



ST MARY'S MUSIC SCHOOL TRUST LIMITED
CONSOLIDATED REPORT and ACCOUNTS
For the year ended 31 July 2019

ST MARY'S MUSIC SCHOOL TRUST LIMITED

REFERENCE and ADMINISTRATIVE INFORMATION

Company Number SC054504
Registered Charity Number SC014611
Registered Office Coates Hall
25 Grosvenor Crescent
Edinburgh
EH12 5EL

Directors

The following Directors served during the year:

Chair	Jo Elliot*	
	William Moyes	Resigned 16 Nov 2018
Vice Chair	Graham Burnside*	
	Joanne Buckley	Appointed 19 Mar 2019
	James Cook	
	John Conway	
	Katrina Heathcote	
	Alistair Hector	
	Gavin Gemmell, CBE	Resigned 17 Dec 2018
	John Reid	Appointed 19 Mar 2019
	Neil Short	
	Christian Torkington	Resigned 17 Dec 2018

* On 17 December 2018 Jo Elliot was appointed as Chair (previously Vice Chair) and Graham Burnside as Vice Chair (previously Director).

Senior Staff

Headteacher	Dr Kenneth Taylor	
Bursar & Company Secretary	Dr JoAnna Ruth Collings	
Honorary President	John Wallace CBE	
Honorary Vice-Presidents	Gavin Gemmell CBE	Appointed 17 Dec 2018
	Evelyn Glennie DBE	
	Steven Isserlis CBE	
	Sir James MacMillan CBE	
	Jerzy Maksymiuk	
	Steven Osborne	

ST MARY'S MUSIC SCHOOL TRUST LIMITED

REFERENCE and ADMINISTRATIVE INFORMATION (continued)

Bankers	Clydesdale Bank PLC 83 George Street Edinburgh EH3 9BY
	Bank of Scotland 75 George Street Edinburgh EH2 3EW
Auditor	Chiene + Tait LLP Chartered Accountants and Statutory Auditor 61 Dublin Street Edinburgh EH3 6NL
Solicitors	Brodies LLP 15 Atholl Crescent Edinburgh EH3 8HA

ST MARY'S MUSIC SCHOOL TRUST LIMITED

STATEMENT FROM THE CHAIR

At the end of the 2018/19 session we celebrate, once again, a year of considerable achievement, both musically and academically. As Scotland's specialist music school we train the music professionals of the future, while equipping them with the skills and qualifications for them to prosper in whatever walk of life they may choose. The School's excellent results are reviewed in the Headteacher's report, and are a testimony to the hard work and dedication of Dr Taylor and his team as well as of our talented pupils.

We continue to work hard to position ourselves firmly as a national cultural asset. Our four key goals are: to attract and recruit the finest young musicians from Scotland and beyond; to deliver the very best in music and academic teaching; to expand our outreach through increased activities and wider engagement; and to increase inward investment through fundraising, partnerships and commercial opportunities.

For recruitment, during the year we were joined by Fiona Duncan as Marketing Manager and her work is already bearing fruit. Our website has been reviewed and updated, and our recruitment processes reviewed and refined.

Our outreach has moved ahead strongly during the year, in four strands. In partnership with the Scottish Chamber Orchestra we have launched SCO String Academy, a free opportunity for fifty advanced young string players to work with SCO members on three Sunday afternoons. We have extended our Saturday Music Classes with Friday afternoon choirs. We have doubled our public masterclass offering from two to four in the year. Finally we ran a Piano Summer School for eight young pianists, where the comprehensive provision outshone the competition.

All this has been enabled by the work of our Advancement Consultant, Peter Thierfeldt and the generosity of our growing band of friends and donors – not least our strong and exemplary supporter Dunard Fund. This was our best ever year for gifts to the school, including the fruits of a very successful campaign which funded the purchase of a Steinway model B grand piano. That campaign also contributed materially to our bursary funding programme, which allows us to provide funding for all our students on the same basis of parental means testing as the Scottish Government's Aided Places Scheme. To support the advancement and fundraising effort we have established the 'Perfect Harmony Development Board' under the chairmanship of Carol Nimmo – Perfect Harmony being the title of the unified campaign to support both the school itself and in due course the Royal High School project.

Our finances continue to be underpinned by the Scottish Government Aided Places Scheme which last year supported 51 of our 79 pupils. Following representation to John Swinney, Deputy First Minister of Scotland and Cabinet Secretary for Education and Skills, we are most grateful that in 2019/20 the number of Aided Places rises to 55 and the school has been allowed to raise its fees by 6%. This additional income will almost balance large and inevitable increases in expenditure due to increased pension contributions and teacher pay. We are also most grateful to St Mary's Episcopal Cathedral who continue to fund the Chorister Scholarships. With rigorous control of costs we were able to report a modest unrestricted operating surplus.

The focus of our planning for the future of the school remains our potential migration to the former Royal High School, to be developed for our use by the Royal High School Preservation Trust. The RHSP Trust obtained planning permission for the development in August 2016 but the vision cannot become reality until a final decision has been made on rival plans to develop the site into a hotel. The hotel proposals have been refused planning permission by City of Edinburgh Council but have been taken to appeal through a public inquiry and we are looking for a speedy decision from Scottish Ministers.

ST MARY'S MUSIC SCHOOL TRUST LIMITED
STATEMENT FROM THE CHAIR (continued)

During the year we were sorry to lose three Directors. In November 2018, Bill Moyes resigned as our Chair. Bill's work with the school was greatly appreciated, especially his strong focus on good governance and on pupil safeguarding. I succeeded Bill as Chair and Graham Burnside has succeeded me as Vice Chair. In December 2018, Gavin Gemmell retired from the Board. We are very grateful to Gavin for his strong commitment to the school in so many aspects, and I am delighted that he has accepted the school's invitation for him to become an Honorary Vice-President besides joining our new Development Board. Also in December 2018, Christian Torkington retired from the Board after four years of service and we hope that he too will stay involved in the life of the school in the years ahead. We welcomed John Reid and Jo Buckley in March 2019, both of whom bring a wealth of relevant expertise to the Board. Recruitment of further new Directors is underway.

It was with great sadness that we learnt of the death in July 2019 of Tom Young, who served as School Architect for over 40 years. Tom's wife Pam is our former Bursar and together they oversaw our move to Coates Hall almost 20 years ago. We miss Tom's good humour as much as his imaginative, high quality work to tight budgets.

So with the support of all our stakeholders: parents, our dedicated full and part-time staff, the Cathedral, the Scottish Government, our supporters and those who enjoy our excellent school concerts we feel ourselves well placed to serve both current and future pupils.

Jo Elliot
Chair

2019

The following is an edited version of the Headteacher's Speech at the Prize-giving at the end of session 2018/19.

The Queen's Hall summer concert was the musical culmination of the year. The concert included the String Ensemble's Tchaikovsky Serenade, The Senior Orchestra led by Marie-Sophie Baumgartner, conducted by Will Conway performing extracts from Sibelius The Tempest and Tchaikovsky Swan Lake; also taking part were the Choristers, Junior String Orchestra, Senior Choir and Jazz Combo.

The Directors' Recital Prize was another highlight of the year. This prize is funded by the school's Directors and we thank them for their generous support. This year the competition attracted 25 entries. The eventual winner Marie-Sophie Baumgartner and finalists, Finn Mannion, Fraser Mason and Sofia Ros Gonzalez provided a fabulous concert. Our Junior Recital Prize attracted 14 entries and the Intermediate Recital Prize had 15.

Education and National Issues

We remain continually grateful for the Scottish Government's provision of the Aided Places Scheme. Details of the increased provision for next session are contained in the Chair's Report.

We continue to link with the Choir Schools Association of Great Britain, the Scottish Council for Independent Schools and the UK Music and Dance Schools group of nine specialist schools. I represent the school at the Scottish Music Education Partnership Group.

Many of our pupils play in national ensembles such as the National Youth Orchestra of Great Britain, National Children's Orchestra, National Youth Orchestras of Scotland, the National Children's Orchestra of Scotland, the National Jazz Orchestra of Scotland and the Tommy Smith Youth Jazz Orchestra.

Session Developments

The session started with a roll of 77 pupils. Academically the main developments have been revised Higher Qualification assessment arrangements. The school's new website has been extensively updated and we are promoting the school's Facebook Page and Instagram profile more actively. As described in the Chair's report we have initiated several outreach projects which aim to offer opportunities in music education to children beyond our school. An Annual Review for session 2017/18 was produced.

Summary of School Year

Term 1

The school enjoys consistently good exam results and last year's results were outstanding. Overall our percentage pass rate was 98% at National 5 (84% A), 98% at Higher (85% A or B), 100% at Advanced Higher and 100% Distinction or Merit for Cambridge Pre-U and 100% A* or A for iGCSE.

The school was awarded Eco-Schools Green Flag Status for the fourth time. Pupils gave a lunchtime concert in the Cathedral as part of the Edinburgh Festival Fringe. Term started with the arrival of a gift from the anonymous sculptor at our first assembly. Pupils and staff performed at a piano fundraising event aboard the Royal Yacht Britannia. The Jazz Combo opened the Scottish Learning Festival at the SECC. Ben Gilmore worked with the senior Orchestra and string players played and performed at Nicola Benedetti's 'Super Strings' events in Glasgow and Dundee. We hosted the Craig Ogden Guitar Day as part of the Edinburgh Series Masterclasses. The Christmas Concert included the Choristers in Stanford, the String Ensemble in Corelli and Suk, our Senior Choir, the Jazz Combo and the Senior Orchestra in Mendelssohn with the whole school performing a Shostakovich Waltz to close the concert.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

HEADTEACHER'S REPORT (continued)

Term 2

Pupils performed at the Scottish Parliament on 10 January and to commemorate the Holocaust on 22 January. We gave a concert of chamber music in St Andrew's and St George's West, celebrated the arrival of the new Steinway piano, and enjoyed an Edinburgh Series Masterclass from François Leleux (Oboe). The saxophone ensemble performed in Galashiels, our cellists played at the RCS cello festival and we gave the inaugural concert for our new piano to the donors who had provided it. Harpsichord players gave a concert in St Cecilia's Hall as part of the French Institute's Harpsichord festival. We also co-hosted String Academy with the SCO, a free Sunday afternoon short course for advanced string players from Edinburgh and beyond. We participated in the RNCM Chamber Music Festival in Manchester. Eighteen pupils gave performances for our Lord Clyde Concerto Competition, adjudicated by Mark Evans. The winner Momo Ueda performed Saint-Saëns 3rd Violin Concerto in the second half of our Spring Concert following 'A Portrait of Purcell'.

Term 3

We held the Portfolio Piano Day incorporating The Nigel Murray Masterclass with Pascal Rogé in Stockbridge Parish Church. An audience of around 275 piano teachers and their students witnessed talks and performances from Steven Osborne, Susan Tomes, Simon Smith, Ian Burnside and Roderick Williams as well as from our own staff and pupils. Paul Stubbings and three pupils visited the Colburn School in Los Angeles, performing and receiving lessons there. An audience of around 170, witnessed a percussion Masterclass (Edinburgh Series) led by Colin Currie at the RCS. Four days later our junior instrumentalists had an overnight trip to Alnwick Castle and Gardens. On the 6 June many pupils were involved in staging our inaugural Donors' Thank You concert. Our Amnesty Jazz Concert saw Intermediate Jazz, The Jazz Combo and Senior Jazz perform to a very large and appreciative audience while raising considerable funds for the charity.

Music Programme

Performing opportunities for our pupils are many and varied and at every level, both within the curriculum and outwith, local and national. We give a large number of concerts at a variety of levels and locations including our internal lunch-time concerts, local Edinburgh concerts and supporting a range of charities. Our ABRSM practical exam results have once again been consistently impressive. Throughout the year Paul Stubbings led pupils on 28 'unmissable' concert trips.

Outreach: Saturday Music Classes

Saturday Music Classes continue in popularity and we are grateful to the pupils who are involved as helpers as a form of Work Experience. This session, in association with St Mary's Cathedral, we successfully launched Friday Afternoon Choirs in addition to our Saturday activities.

Departing Teachers

Ian Cameron started teaching here in September 2011 as a part-time mathematics teacher, initially for just one year, before moving to physics teaching in 2014. During his 48 year teaching career (1971 onwards), he had taught at George Heriot's, Portobello High, Trinity Academy, Stirling University and Mary Erskine's. He leaves with our best wishes for a long and happy retirement.

Kenneth Taylor

2019

The Directors present their report and accounts for the year ended 31 July 2019.

Objects and Activities

Charitable Objects

The School, which had its origins as the choir school of St Mary's Episcopal Cathedral, exists to provide high quality education for young instrumentalists, vocalists and composers, as well as the Cathedral choristers. Pupils come to the School at any stage up to S6. Most pupils proceed to higher education in music and enter the music profession, with many now pursuing international careers. St Mary's Music School is a national resource and an aspirational destination for talented musicians.

The objects of St Mary's Music School Trust Ltd as set out in its Memorandum of Association are to promote the study, practice and knowledge of music and other musical, literary, artistic, cultural and educational purposes connected therewith, and for these purposes to establish, maintain and manage a school, both primary and secondary, for gifted children. St Mary's Music School provides pupils attending the School with a general education and enters them for normal educational examinations and also musical examinations, both theory and practical, and prepares pupils, where possible, for a career in music. St Mary's Music School also offers places for the choristers of St Mary's Episcopal Cathedral, Edinburgh. Pupils gain a place on the basis of musical ability and potential, regardless of parental means (see pages 10 & 11).

Outreach and community work are growing and important aspects of the work of St Mary's Music School and we aim to encourage inclusion, extending specialist music opportunities to pupils from other schools as appropriate. Our long established Saturday Music Classes, attended by around 150 children from the pre-school year upwards, are an important part of our community activities. Alongside the well-established classes in violin, cello, recorder, singing and theory, tuition is now available in small groups for beginners in clarsach, clarineo, clarinet, guitar and trumpet. Within the last year we have also introduced choral training on Friday afternoons.

We have a long history of welcoming pupils from other schools to participate in our core activities such as chamber music, orchestras and workshops. Our Part-time Pathways to Specialism Scheme gives post-Higher pupils from other schools who are intending to apply for music courses in Higher Education the opportunity to attend classes such as Cambridge Pre-U Music, at St Mary's Music School, either while still at school or during a gap year.

Aims of St Mary's Music School

St Mary's Music School aims to provide the highest possible standard of education and training to exceptionally gifted young musicians, in an inspiring, inclusive and supportive environment.

Aims

- To provide specialist music education to instrumentalists and the choristers of St Mary's Episcopal Cathedral
- To contribute to the cultural life of Scotland and internationally
- To encourage applications from all pupils with the potential to benefit from a supportive specialist music school education

Aims of St Mary's Music School (continued)

- To develop each pupil's musical education to the full and to provide an excellent general education, offering flexibility of timetabling sensitive to the needs of the individual
- To encourage a high level of motivation, self-esteem and confidence, promoting balance, self-discipline and self-awareness
- To prepare and support pupils socially, emotionally and professionally for the future
- To promote engagement with the wider community and to extend in-depth learning in music to children from other schools as part of our outreach programme

Achievements and Performance

Principal activities of the year to 31 July 2019

The extract from the Headteacher's Speech at prize-giving at the end of session 2018/19 which forms part of this report gives a synopsis of the principal activities of the year to 31 July 2019.

Objectives for Session 2018/19

The year's objectives included:

- Increase fundraising, including a legacy campaign
- Maintain rigorous cost controls
- Continue working closely with the Royal High School Preservation Trust
- Continue raising the profile of the School to attract the most talented pupils

Strategies to achieve the year's objectives included:

- Legacy giving promoted on website and concert programmes
- Targeted fundraising campaigns and other related activities
- Careful budgeting and monitoring of expenditure
- Extensive consultation with RHSPIT
- Developing a marketing campaign with international outreach

Review of achievements and activities

The session once again saw good performance in public examinations with a 99% pass rate overall. 100% pass rate was achieved at Cambridge Pre-U and IGSCE, with a 97% pass rate at Advanced Higher, 98% pass rate at Higher and 100% pass rate at National 5. 73% of all SQA presentations achieved an A Grade. The school has once again achieved the objective of maintaining its high academic performance, providing an excellent general education alongside a first class music education.

Achievements in music were excellent. 8 pupils achieved Grade VIII Distinctions from The Associated Board of The Royal Schools of Music throughout the year. Our leavers all progressed to Higher Education establishments of their choice, either university or conservatoire, many with scholarships.

Life at St Mary's Music School is always busy. Our instrumentalists have a varied schedule of performances throughout Scotland and beyond. Pupils play for civic occasions and they regularly provide chamber music, jazz and traditional Scottish music for prestigious outside organisations and for charities, large and small.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

DIRECTORS' REPORT (continued)

Review of achievements and activities (continued)

Outside school, our pupils play in youth orchestras, such as National Children's Orchestra, National Youth Orchestras of Scotland, National Youth Jazz Orchestra of Scotland and National Youth Orchestra of Great Britain.

As well as being Scotland's specialist music school for instrumentalists, composers and singers, the School also educates the choristers of St Mary's Episcopal Cathedral, which is unique in Scotland in maintaining a full choral tradition, with over 250 sung services every year.

The School's outreach programme made a considerable contribution to music education in Scotland, extending specialist music opportunities to pupils from other schools.

Significant Fundraising Activities

The School's fundraising and development programme aims to give its pupils the facilities which their musical talents deserve, to enhance their education and also for the benefit of the wider community. While most pupils are supported by the Scottish Government through the Aided Places Scheme or by Cathedral bursaries, the School has no regular source of income for capital expenditure, either for buildings or for equipment, including musical instruments.

The School's Friends & Donors Scheme offers a development opportunity to help sustain the School. Regular financial gifts on a monthly or annual basis are received from an increasing number of participants.

A total of £486,851 in donations was received in the year ended 31 July 2019. Included in this sum was £90,000 from Dunard Fund in support of the RHS development project and £50,000 received from Gavin Gemmell for the advancement of outreach and marketing projects.

Grateful thanks are due for a number of smaller gifts in kind which have not been included in the accounts as their individual values are very difficult to establish.

Financial Review

Details of the income and expenditure for the year, and assets and liabilities at 31 July 2019 are shown on the Statement of Financial Activities and Balance Sheet in the accounts.

The combined surplus on unrestricted and restricted activities for the year, prior to revaluation of investments, was £94,417 (2018: surplus £71,897).

Scottish Government Aided Places Scheme and School Bursaries

The Aided Places Scheme provides financial assistance with the cost of tuition and boarding fees and other expenses for pupils attending St Mary's Music School, Edinburgh. The provisions of the scheme are contained in the St Mary's Music School (Aided Places) (Scotland) Regulations 2015 (SSI 2015/248).

For the 2018/19 academic year the scheme provided for up to 45 instrumentalists and 6 choristers, for eligible pupils. Remission on fees is based on a sliding scale linked to family income and is subject to annual means-testing.

Around 17 pupils were supported by bursaries provided by the School through fundraising and funds generated by outreach activities.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

DIRECTORS' REPORT (continued)

Scottish Government Aided Places Scheme and School Bursaries (continued)

In the academic year 2018/19 there were a total of 68 pupils in receipt of financial assistance from either the Scottish Government Aided Places Scheme or the School bursaries. From these two sources the value of means-tested remission awards in 2018/19 amounted to £1,493,123.

The range of awards from both sources are:

Percentage of award	Number of pupils
10 – 40%	4 beneficiaries
41 – 60%	5 beneficiaries
61 – 80%	12 beneficiaries
81 – 100%	47 beneficiaries (of whom 10 received 100%)

Non means-tested fee remissions

All choristers not holding an Aided Place are awarded a Cathedral bursary of at least 50% of the full fee by the St Mary's Episcopal Cathedral. The value of Cathedral bursaries in 2018/19 was £56,539 awarded to 11 pupils.

Reserves Policy

The Directors are satisfied, based on financial assumptions which they consider reasonable, that the Company will be able to meet its debts as they fall due for the foreseeable future. Cash balances at the year end represented approximately 3 months' operating expenditure. Unrestricted reserves at 31 July 2019 amounted to £1,198,701. Details of restricted reserves are included in the notes to the accounts.

The School would be vulnerable to a detrimental change in The Aided Places Scheme operated by the Scottish Government. However, the Directors are not aware of any indications that Scottish Government support for musically gifted pupils to attend the School will not continue and have been encouraged by the agreement reached to increase the level of fees by 6% and the number of places made available by 4 from the next session.

Investment Policy

The School's investments are held in the M&G Charifund, a low cost, high yielding unit trust specifically designed for charities. At the start of 2018/19 this investment had a value of £567,216 compared to the original cost of £484,595. At the year end this investment had depreciated by £10,257.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

DIRECTORS' REPORT (continued)

Plans for future periods

Aims and objectives for the future and Activities planned to achieve them

School fees are set by the Scottish Government under The Aided Places Scheme. In 2019/20 School fees will be increased by 6% from 2018/19 and a further 4 instrumental places will be funded by the scheme.

The priorities and key objectives for 2019/20 are:

- Continue to attract the most talented pupils
- Increase fundraising
- Continue to work closely with the Royal High School Preservation Trust
- Continue to expand outreach
- Maintain rigorous cost controls

Structure, governance and management

Governing Document

St Mary's Music School Trust Ltd is incorporated in Scotland. It is a company limited by guarantee and not having a share capital. The charity is governed by its Memorandum and Articles of Association dating from November 1973 and last amended in December 2013.

Recruitment and Training of Directors

The appointment of the School's Directors is made initially by the Board, on the basis of the skills they will bring to the School, and thereafter ratified by the School company. New Directors meet with the Chair, the Headteacher and the Bursar, are given a guided tour of the School and an Induction Pack which includes minutes and related documents, a copy of the Memorandum and Articles of Association, accounts for the previous two years and copies of the School prospectus and staff and parent handbooks. Directors are encouraged to attend Governors' Seminars organised by the Scottish Council for Independent Schools.

Organisational management

The Board of Directors, as the charity trustees of the Charity, are legally responsible for the overall management and control of the School and meet at least four times a year. The Board has established the following Committees, which meet at least once per term:

- Education and Safeguarding Committee
- Finance and General Purposes Committee
- Fundraising and Marketing Committee
- Remuneration, HR and Nominations Committee

ST MARY'S MUSIC SCHOOL TRUST LIMITED

DIRECTORS' REPORT (continued)

Remuneration of Key Management Personnel

Key Management Personnel are the Directors and the Headmaster and the Bursar. The Directors receive no remuneration or benefits and the remuneration of the Headmaster and the Bursar are considered by the Board of Directors in the light of available funding.

Related Parties

St Mary's Music School Enterprises Limited was a 100% trading subsidiary of St Mary's Music School Trust Limited whose income was derived from summer letting of the School premises. The decision was made to transfer the summer letting trade into the Trust and the trading subsidiary became dormant from 1 August 2018. Figures have been shown this year for comparative purposes only. Further details are included within notes 1 and 13 to the accounts.

Directors must disclose any contractual relationships and notes of interest are retained in written form.

During the year, gifts in cash were received from the following and have been included in total donations:

	Unrestricted	Restricted	Total
	£	£	£
Members of the Board (including Trusts)	450	40,850	41,300
Key management personnel	188	40	228

Principal Risks and uncertainties

The Directors have considered the principal risks and uncertainties facing the school. The main funding of the school is through fee income which is means tested. The balance not charged to parents is for the most part paid by Scottish Government as grants for individual pupils in accordance with The St Mary's Music School (Aided Places) (Scotland) Regulations 2015. Fee levels are set by Scottish Ministers and Directors are mindful of the fact that political will and the economic climate could have an adverse effect.

The Directors believe that the reputation of the school is key to ensuring future success and that this will allow the school roll to be maintained.

In order to provide a high standard of education the quality of the school buildings is important and the Directors are aware that there is a risk that additional or unexpected repair work will be required. The Directors have ensured that full insurance is in place and continue to undertake annual repairs and maintenance to mitigate the risk of substantial repairs.

The School has considered the financial risks arising from the availability of liquid funds. The School works hard to ensure that debtors are well managed. The School is fortunate that it does not require external borrowing to manage its cash flow.

The School also has considered non-financial risks and as child protection and the health and safety of pupils and staff is paramount they consider any potential breach to be a principal risk. To mitigate this they have developed policies to ensure the regulations and guidelines for the welfare of pupils are observed. Directors are aware that in participating in St Mary's Episcopal Cathedral Choir and National Youth Music Organisations pupils are in regular contact with adults who for legitimate legal reasons may not have been vetted by either Disclosure Scotland or the Disclosure Barring Service in England. They are satisfied that these organisations have policies in place to safeguard the pupils in their care.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

DIRECTORS' REPORT (continued)

Principal Risks and uncertainties (continued)

A comprehensive risk management report, prepared by senior Staff, is monitored by the Finance and General Purposes Committee with input from other Directors' Committees. Risks are identified and assessed and steps are taken to establish systems and controls where necessary.

Controls used by St Mary's Music School include:

- Formal agendas and minutes for Board and Committee meetings
- School improvement plan
- Comprehensive budgeting and management accounting
- Established organisational structure and lines of reporting
- Formal written policies which are reviewed regularly
- Staff training
- Vetting procedures

The Directors believe that the major risks are identified and have been mitigated to the extent necessary and practicable.

Statement of Directors' responsibilities

The Directors (who are also trustees of St Mary's Music School Trust Limited for the purposes of charity law) are responsible for preparing the Directors' Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and the income and expenditure of the charitable company and of the group for the year. In preparing these accounts the Directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the accounts comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charity's Memorandum and Articles of Association.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

DIRECTORS' REPORT (continued)

Statement of Directors' responsibilities (continued)

The Directors are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Small company provisions

The Directors have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board of Directors and signed on its behalf by:-

JoAnna Ruth Collings
Secretary

_____ 2019

Opinion

We have audited the accounts of St Mary's Music School Trust Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 July 2019 which comprise the Group Statement of Financial Activities, the group and parent charitable company Statements of Financial Position, the group and parent charitable company Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 accounts:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 July 2019, and of the group's incoming resources and application of resources, including its income and expenditure 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We 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 accounts section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Director's use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Directors have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a strategic report.

Responsibilities of the Directors

As explained more fully in the Directors' Responsibilities set out on page 14 and 15, the Directors are also responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF ST MARY'S MUSIC SCHOOL TRUST LIMITED (contd.)



Responsibilities of the Directors (continued)

In preparing the accounts, the Directors are responsible for assessing the group's and the parent company'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 Directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with regulations made under that Act.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the members of St Marys Music School Trust Limited, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the Board of Directors, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the Board of directors of St Mary's Music School Trust Limited 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 charitable company and its members, as a body, and its Board of Directors as a body, for our audit work, for this report, or for the opinions we have formed.

Malcolm Beveridge CA (Senior Statutory Auditor)
For and on behalf of
Chiene + Tait LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

2019

Chiene + Tait LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

ST MARY'S MUSIC SCHOOL TRUST LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(incorporating the Statement of Comprehensive Income)

For the year ended 31 July 2019

	Notes	Unrestricted General Reserves £	Endowment Reserves £	Restricted Reserves £	2019 Total £	2018 Total £
Income from:						
Charitable activities	3	1,889,810	-	-	1,889,810	1,854,213
Donations and legacies	4	101,241	-	385,610	486,851	361,219
Other trading activities	5	42,050	-	-	42,050	44,718
Investment income	6	17,981	-	10,385	28,366	13,552
Total income		2,051,082	-	395,995	2,447,077	2,273,702
Expenditure on:						
Raising funds	11	10,698	-	83,338	94,036	83,295
Charitable activities	8	2,167,572	-	91,052	2,258,624	2,118,510
Total expenditure		2,178,270	-	174,390	2,352,660	2,201,805
Net income/ (expenditure) before transfers between funds		(127,188)	-	221,605	94,417	71,897
Gross transfers between fund	18	143,569	-	(143,569)	-	-
Net income before loss on investments		16,381	-	78,036	94,417	71,897
Net (loss)/gain on investments		(6,979)	(3,278)	-	(10,257)	11,179
Net income for the year and net movement in funds		9,402	(3,278)	78,036	84,160	83,076
Reconciliation of funds						
Total funds brought forward	18	1,189,299	261,216	270,913	1,721,428	1,638,352
Total funds carried forward	18	1,198,701	257,938	348,949	1,805,588	1,721,428

The statement of financial activities includes all gains and losses recognised in the year. All of the above results are derived from continuing activities.

The notes on pages 23 to 38 form part of these accounts.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

CONSOLIDATED BALANCE SHEET

As at 31 July 2019

	Notes	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	12		837,645		825,276
Investments	13		556,959		567,216
			-----		-----
			1,394,604		1,392,492
Current assets					
Debtors	14	95,015		75,916	
Cash at bank and in hand		552,489		490,273	
		-----		-----	
		647,504		566,189	
Creditors: Amounts falling due within one year	15	236,480		237,215	
		-----		-----	
Net current assets			411,024		328,974
			-----		-----
Total net assets			1,805,628		1,721,466
			=====		=====
The funds of the charity					
Members' subscriptions	17		40		38
Endowment funds	18		257,938		261,216
Restricted funds	18		348,949		270,913
Unrestricted general funds	18		1,198,701		1,189,299
			-----		-----
			-		-----
	26		1,805,628		1,721,466
			=====		=====

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006.

The accounts were approved by the Board of Directors on _____ 2019 and signed on its behalf by:-

..... Director

Jo Elliot

..... Director

John Reid

Company No. SC054504

The notes on pages 23 to 38 are an integral part of these accounts.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

COMPANY BALANCE SHEET

As at 31 July 2019

	Notes	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	12		837,645		825,276
Investments	13		557,959		568,216
			-----		-----
			1,395,604		1,393,492
Current assets					
Debtors	14	117,805		84,685	
Cash at bank and in hand		528,699		469,043	
			-----	-----	
		646,504		553,728	
Creditors: Amounts falling due within one year	15	236,480		225,754	
			-----	-----	
Net current assets			410,024		327,974
			-----		-----
Total net assets			1,805,628		1,721,466
			=====		=====
The funds of the charity					
Members' subscriptions	17		40		38
Endowment funds	18		257,938		261,216
Restricted funds	18		348,949		270,913
Unrestricted general funds	18		1,198,701		1,189,299
			-----		-----
			1,805,628		1,721,466
			=====		=====

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006.

The accounts were approved by the Board of Directors on _____ 2019 and signed on its behalf by:-

..... Director

Jo Elliot

..... Director

John Reid

Company No. SC054504

The notes on pages 23 to 38 are an integral part of these accounts.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 July 2019

	Notes	£	2019 £	£	2018 £
Cash flows from operating activities:					
Net cash provided by operating activities	21		125,748		130,959
Cash flows from investing activities:					
Dividends, interest and rent from investments		28,366		13,554	
Purchase of M&G Charifund Units		-		(300,000)	
Purchase of property, plant and equipment		(91,900)		-	
		-----		-----	
Net cash used in investing activities			(63,534)		(286,446)
Cash flows from financing activities:					
Members' subscriptions			2		(2)
			-----		-----
Change in cash and cash equivalents in the reporting period			62,216		(155,489)
Cash and cash equivalents at the beginning of the reporting period			490,273		645,762
			-----		-----
Cash and cash equivalents at the end of the reporting period			552,489		490,273
			=====		=====

The notes on pages 23 to 38 are an integral part of these accounts.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

COMPANY CASH FLOW STATEMENT

For the year ended 31 July 2019

	Notes	£	2019 £	£	2018 £
Cash flows from operating activities:					
Net cash provided by operating activities	21		123,188		139,268
Cash flows from investing activities:					
Dividends, interest and rent from investments		28,366		13,554	
Purchase of M&G Charifund Units		-		(300,000)	
Purchase of property, plant and equipment		(91,900)		-	
		-----		-----	
Net cash used in investing activities			(63,534)		(286,446)
Cash flows from financing activities:					
Members' subscriptions			2		(2)
			-----		-----
Change in cash and cash equivalents in the reporting period			59,656		(147,180)
Cash and cash equivalents at the beginning of the reporting period			469,043		616,223
			-----		-----
Cash and cash equivalents at the end of the reporting period			528,699		469,043
			=====		=====

The notes on pages 23 to 38 are an integral part of these accounts.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2019

1. Accounting policies

Basis of accounting

The accounts 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

St Mary's Music School Trust Limited 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.

The financial statements have been presented in Pounds Sterling as this is the functional and presentational currency of the company.

Basis of consolidation

These accounts consolidate the results of the Company and its subsidiary undertaking, St Mary's Music School Enterprises Limited, on a line by line basis. A separate statement of financial activities and income and expenditure account are not presented for the Company itself following exemptions afforded by section 408 of the Companies Act 2006.

Going concern

The accounts have been prepared on a going concern basis. The directors have assessed the Company's ability to continue as a going concern and have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

Income

Income from charitable activities is recognised in the Statement of Financial Activities when the Company becomes entitled to the income, when it is probable that the income will be received and when it can be measured with sufficient reliability.

School Fees

Income generated from school fees is recognised after the deduction of the remission awarded by the school.

Donations and gifts

Donations and gifts received for the general purpose of the Company are included as unrestricted reserves. Donations and gifts for activities restricted by the wishes of the donors are taken to restricted or endowment reserves as appropriate. Gifts in kind are included at valuation (where sufficiently material) and are recognised as income when received by the Company.

Resources expended

All expenditure is included on an accruals basis and is recognised when there is a legal and constructive obligation to pay for expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

- Costs of raising funds are the direct costs associated with activities for generating income from donations, legacies and the generation of summer letting income.
- Charitable activities include expenditure associated with meeting the Company's primary objectives and include both the direct costs, support costs and the governance costs relating to these activities. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation. These costs include costs related to statutory audit and legal fees.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2019

1. Accounting policies (continued)

Resources expended (continued)

- All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities.

The Company is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

Musical Instruments

Instruments with a material cost, such as pianos, which are expected to have a useful life in excess of one year, are capitalised within the accounts and depreciated. Miscellaneous musical instruments are expensed in the year in which they are purchased.

Pensions

The Company participates in the Scottish Public Pensions Agency Superannuation Scheme which provides benefits based on final pensionable pay. Non-teaching staff are entitled to join the Company's defined contribution scheme. The assets of the defined contribution scheme are held separately from those of the Company in independently administered funds. Contributions payable to the Schemes are charged to the Statement of Financial Activities in the year to which they relate. Any differences between contributions payable in the year and contributions paid are included in either accruals or prepayments in the balance sheet.

Fixed Assets

Tangible fixed assets costing more than £3,500 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value of each asset evenly over its expected useful life as follows:-

Freehold buildings	- over 50 years	Kitchen equipment	- over 5 years
Boarding house improvements	- over 10 years	Office equipment	- over 3 years
Additional classrooms	- over 10 years	Musical instruments	- over 10 or 20 years

The costs of upgrading Coates Hall and the adjacent buildings are capitalised within the freehold buildings.

Financial instruments

The Company has only basic financial assets and liabilities comprising income debtors, cash at bank and creditors for costs of charitable activities. These assets and liabilities are initially recorded at cost and subsequently at market value in the case of investments and in respect of other assets and liabilities at the amounts expected to be received or paid.

Investments

Investments are included in the accounts at market value. Realised and unrealised gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Investment gains and losses are separately disclosed in the Statement of Financial Activities. The investment in the subsidiary St Mary's Music School Enterprises Limited is included at cost.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2019

1. Accounting policies (continued)

Restricted reserves

The restricted reserves arise from donations given for the purposes as specified by the donors. The individual reserves and movements during the year are detailed in note 18.

Unrestricted reserves

The unrestricted reserves are funds which the Directors are free to use in accordance with the charitable objects.

Endowment reserves

Endowment funds are invested in investments, the income from which must be spent in accordance with the terms of the endowment.

2. Turnover (Income from Charitable and Trading activities)

Income from charitable activities represents the amounts charged as school fees (including boarding fees), outreach fees that consist of income from Saturday Music Classes and other school income from concerts, catering and sundry sales. Income from trading activities includes rents and lets. Turnover is attributable to the continuing activities of St Mary's Music School.

3. Income from charitable activities (Unrestricted)	2019 £	2018 £
School fees (gross)	2,002,786	2,037,151
Remission awarded by the School *	(208,193)	(272,431)
	-----	-----
School fees (net)	1,794,593	1,764,720
	=====	=====
Contributed by:		
Scottish Government Aided Places Scheme	1,284,930	1,293,806
St Mary's Episcopal Cathedral for chorister fees	61,302	60,929
Parents	448,361	409,985
	-----	-----
School fees (net)	1,794,593	1,764,720
Outreach fees	67,542	60,290
Other school income	27,675	29,203
	-----	-----
Total	1,889,810	1,854,213
	=====	=====

* This is funded by the School's Bursary fund.

4. Donations and legacies	Unrestricted £	Restricted £	2019 Total £	2018 Total £
Grants and donations	101,148	385,610	486,758	299,088
Legacies	93	-	93	62,131
	-----	-----	-----	-----
Total	101,241	385,610	486,851	361,219
	=====	=====	=====	=====
2018	167,698	193,521	361,219	
	=====	=====	=====	

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2019

5. Other trading activities (Unrestricted)	2019	2018
	£	£
Summer letting – trading subsidiary	15,187	18,277
Garage letting income	26,863	26,441
	-----	-----
Total	42,050	44,718
	=====	=====

6. Investment income	Unrestricted	Restricted	2019	2018
	£	£	Total	Total
			£	£
On deposits	2,853	-	2,853	2,610
On listed investments	15,128	10,385	25,513	10,942
	-----	-----	-----	-----
Total	17,981	10,385	28,366	13,552
	=====	=====	=====	=====
2018	3,810	9,742	13,552	
	=====	=====	=====	

7. Net income for year	2019	2018
	£	£
This is stated after charging:		
Depreciation of tangible fixed assets	79,531	87,498
Auditors' remuneration - audit services	8,960	9,980
- non-audit services	5,578	5,319
	=====	=====

8. Charitable activities	Unrestricted	Restricted	2019	2018
	£	£	Total	Total
			£	£
<u>School operating costs</u>				
Teaching	1,197,861	33,853	1,231,714	1,117,172
Premises (including depreciation)	297,658	7,991	305,649	355,083
Boarding	259,751	637	260,388	262,401
Support	400,745	48,571	449,316	370,800
Bank interest and charges	2,597	-	2,597	2,251
<u>Governance costs</u>				
Audit and accountancy fees	8,960	-	8,960	10,803
	-----	-----	-----	-----
Total	2,167,572	91,052	2,258,624	2,118,510
	=====	=====	=====	=====
2018	2,044,012	74,498	2,118,510	
	=====	=====	=====	

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2019

9. Support costs	Unrestricted	Restricted	2019 Total	2018 Total
	£	£	£	£
Administration staff	331,016	11,242	342,258	267,369
Publicity	8,776	35,574	44,350	52,498
Telephone, postage and subscriptions	16,202	-	16,202	15,031
Computer support and maintenance	23,165	-	23,165	17,314
<u>Professional and legal fees</u>				
Ordinary	10,746	-	10,746	9,637
Development	-	-	-	631
Other	10,840	1,755	12,595	8,320
	-----	-----	-----	-----
	400,745	48,571	449,316	370,800
	=====	=====	=====	=====

10. Staff costs and emoluments of employees	2019	2018
	£	£
Wages and salaries	1,491,291	1,336,074
Employer's national insurance	114,293	99,052
Pension costs	206,447	191,154
	-----	-----
	1,812,031	1,626,280
	=====	=====
	No.	No.
Average number of persons employed	124	119
Full time equivalent	46	43
	=====	=====

Key management personnel are the Directors, the Headteacher and the Bursar. No Director received any remuneration and the total remuneration, including employer pension and national insurance contributions, paid to other key management personnel was £175,741 (2018: £161,281). The number of employees falling into the listed remuneration bands were:

	2019	2018
£70,001-£80,000	1	1
£80,001-£90,000	0	1
£90,001-£100,000	1	0

During the year one member of staff was made redundant and a settlement payment of £7,500 was awarded.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2019

11.Expenditure on raising funds	Unrestricted	Restricted	2019 Total	2018 Total
	£	£	£	£
Summer letting costs – trading subsidiary	10,698	-	10,698	7,685
Fundraising Consultant fees and expenses	-	83,338	83,338	75,610
	-----	-----	-----	-----
Total	10,698	83,338	94,036	83,295
	=====	=====	=====	=====
2018	7,685	75,610	83,295	
	=====	=====	=====	

12. Tangible fixed assets – Group and Company

	Property	Equipment	Musical Instruments	Total
	£	£	£	£
<u>Cost</u>				
At 1 August 2018	1,904,485	91,077	140,118	2,135,680
Additions	-	8,900	83,000	91,900
Disposals	-	(5,700)	-	(5,700)
	-----	-----	-----	-----
At 31 July 2019	1,904,485	94,277	223,118	2,221,880
	-----	-----	-----	-----
<u>Depreciation</u>				
At 1 August 2018	1,106,506	89,988	113,910	1,310,404
Charge for year	68,447	2,549	8,535	79,531
Disposals	-	(5,700)	-	(5,700)
	-----	-----	-----	-----
At 31 July 2019	1,174,953	86,837	122,445	1,382,235
	-----	-----	-----	-----
<u>Net book amounts</u>				
At 31 July 2019	729,532	7,440	100,673	837,645
	=====	=====	=====	=====
At 31 July 2018	797,979	1,089	26,208	825,276
	=====	=====	=====	=====

Property includes the continuing cost of upgrading Coates Hall and the adjacent buildings. Certain buildings are B listed but are not considered to be heritage assets. A Report and Valuation carried out by DM Hall in March 2010 valued the property at Coates Hall, Edinburgh at £2,100,000 on an open market basis.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2019

13. Investments

All investments are held primarily to provide an investment return for St Mary's Music School Trust Limited.

	2019		2018	
	Group	Company	Group	Company
	£	£	£	£
UK listed investments at market value -				
- Endowment (restricted)	257,938	257,938	261,216	261,216
- Investment (unrestricted)	299,021	299,021	306,000	306,000
Investments in subsidiary at cost	-	1,000	-	1,000
	-----	-----	-----	-----
	556,959	557,959	567,216	568,216
	=====	=====	=====	=====
<u>Listed investments</u>				
Cost at 31 July 2018	484,595		184,595	
Net unrealised gain	82,621		71,442	
	-----		-----	
Market value at 31 July 2018	567,216		256,037	
Purchases at cost	-		300,000	
Net unrealised (loss)/gain for the year	(10,257)		11,179	
	-----		-----	
Market value at 31 July 2019	556,959		567,216	
	=====		=====	
Cost at 31 July 2019	484,595		484,595	
	=====		=====	
Net unrealised gains included in market value	72,364		82,621	
	=====		=====	

The listed investments are held by the Endowment Funds of the Trust with the objective of generating income to fund expenditure on the restricted purposes of the Endowments while maintaining an appropriate level of capital growth.

In addition, an investment of unrestricted reserves was made during the prior year to generate an income for unrestricted expenditure, while maintaining capital growth.

The main risks to the value of the Trust's investments and the investment income generated lie in stock market volatility and global economic factors. The Directors monitor the performance of the fund and the level of fund manager's costs and are satisfied that the investment in M&G Charifund units remains appropriate at this time.

Holdings in subsidiary undertaking

The Company holds 100% of the share capital of the following company:-

Company	Country of registration or Incorporation	Principal Business	Shares Held	
			Class	%
St Mary's Music School Enterprises Limited	Scotland	Dormant	Ordinary	100

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2019

13. Investments (continued)

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial period were as follows:

	Capital & Reserves £	Result for the Year £
St Mary's Music School Enterprises Limited	1,000	-
	=====	=====

St Mary's Music School Enterprises Limited (SC177358), shares the same registered address as St Mary's Music School Trust Limited.

14. Debtors

	2019		2018	
	Group £	Company £	Group £	Company £
Outstanding school and letting fees	80,314	80,314	59,786	59,785
Other debtors and prepayments	14,701	14,701	16,130	16,130
Due from St Mary's Music School Enterprises Limited – group undertaking				
- Gift Aid	-	-	-	8,315
- Other	-	22,790	-	455
	-----	-----	-----	-----
	95,015	117,805	75,916	84,685
	=====	=====	=====	=====

15. Creditors: amounts falling due within one year

	2019		2018	
	Group £	Company £	Group £	Company £
Creditors and accruals	113,896	113,896	156,350	154,961
Income Tax and Social Security	28,953	28,953	23,179	23,179
Pension contributions	23,875	23,875	19,066	19,066
Income received in advance (note 16)	69,756	69,756	38,620	28,548
	-----	-----	-----	-----
	236,480	236,480	237,215	225,754
	=====	=====	=====	=====

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2019

16. Income received in advance

The movements on deferred income were as follows:

	At 31 July 2018 £	Deferred Income £	Released to revenue in year £	At 31 July 2019 £
Group – Income in advance	38,620 =====	69,756 =====	(38,620) =====	69,756 =====
Company – Income in advance	28,548 =====	69,756 =====	(28,548) =====	69,756 =====

Deferred income relates to fees which are received in advance.

17. Share capital

The Company is constituted as a company limited by guarantee. As at 31 July 2019 there were 40 members of the Company (2018: 38). Each member undertakes, under the terms of the Company's Memorandum of Association, to contribute a sum not exceeding £1 to the assets of the Company in the event of it being wound up.

	Balance at 31 July 2018 £	Net Gains / (Losses) on Investments £	Balance at 31 July 2019 £
18. Reserves – Company and Group			
Endowment reserves			
<u>Prizes & Scholarships</u>			
Prize Fund	21,245	(485)	20,760
Directors' Recital Prize	1,250	(28)	1,222
GAS Nicholson Summer Course Bursary	11,226	(256)	10,970
<u>Bursaries (School Fees)</u>			
Ms Weightman Instrumental Scholarship	23,853	(544)	23,309
McCallum Piano Scholarship	39,256	(656)	38,600
John B Rankin Piano Scholarship	56,632	(1,292)	55,340
<u>Masterclass funding</u>			
Nigel Murray	107,754	(17)	107,737
	-----	-----	-----
Total Endowment Reserves	261,216 =====	(3,278) =====	257,938 =====
2018	256,037 =====	5,179 =====	261,216 =====

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2019

18. Reserves - Company and Group (continued) - Prior Year	Balance at 31 July 2017 £	Net Gains / (Losses) on Investments £	Balance at 31 July 2018 £
Endowment reserves			
<u>Prizes & Scholarships</u>			
Prize Fund	21,013	232	21,245
Directors' Recital Prize	1,235	15	1,250
GAS Nicholson Summer Course Bursary	11,102	124	11,226
<u>Bursaries (School Fees)</u>			
Ms Weightman Instrumental Scholarship	23,591	262	23,853
McCallum Piano Scholarship	38,621	635	39,256
John B Rankin Piano Scholarship	56,011	621	56,632
<u>Masterclass funding</u>			
Nigel Murray	104,464	3,290	107,754
	-----	-----	-----
Total Endowment Reserves	256,037	5,179	261,216
	=====	=====	=====
2017	235,144	20,893	256,037
	=====	=====	=====

Endowment reserves are invested to provide income for prizes, scholarships, bursaries and masterclasses. The Bursary Fund was established following the receipt of a legacy. The income generated from the investment is used for bursaries

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2019

18. Reserves – Company and Group (continued)	Balance at 31 July 2018 £	Dividends rec'd in the year £	Donations rec'd in the year £	* Transfers	Funds Expended £	Balance at 31 July 2019 £
<u>Restricted Funds</u>						
<u>Prizes & Scholarships</u>						
Prize Fund	1,072	1,050	1,110	-	(1,985)	1,247
Directors' Recital Prize	261	62	825	-	(757)	391
GAS Nicholson Summer Course Bursary	-	555	-	-	(540)	15
Hope Scott Awards	-	-	1,000	-	(1,000)	-
<u>Bursaries (School Fees)</u>						
Bursary Fund*	158,461	1,179	88,825	(90,004)	-	158,461
McCallum Piano Scholarship	1,609	1,715	-	(1,715)	-	1,609
John B Rankin Piano Award	2,526	2,800	-	(2,800)	(100)	2,426
<u>Outreach bursaries</u>						
Saturday Music Classes	7,500	-	-	(163)	-	7,337
<u>Development</u>						
Expansion fund	36,499	-	50,350	-	(40,439)	46,410
Dunard	47,766	-	90,000	-	(92,707)	45,059
Penpont	-	-	20,000	-	(11,096)	8,904
Warburg & Getty Trusts	350	-	-	-	(350)	-
<u>Masterclass funding</u>						
Nigel Murray	3,529	3,024	-	-	(6,553)	-
<u>Teaching</u>						
Syson Charitable Foundation	-	-	2,000	-	(2,000)	-
Stevenston Trust	2,500	-	7,500	-	(7,500)	2,500
<u>Other</u>						
Instrument Fund	1,340	-	-	-	-	1,340
Piano Fund	7,500	-	122,000	(48,887)	(9,363)	71,250
Hope Scott for Seven Hills	-	-	2,000	-	-	2,000
Total Restricted Reserves	270,913	10,385	385,610	(143,569)	(174,390)	348,949
	=====	=====	=====	=====	=====	=====

* Transfers to the general reserves from the Bursary, McCallum, John B Rankin and Piano Funds of £143,406 are being used towards the cost to the School of providing means-tested bursaries (see note 3). £163 is for means-tested Saturday Music Class bursaries.

Restricted reserves are held to fund a variety of purposes as directed by the terms of the gift such as prizes and scholarships, all within the overall objects of the School.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2019

18. Reserves –

Company and Group (continued) – Prior Year

	Balance at 31 July 2017 £	Dividends received in the year £	Donations received in the year £	Funds Expended £	Balance at 31 July 2018 £
Restricted Funds					
<u>Prizes & Scholarships</u>					
Prize Fund	947	985	1,101	(1,961)	1,072
Directors' Recital Prize	106	58	675	(578)	261
GAS Nicholson Summer Course Bursary	5	521	-	(526)	-
Hope Scott Awards	-	-	1,000	(1,000)	-
John B Rankin Piano Prize	-	100	-	(100)	-
Witherby Charitable Trust	-	-	150	(150)	-
<u>Bursaries (School Fees)</u>					
Bursary Fund*	83,180	1,106	74,175	-	158,461
McCallum Piano Scholarship	-	1,609	-	-	1,609
John B Rankin Piano Award	-	2,526	-	-	2,526
<u>Outreach bursaries (SMC)</u>	-	-	7,500	-	7,500
<u>Development</u>					
Expansion fund	48,661	-	-	(12,162)	36,499
Dunard for Fundraising	49,524	-	90,000	(91,758)	47,766
Warburg & Getty Trusts	22,500	-	-	(22,150)	350
<u>Masterclass funding</u>					
Nigel Murray	2,995	2,837	-	(2,303)	3,529
<u>Teaching</u>					
Syson Charitable Foundation	-	-	2,000	(2,000)	-
Witherby Charitable Trust	-	-	7,850	(7,850)	-
Stevenston Trust	2,500	-	7,500	(7,500)	2,500
<u>Other</u>					
Instrument Fund	1,340	-	-	-	1,340
Miscellaneous	-	-	70	(70)	-
Piano Fund	-	-	7,500	-	7,500
	-----	-----	-----	-----	-----
Total Restricted Reserves	211,758	9,742	199,521	(150,108)	270,913
	=====	=====	=====	=====	=====

* The donations received in the year into the Bursary Fund include a transfer of £33,000 from general donations received in the year.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

As at 31 July 2019

18. Reserves – Company and Group (continued)

	Balance at 31 July 2018	Total income	Transfers	Net loss on investment	Total expenditure	Balance at 31 July 2019
Unrestricted						
General Reserves	1,189,299	2,051,082	143,569	(6,979)	(2,178,270)	1,198,701
	=====	=====	=====	=====	=====	=====

Unrestricted reserves are available for the advancement of the charitable objects of the Company. Note 19 describes how £833,125 of unrestricted reserves are invested in the School's tangible fixed assets. Freely available unrestricted reserves are £360,387.

	Balance at 31 July 2017	Total income	Net gains on investment	Total expenditure	Balance at 31 July 2018
Unrestricted					
General Reserves					
(Prior Year)	1,170,557	2,064,439	6,000	(2,051,697)	1,189,299
	=====	=====	=====	=====	=====

Unrestricted reserves are available for the advancement of the charitable objects of the Company. Note 19 describes how £825,276 of unrestricted reserves are invested in the School's tangible fixed assets. Freely available unrestricted reserves are £364,023.

19. Analysis of net assets between reserves – Group	Unrestricted Reserves*	Endowment Reserves	Restricted Reserves	Total Reserves 2019
	£	£	£	£
Reserve Balances at 31 July 2019 are represented by:				
Tangible fixed assets	766,394	-	71,251	837,645
Investments	299,021	257,938	-	556,959
Current assets	369,806	-	277,698	647,504
Currently liabilities	(236,480)	-	-	(236,480)
	-----	-----	-----	-----
Total net assets	1,198,741	257,938	348,949	1,805,628
	=====	=====	=====	=====

* Including members' subscriptions.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

As at 31 July 2019

19. Analysis of net assets

between reserves – Group (continued) – Prior Year	Unrestricted Reserves*	Endowment Reserves	Restricted Reserves	Total Reserves 2018
	£	£	£	£
Reserve Balances at 31 July 2018 are represented by:				
Tangible fixed assets	825,276	-	-	825,276
Investments	306,000	261,216	-	567,216
Current assets	295,276	-	270,913	566,189
Currently liabilities	(237,215)	-	-	(237,215)
	-----	-----	-----	-----
Total net assets	1,189,337	261,216	270,913	1,721,466
	=====	=====	=====	=====

* Including members' subscriptions.

20. Financial activities of the Company

The financial activities shown in the consolidated statement includes those of the Company's related undertaking, St Mary's Music School Enterprises Limited.

A summary of the financial activities undertaken by the Company is set out below:

	2019 £	2018 £
Income from:		
Charitable activities	1,889,810	1,854,213
Donations and legacies	486,851	361,219
Other trading activities	42,050	34,756
Investment income	28,366	13,552
	-----	-----
	2,447,077	2,263,740
Resources expended		
Raising funds	(94,036)	(83,295)
Charitable activities	(2,258,624)	(2,108,548)
	-----	-----
	(2,352,660)	(2,191,843)
Net incoming resources before revaluation of investments	94,417	71,897
Unrealised investment (loss)/gain	(10,257)	11,179
	-----	-----
Net movement in funds	84,160	83,076
Total funds brought forward	1,721,428	1,638,352
	-----	-----
Total funds carried forward	1,805,588	1,721,428
	=====	=====

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

As at 31 July 2019

21. Reconciliation of consolidated net income to consolidated net cash flow from operating activities

	2019		2018	
	Group	Company	Group	Company
	£	£	£	£
Net surplus for the year	84,160	84,160	83,076	83,076
Unrealised losses/(gains) on investments	10,257	10,257	(11,179)	(11,179)
Interest and investment income	(28,366)	(28,366)	(13,554)	(13,554)
Depreciation	79,531	79,531	87,498	87,498
Donated assets	-	-	(10,000)	(10,000)
(Increase)/Decrease in debtors	(19,099)	(33,120)	18,312	18,478
(Decrease)/Increase in creditors	(735)	10,726	(23,194)	(15,051)
	-----	-----	-----	-----
Net cash provided by operating activities	125,748	123,188	130,959	139,268
	=====	=====	=====	=====

22. Taxation

The Company is recognised as having charitable status by HM Revenue and Customs for taxation purposes.

23. Banking

The Clydesdale Bank PLC has a standard security over the premises at Coates Hall, Edinburgh.

24. Related party disclosures

Donations of £1,300 have been received from Directors during the year.

The Company is due £22,790 from St Mary's Music School Enterprises Limited which is the closing bank balance at 31 July 2019 following the trading subsidiary becoming dormant from 1 August 2019.

25. Pension commitments

The Scottish Teachers' Superannuation Scheme and Scottish Teachers' Pension Scheme 2015 are multi-employer defined benefit schemes which, in common with other Government pension schemes, are unfunded. The Company is unable to identify its share of the underlying liabilities of the schemes and therefore accounts for the contributions to the scheme as if it were a defined contribution scheme.

The latest valuation of the STPS has recently concluded and was based on scheme date as at March 2016. The valuation has set the employer contribution rate payable for the period 1 September 2019 to 31 March 2023 at 23%; this is an increase of 5.2% on the previous contribution rate. Employees contribute on a sliding scale. Under existing legislation the next valuation will be based on scheme data as at 31 March 2020 and will set the employer contribution rate for the period 1 April 2023 to 31 March 2027.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

As at 31 July 2019

25. Pension commitments (continued)

The pension cost for the Staff who were members of these schemes during the year was £132,001 and has been charged to the income and expenditure account. There are employee and employer contributions of £14,332 for July 2019 which were due to be paid to the scheme after the year end.

The Company also contributes to a defined contribution scheme in respect of other Staff. The employee basic contribution rate is 7% while the employer contribution rate is 17.2%. The pension cost for the year was £74,446 and has been charged to the income and expenditure account. There are employee and employer contributions of £9,542 for July 2019 which were due to be paid to the scheme after the year end.

26. Reconciliation of capital and reserves – Group

	2019	2018
	£	£
At 1 August 2018	1,721,466	1,638,392
Surplus for the year	84,160	83,076
Members' subscriptions (net movement)	2	(2)
	-----	-----
At 31 July 2019	1,805,628	1,721,466
	=====	=====