporated Society of Musicians) members and the dependents of deceased members. During the year, the charity made grants to 20 individuals (2019: 30). All support costs are considered to relate to the grant making

All expenditure on charitable activities in 2019 was unrestricted.

3 Staff and Trustee costs

The members' fund has no employees earning more than £60,000 (2019: none). No Trustee received any remuneration during the year and one Trustee received reimbursed travel expenses during the year of £12 (2019: none).

The key management of the charity includes the Trustee, the ISM Chief Executive, the ISM Head of Business Development and the ISM Head of Finance & Facilities. The aggregate amount of remuneration recharged from ISM in respect of key management was £20,756 (2019: £20,063). Other staff costs have also been recharged from ISM, and there were no members of staff engaged in the members' fund's activities other than those recharged from ISM (2019: none).

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

4 Investments

	2020 £	2019 £
Listed investments		
Market value at 1 September 2019	3,848,361	3,970,289
Additions at cost	1,813,259	358,319
Disposals at carrying value	(1,777,156)	(426,535)
Movements in cash capital account	(52,060)	51,746
Change in market value	(245,574)	(105,458)
Market value at 31 August 2020	3,586,830	3,848,361

At the balance sheet date no cash cash was held within the investment portfolio (2019: £52,060).

5 Creditors due within one year

	2020 £	2019 £
Trade creditors	-	1,728
Accruals	5,722	5,795
Amount due to the Incorporated Society of Musicians	2,667	2,557
	8,389	10,080

6 Analysis of net assets between funds - current year

	Unrestricted funds 2020 £	Expendable endowment 2020 £	Permanent endowment 2020 £	Total funds 2020 £
Investments	39,656	396,336	3,150,838	3,586,830
Net current assets	183,511	-	-	183,511
	223,167	396,336	3,150,838	3,770,341

BENEVOLENT FUND OF THE INCORPORATED SOCIETY OF MUSICIANS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6 Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2019 £</i>	<i>Expendable endowment 2019 £</i>	<i>Permanent endowment 2019 £</i>	<i>Total funds 2019 £</i>
Investments	42,758	425,211	3,380,392	3,848,361
Net current assets	179,125	-	-	179,125
	<u>221,883</u>	<u>425,211</u>	<u>3,380,392</u>	<u>4,027,486</u>

7 Control

The parent charity is the Incorporated Society of Musicians Trust, a charitable company limited by guarantee and registered in England and Wales (registered number - 9296727, charity number - 1160261). The Incorporated Society of Musicians Trust provides education and professional development for those involved in the arts and particularly music.

8 Related party transactions

At the balance sheet date, the charity owed £2,667, including VAT, (2019: £2,557) to the Incorporated Society of Musicians (ISM) in respect of expenses paid on behalf of the charity. Re-charged expenses totalled £39,925, including VAT, (2019: £41,132) and relate to salary costs and management charges reflecting time spent on Benevolent Fund of the Incorporated Society of Musicians by the staff at ISM. The ISM is considered to be a related party as it is the sole member of