

Charity number 206801

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

**TRUSTEE'S REPORT AND AUDITED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED
31 AUGUST 2023

BENEVOLENT FUND OF THE INCORPORATED SOCIETY OF MUSICIANS
(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 2023**

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:

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)

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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Independent auditors	Amy Healey FCA CTA DChA Lindeyer Francis Ferguson Limited Chartered Accountants North House 198 High Street Tonbridge Kent TN9 1BE
Bankers	National Westminster Bank Baker Street London, W1U 6AT
Solicitors	Bates Wells Braithwaite 10 Queen Street Place London EC4R 1BE
Investment managers	Cazenove Capital Management Ltd 12 Moorgate London EC2R 6DA

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TRUSTEE'S REPORT *FOR THE YEAR ENDED 31 AUGUST 2023*

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 2023. 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 dependents 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 (Director of Finance and Facilities), Sarah Osborn (Director of Business Development and Deputy CEO) and Ruth McPherson (Head of Charity Development). The work of the Fund was also supported by the Senior Leadership Team and the Trustee.

Achievements and performance

2022-23 was a challenging year for the music sector. Many musicians continued to face financial and emotional pressure as a result of the cost of living crisis and additional challenges including cuts to arts funding, job losses, venue closures, the ongoing impact of COVID-19 and Brexit.

The ISM Members Fund has a unique role to play in supporting ISM members through challenges, while fulfilling its objects to prevent poverty and advance health. In this financial year, we focused on improving our counselling services, broadening our financial wellbeing support, and expanding our physical health

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services offer.

Counselling and financial wellbeing support

The Fund's counselling and advice services, including a 24-hour confidential adviceline, structured counselling and CBT (Cognitive Behavioural Therapy) saw a 12% increase in usage with 611 interactions in 2022-23. The number of structured counselling cases also rose significantly from 27 in 21-22 to 83 in 22-23.

We expanded our mental health offering in January 2023, providing members access to a new digital wellbeing resource, Well Online, and a live chat function.

Members can now access a new financial advice service to help manage their finances. By calling our 24-hour confidential adviceline, members can speak to experienced financial advisors who can offer guidance on topics including managing debt, budgeting, borrowing, investments and savings, pensions and banking.

Physiotherapy

The Fund's physiotherapy scheme offers ISM members quick, expert intervention for muscle and joint problems. In this financial year, a total of 53 referrals were made to the service, a 17% increase on the previous year.

Hearing health

On World Hearing Day 2023, the ISM Members Fund became a partner in the Musicians' Hearing Health Scheme from Help Musicians. We are delighted to be part of this ground-breaking scheme.

Joining the scheme has given ISM members discounted access to:

- audiological assessment from a specialist in musicians' hearing
- a set of custom-made ear plugs
- expert advice on referral routes and next steps to manage problems
- the option of wax removal

Demand has been high for the scheme, with 188 ISM members applying since launch, and feedback has been very positive.

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TRUSTEE'S REPORT FOR THE YEAR ENDED 31 AUGUST 2023

Webinars

In 2022-2023 we ran two ISM Members Fund webinars for ISM members, which attracted 57 live attendees and 280 views overall.

The first webinar, in partnership with The Money Charity, focused on pensions following several requests for advice on this topic. And the second webinar, in partnership with Help Musicians and Musicians' Hearing Services, focused on hearing health with the aim of raising awareness of the importance of protecting your hearing health and preventing noise-induced hearing loss.

Financial Review

Overview

The Fund experienced another successful financial year, thanks in part to a high level of legacy income. With increased income and expenditure control, the financial result for the year was a surplus of £471,779 (2022: £130,099) before realised and unrealised gains from investment revaluations. The net investment losses were £163,510 (2022: gains of £157,242), resulting in a financial year surplus of £308,269 (2022: £287,341).

Income

The Fund's total income was £582,489 in the year, which was 143.6% up on the previous year. The largest proportion of the Fund's income came from **donations and legacies** with £408,763 (2022: £127,236) being received over the course of the year. We are immensely grateful for the support of our members and donors during 2022-23. The Trustee acknowledges with thanks the following legacies received during the financial year from the following estates:

- Percy J Wright
- Michael Pointon

Income from the Fund's **investment** portfolio increased to £173,726 (2022: £111,930), a 55.2% increase over the previous financial year, owing primarily to a shift in our investment strategy implemented the prior year. We also reinvested more cash reserves back into our portfolio, which we were able to accomplish due to strong levels of legacy income during the previous two years.

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TRUSTEE'S REPORT FOR THE YEAR ENDED 31 AUGUST 2023

Expenditure

Financial costs and performance were monitored monthly by the Senior Leadership Team and quarterly by the Trustee. The Fund's total expenditure was £110,710 in the year, which was 1.5% higher on the previous year. Expenditure on charitable activities came to £103,505 (2022: £94,026).

The Fund continued to support a few long-standing members with **grants** which amounted to £7,230 (2022: £10,450) over the year. Other **direct costs** incurred in relation to supporting the physical, mental, and financial health of our beneficiaries amounted to £54,566 (2022: £46,630). During the financial year the ISM Members Fund became a partner in the Musicians' Hearing Health Scheme from Help Musicians and expanded its counselling service which both led to these increased costs.

Support costs incurred concerning the charitable activities were increased by £4,763, 12.9% during the reporting period.

Investments

The market value of investment assets at the year-end was £4.00 million (2022: £4.04 million) which equates to a fall of £37,108, 0.9%. We saw a decrease in the value of our investments last year due to a very turbulent stock market fuelled by high inflation levels, recession fears and an ongoing conflict in the Ukraine. The overall objective of the Fund's portfolio has been consistent: to maintain and increase the real capital value whilst generating sufficient income to cover the Fund's current expenditure.

The Members Fund adopts a total return strategy to its investments, giving it more freedom to use the portfolio to fulfil spending needs. Dividends are transferred to the unrestricted fund to meet costs associated with our charity initiatives, and funding requirements are assessed periodically throughout the year. The Fund's portfolio has an explicit responsible investment policy which screens out areas of concern and integrates environmental, social and governance analysis as a fundamental part of its selection process.

Reserves

The Fund's reserves policy is designed to reflect the fundamental risks it faces and ensure that there are an adequate number of reserves.

The Fund's Reserves Policy is to maintain a sufficient level of free reserves to enable normal operating

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TRUSTEE'S REPORT *FOR THE YEAR ENDED 31 AUGUST 2023*

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 2023, these free reserves totalled £670,329 (2022: £324,952), the equivalent of 72 months (2022: 36 months) of the Fund's annual expenditure, which is well above the target range and is with thanks to the high number of legacies received during the year. Due to the high level of free reserves at year end additional funds have now been invested into our investment portfolio and the remaining free reserves will be reinvested in the charity and used to deliver services in the next financial year.

The total funds held as of 31 August 2023 were £4.67 million (2022: £4.37 million).

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. 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.

Future plans

In the upcoming financial year, we plan to run a health and wellbeing marketing campaign to raise awareness of Fund services amongst the ISM membership and to attract new members to the ISM. This will help us to increase the reach and impact of the Fund.

The Fund will evaluate the physiotherapy service to understand how successful it has been, looking at quality and outcomes, with a view to continuing and improving the service over the long term. We plan to extend the Musicians' Hearing Health Scheme to ISM student members, so that they can access discounted hearing health support, including bespoke hearing protection.

As one of the Fund's objects is to alleviate and prevent poverty, we aim to consolidate and expand our financial resources so that we can provide members with the information they need to avoid slipping into poverty and to intervene early to prevent financial problems from occurring.

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We will also survey the ISM membership in the next financial year to see what other services and resources the Fund could usefully offer to members within its objects.

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.

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 19 February 2024 and signed on their behalf by:

Pauline Black
Chairman of the ISM Trust

Deborah Annetts
Chief Executive Officer

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

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE BENEVOLENT FUND OF THE INCORPORATED SOCIETY OF MUSICIANS

Opinion

We have audited the financial statements of the Benevolent Fund of The Incorporated Society of Musicians for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis of opinion

We have conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or

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- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE BENEVOLENT FUND OF THE INCORPORATED SOCIETY OF MUSICIANS

We obtained an understanding of the legal and regulatory framework applicable to the charity, and the procedures that management adopt to ensure compliance. We have considered the extent to which non-compliance might have a material effect on the financial statements, and in particular we identified FRS102, the Charities Act 2011 and the Charities SORP.

We have also identified other laws and regulations that do not have a direct effect on the amounts or disclosures within the financial statements, but for which compliance is fundamental to the charity's operations and to avoid material penalties, including the General Data Protection Regulation.

Having reviewed the laws and regulations applicable to the charity, we designed and performed audit procedures to obtain sufficient appropriate audit evidence. Specifically, we:

- Selected a team with sector experience to perform the audit;
- Obtained an understanding of the charity's procedures for ensuring compliance with laws and regulations;
- Obtained and reviewed internal policy and procedure documents;
- Made enquiries of management and the trustees regarding whether they were aware of any actual or suspected incidences of non-compliance with laws and regulations;
- Obtained and reviewed meeting minutes;
- Obtained and reviewed correspondence with the regulator;
- Reviewed legal expenses accounts for indications of any possible non-compliance; and
- Reviewed the completeness and accuracy of any disclosures made in the financial statements.

We assessed the susceptibility of the charity's financial statements to material misstatement, including considering how fraud might occur. This was performed by:

- Making an assessment of the charity's control environment, systems and controls including identifying any weaknesses and considering the risk of management override of controls;
- Assessing the susceptibility of the charity's financial statements to material misstatement, including considering how fraud could occur;
- Considering whether there are any incentives or opportunities for management to manipulate financial results;
- Obtaining and evaluating the trustees' assessment of the risk of fraud, and enquiring as to whether they are aware of any actual or suspected incidences of fraud;
- Reviewing the accounting policies and accounting estimates for signs of management bias; and

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- Identifying key risks relating to irregularities as relating to the completeness of income, the recognition of legacies, and management override of controls.

We then designed audit procedures in response to the risks identified, including substantive testing on all material income streams, review of all correspondence in relation to legacies including post year end review, and review of journal entries, estimates and judgements.

The audit has been planned and performed in accordance with auditing standards, however, because of the inherent limitations of audit procedures there remains a risk that we will not detect all irregularities, including those that may lead to material misstatements in the financial statements. There are inherent difficulties in detecting irregularities, and irregularities that result from fraud may be more difficult to detect than irregularities that result from error, for example due to concealment, override of controls, collusion or misrepresentations. In addition, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less audit procedures are able to identify it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other Matters

The prior period financial statements and the corresponding comparative figures included within these financial statements were not audited.

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Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Lindeyer Francis Ferguson Limited

Chartered Accountants

Statutory Auditor

Date: 26 February 2024

North House

198 High Street

Tonbridge

Kent TN9 1BE

BENEVOLENT FUND OF THE INCORPORATED SOCIETY OF MUSICIANS
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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted funds 2023 £	Expendable endowment 2023 £	Permanent endowment 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and legacies	2	408,763	-	-	408,763	127,236
Investments		3,429	-	170,297	173,726	111,930
Total income		412,192	-	170,297	582,489	239,166
Expenditure on:						
Investment management fees		72	577	6,556	7,205	15,041
Charitable activities	3	103,505	-	-	103,505	94,026
Total expenditure		103,577	577	6,556	110,710	109,067
Net (losses)/gains on investments	5	(1,635)	(13,081)	(148,794)	(163,510)	157,242
Net income		306,980	(13,658)	14,947	308,269	287,341
Transfers	7	38,897	131,400	(170,297)	-	-
Net movement in funds		345,877	117,742	(155,350)	308,269	287,341
Reconciliation of funds						
Total funds brought forward		365,621	323,743	3,677,291	4,366,655	4,079,314
Total funds carried forward		711,498	441,485	3,521,941	4,674,924	4,366,655

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

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BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023	2022
		£	£
Fixed assets			
Investments	5	4,004,595	4,041,703
Current assets			
Debtors: prepayments and accrued income		202,889	3,325
Cash at bank		477,095	329,070
		<u>679,984</u>	<u>332,395</u>
Creditors: amounts falling due within one year	6	<u>(9,655)</u>	<u>(7,443)</u>
Net current assets		670,329	324,952
Total net assets		<u>4,674,924</u>	<u>4,366,655</u>
The funds of the charity			
Endowment funds			
Expendable endowment		441,485	323,743
Permanent endowment	9	3,521,941	3,677,291
		<u>3,963,426</u>	<u>4,001,034</u>
Unrestricted funds		711,498	365,621
Total funds	7	<u>4,674,924</u>	<u>4,366,655</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 19 February 2024 and signed on their behalf by:

Pauline Black
Chair of the ISM Trust

Deborah Annetts
Chief Executive

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash used in operating activities	A	100,701	10,627
Cash flows from investing activities:			
Dividends and interest from investments		173,726	111,930
Purchase of investments		(140,475)	(4,199,834)
Proceeds from sale of investments		14,073	3,986,557
Net cash provided by investing activities		47,324	(101,347)
Change in cash and cash equivalents for the year		148,025	(90,720)
Cash and cash equivalents at the beginning of the year		329,070	419,790
Cash and cash equivalents at the end of the year		477,095	329,070
A. Reconciliation of net surplus to net cash flow from operating activities			
Net income		308,269	287,341
<i>As per statement of financial activities</i>			
Adjustments for:			
Losses / (gains) on investments		163,510	(157,242)
Dividends and interest from investments		(173,726)	(111,930)
(Increase) / decrease in debtors		(199,564)	28
Increase / (decrease) in creditors		2,212	(7,570)
Net cash provided by operating activities		100,701	10,627

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NOTES TO THE FINANCIAL STATEMENTS

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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 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.

1.3 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. Investment income is recognised when it is receivable.

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.

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(ISM Members Fund)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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 beneficiaries 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 at 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 Other 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 permanent endowment fund holds investments on the total return basis, whereby the endowment includes both the value of the original gifts, and the unapplied total return.

The trustees of the charity can decide to release amounts from the unapplied total return to unrestricted income on a discretionary basis. This allocation is made by balancing the need for income to meet current requirements against the need to hold funds as part of the endowment to produce investment returns for the future.

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.

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

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

2 Income from donations and legacies

	2023	2022
	£	£
Donations	5,045	885
Legacies	403,718	126,351
	<u>408,763</u>	<u>127,236</u>

3 Charitable activities

	2023	2022
	£	£
Supporting physical, mental, and financial health:		
Grants to individuals	7,230	10,450
Counselling helpline costs	45,389	39,185
Resources	720	60
Hearing Health Scheme	800	-
Physiotherapy	7,657	7,385
Support costs (see below)	41,709	36,946
	<u>103,505</u>	<u>94,026</u>

	2023	2022
	£	£
Support costs are made up as follows:		
Management charges	36,595	29,707
Other costs	524	1,927
Governance costs:		
Legal fees	90	2,762
Independent examination fees	-	2,550
Audit fees	4,500	-
	<u>41,709</u>	<u>36,946</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 4 individuals (2022: 7 individuals).

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

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

4 Staff and Trustee costs

The members' fund has no employees, and therefore none earning more than £60,000 (2022: none). The Trustee (and its Trustees) did not receive any remuneration during the year in regards to the Fund, and the Trustee (and its Trustees) did not receive reimbursed expenses during the year.

The key management of the charity includes the Trustee, the ISM Chief Executive, the ISM Director of Business Development, the ISM Director of Finance & Facilities and the Head of Charity Development. The aggregate amount of remuneration recharged from ISM in respect of key management was £27,617 (2022: £16,609). 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 (2022: none).

5 Investments

	2023	2022
	£	£
Listed investments		
Market value at 1 September 2022	4,041,703	3,836,638
Additions at cost	140,475	4,199,834
Disposals at carrying value	(14,518)	(3,942,544)
Movements in cash capital account	-	(165,454)
Unrealised change in market value	(163,065)	113,229
	<u>4,004,595</u>	<u>4,041,703</u>
Market value at 31 August 2023	<u>4,004,595</u>	<u>4,041,703</u>

At the balance sheet date no cash was held within the investment portfolio (2022: £nil).

Realised losses in the period were £445 (2022: gains £44,014).

6 Creditors due within one year

	2023	2022
	£	£
Trade creditors	188	-
Accruals	6,996	5,133
Amount due to the Incorporated Society of Musicians	2,471	2,310
	<u>9,655</u>	<u>7,443</u>
	<u>9,655</u>	<u>7,443</u>

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

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

6 Statement of movement in funds

	<i>Brought forward £</i>	<i>Net Movement £</i>	<i>Transfers £</i>	<i>Carried forward £</i>
<i>Current year:</i>				
Unrestricted funds	365,621	306,980	38,897	711,498
Expendable Endowment	323,743	(13,658)	131,400	441,485
Permanent Endowment	3,677,291	14,947	(170,297)	3,521,941
Total	<u>4,366,655</u>	<u>308,269</u>	<u>-</u>	<u>4,674,924</u>
	<i>Brought forward £</i>	<i>Net Movement £</i>	<i>Transfers £</i>	<i>Carried forward £</i>
<i>Prior year:</i>				
Unrestricted funds	218,822	43,352	103,447	365,621
Expendable Endowment	314,625	9,118	-	323,743
Permanent Endowment	3,545,867	234,871	(103,447)	3,677,291
Total	<u>4,079,314</u>	<u>287,341</u>	<u>-</u>	<u>4,366,655</u>

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

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

7 Analysis of net assets between funds

	<i>Unrestricted funds 2023 £</i>	<i>Expendable endowment 2023 £</i>	<i>Permanent endowment 2023 £</i>	<i>Total funds 2023 £</i>
<i>Current year:</i>				
Investments	41,169	441,485	3,521,941	4,004,595
Net current assets	670,329	-	-	670,329
	<u>711,498</u>	<u>441,485</u>	<u>3,521,941</u>	<u>4,674,924</u>
	<i>Unrestricted funds 2022 £</i>	<i>Expendable endowment 2022 £</i>	<i>Permanent endowment 2022 £</i>	<i>Total funds 2022 £</i>
<i>Prior year:</i>				
Investments	40,669	323,743	3,677,291	4,041,703
Net current assets	324,952	-	-	324,952
	<u>365,621</u>	<u>323,743</u>	<u>3,677,291</u>	<u>4,366,655</u>

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

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

8 Permanent endowment total return

	<i>Trust for Investment 2023 £</i>	<i>Unapplied Total Return 2023 £</i>	<i>Total funds 2023 £</i>
Current year:			
At the beginning of the reporting period:			
Trust for investment	2,713,786	-	2,713,786
Unapplied total return	-	963,505	963,505
	<u>2,713,786</u>	<u>963,505</u>	<u>3,677,291</u>
Movements in the reporting period:			
Investment returns: income	-	170,297	170,297
Investment returns: realised and unrealised gains	-	(148,794)	(148,794)
Less: Investment management costs	-	(6,556)	(6,556)
	<u>-</u>	<u>14,947</u>	<u>14,947</u>
Unapplied total return allocated to income in the reporting period	-	(170,297)	(170,297)
Net movement in the reporting period	<u>-</u>	<u>(155,350)</u>	<u>(155,350)</u>
At the end of the reporting period:			
Trust for investment	2,713,786	-	2,713,786
Unapplied total return	-	808,155	808,155
	<u>2,713,786</u>	<u>808,155</u>	<u>3,521,941</u>

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

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

8 Permanent endowment total return continued

	<i>Trust for Investment 2022 £</i>	<i>Unapplied Total Return 2022 £</i>	<i>Total funds 2022 £</i>
Prior year:			
At the beginning of the reporting period:			
Trust for investment	2,713,786	-	2,713,786
Unapplied total return	-	832,081	832,081
	<u>2,713,786</u>	<u>832,081</u>	<u>3,545,867</u>
Movements in the reporting period:			
Investment returns: income	-	103,447	103,447
Investment returns: realised and unrealised gains	-	145,325	145,325
Less: Investment management costs	-	(13,901)	(13,901)
	<u>-</u>	<u>234,871</u>	<u>234,871</u>
Unapplied total return allocated to income in the reporting period	-	(103,447)	(103,447)
	<u>-</u>	<u>131,424</u>	<u>131,424</u>
Net movement in the reporting period			
At the end of the reporting period:			
Trust for investment	2,713,786	-	2,713,786
Unapplied total return	-	963,505	963,505
	<u>2,713,786</u>	<u>963,505</u>	<u>3,677,291</u>

9 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
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10 Related party transactions

At the balance sheet date, the charity owed £2,975, including VAT, (2022: £2,310) to the Incorporated Society of Musicians (ISM) in respect of expenses paid on behalf of the charity. Re-charged expenses totalled £36,595, including VAT, (2022: £29,707) 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 the charity's corporate trustee.

11 Contingent asset and post balance sheet event

At the balance sheet date, the charity was on notice that it was due to receive a residuary legacy, however the amount receivable could not be reliably estimated. Therefore, the legacy income has not been accrued. Subsequent to the balance sheet date, the charity has received settlement of the legacy in the amount of £7,886.