

**ST MARY'S MUSIC SCHOOL TRUST LIMITED**  
**CONSOLIDATED REPORT and ACCOUNTS**  
For the year ended 31 July 2015

# 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 or were appointed after the year end:

**Chairman,** Simon Frith, BA Hons, MA, PhD \* \$ (resigned 31 July 2015)  
William Moyes BSc Hons, PhD (appointed 1 August 2015)  
**Vice Chairman,** Rt Rev Brian Smith, MA, MA, MLitt  
Paul Baxter B.Mus Hons (appointed 15 December 2014)  
Graham Burnside WS, LL.B Hons, LTCL \$  
James Cook BSc Hons \$  
John Elliot MA, MBA \$ (appointed 21 October 2014)  
Jacqui Low MA, FRSA (appointed 8 October 2014)  
Gavin Gemmell, CBE, D Univ, CA \$  
Brian Gill BA Hons, LL.B, LL.M (appointed 15 December 2014)\*  
Ian McKee MBE, MBChB, DipObstRCOG (resigned 21 February 2015)  
Neil Short B Ed, M Ed, M Inst P  
Pauline Taylor, ACE, Dip Ed, M Ed  
Christian Torkington, ACA, MA \*

\* Parent of pupils

\$ Member of the Finance & General Purposes Committee

The Board is a self-appointing body.

### Senior Staff

**Headteacher** Dr Kenneth Taylor, BSc Hons, PhD, PGCE, PG Dip  
**Bursar & Company Secretary** Mrs Pamela M Young  
**Honorary President** John Wallace CBE  
**Honorary Vice-Presidents** Sir Peter Maxwell Davies CBE  
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 Festival Square 50 Lothian Road Edinburgh EH3 9BY
	Bank of Scotland St Andrew Square Branch 38 St Andrew Square Edinburgh EH2 2YR
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

## DIRECTORS' REPORT

### Chairman's Statement

I was very pleased, and not a little surprised, to be asked to become Chairman of the School's Board. This would always be an interesting role, but the exciting opportunities that are currently being discussed make it a particularly good time to be involved in defining the next phases of the School's development and in helping the management team and the supporters of the School to achieve outcomes for the School and its pupils that are as good as they can be. I want to record my thanks to my predecessor, Simon, for his support during the handover and for the good work he undoubtedly did during his terms of office. I should also like to note that during the session 2014/15, the Board welcomed Paul Baxter and Brian Gill and were sorry to lose Ian McKee, who has been a long standing supporter of the work of the school.

In session 2014/15, academic results were once again very good, with almost every pupil performing better than or as expected. A strong academic performance in combination with outstanding musical achievement is a significant strength of the School. Of course this success would not be possible without expert and dedicated teachers and hard-working support staff and I salute their achievements.

In 2014/2015 the School roll comprised 58 instrumentalists and 22 choristers. St Mary's Music School is a centre of excellence for training outstanding young instrumentalists and also provides an education for the choristers of St Mary's Cathedral. The choristers are an integral and important part of St Mary's Music School, singing to a very high standard at services six times each week, and being joined occasionally by the School orchestra for special services. The dedication and commitment required from the choristers and their parents to achieve this cannot be underestimated. The viability of the Primary department of the School is greatly enhanced by the healthy mix of choristers and instrumentalists and singing is an important and integral part of the education provided for all pupils throughout the School.

The Scottish Government's Aided Places Scheme provides financial assistance towards the cost of tuition fees for 45 instrumentalists, 33 of whom may be boarders, and 6 choristers. Assistance is determined by reference to a sliding scale linked to family income. The School Bursary Scheme is based on the same regulations as the Aided Places Scheme and provides financial assistance for a further 13 instrumentalists and one chorister. Donations to the school totalled some £240,000 in the year to July 2015 and this generosity combined with rigorous control of costs is the reason for a significant strengthening of our reserves.

The School's vision for the future includes a building which enables us to have both teaching and performance space and which allows us to expand. For some time the School's Directors have been actively considering whether to extend at Grosvenor Crescent or to look for another building in Edinburgh. In March 2015 the Royal High School Preservation Trust (RHSPIT) approached St Mary's Music School with its suggestion that the former Royal High School building could be a fitting new home for the School. Moving to the RHS building would enable the School to continue to grow, and have the performance space it has always aspired to, allowing it to expand its outreach work to other musically talented young people.

# **ST MARY'S MUSIC SCHOOL TRUST LIMITED**

## **DIRECTORS' REPORT (continued)**

### **Chairman's Statement (continued)**

Backed by the philanthropic Dunard Fund, the RHSPT has made a formal legal offer to buy the iconic buildings and has appointed renowned architect Richard Murphy OBE to develop designs to restore the site as a school, alongside conservation architects Simpson & Brown. The Trust now intends to submit a detailed and fully funded application to the City of Edinburgh Council as soon as possible.

William Moyes  
Chairman

November 2015

# **ST MARY'S MUSIC SCHOOL TRUST LIMITED**

## **DIRECTORS' REPORT**

The Directors present their report and accounts for the year ended 31 July 2015.

### **Governing Document**

St Mary's Music School Trust Ltd 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 2011.

### **Recruitment and Training of Directors**

The School's elected Directors are appointed at a meeting of the Board on the basis of the skills they will bring to the School. New Directors meet with the Chairman, 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 three times a year. Other Directors' Committees are set out below and each meets at least once per term. Matters of Health and Safety are dealt with by a School Committee which meets regularly and reports to the Board and to appropriate Board Committees.

### **Executive Committee**

The Chairman of the Board of Directors and the Chairs of the Board Committees form the Executive Committee, which advises the Board on confidential matters and meets when required.

### **Campaign Committee**

Gavin Gemmell (Chair), Jo Elliot, Simon Frith (to 31 August 2015), Kenneth Taylor, (Headteacher) Pamela Young (Bursar & Company Secretary), Graham Forbes (Provost of St Mary's Cathedral)

Advisers: Geoff Ball, Ewan Brown, Donald MacDonald, Peter Thierfeldt (Fundraising Consultant), David Smith, Tom Young, (School Architect)

The group was set up to advise on expansion at Coates Hall.

### **Communications Committee**

Jacqui Low (Chair), Paul Baxter, Chris Torkington

Staff: John Cameron (Head of Keyboard), Paul Stubbings (Director of Music), Kenneth Taylor, Pamela Young

Advisers: Hazel Sheppard (Concerts & Publicity Administrator), Felicity MacFarlane (Indigo PR)

The Committee was set up to raise the profile of the school.

### **Education Committee**

Brian Smith (Chairman), Brian Gill, Neil Short,

Staff: John Cameron, Duncan Ferguson (Master of the Cathedral Music), Anne Hood (Deputy Head), Yvonne Jarron (Head of Primary), Paul Stubbings, Kenneth Taylor

In attendance: Pamela Young

# **ST MARY'S MUSIC SCHOOL TRUST LIMITED**

## **DIRECTORS' REPORT (continued)**

### **Education Committee (continued)**

Appropriate Staff and Directors are invited to attend this Committee. The Committee's task is to support and have oversight of the School's educational policies, planning, staffing and recruitment and auditioning of pupils. Its aim is to provide a forum for the views of Staff and Directors on these matters and to provide informed advice to the Board of Directors, the Headteacher and the School Management Team.

### **Finance and General Purposes Committee**

Gavin Gemmell (Chair), Simon Frith (to 31 August 2015), Graham Burnside, James Cook, Jo Elliot

Staff: Kenneth Taylor, Pamela Young

The Finance and General Purposes Committee has executive powers and is responsible to the Board for the finances of the School, including financial strategy, budget setting, annual accounts, monitoring of investment activity and authorisation of routine capital expenditure. In addition, the Committee is responsible for the maintenance and care of School buildings and grounds.

### **Fundraising Committee**

Gavin Gemmell (Chair), Graham Burnside (to 14 January 2015), Ian McKee (to 21 February 2015), Paul Baxter, Brian Gill, Jacqui Low, Chris Torkington

Staff: Kenneth Taylor, Pamela Young

Advisers: Hazel Sheppard, Peter Thierfeldt

The Committee's task is to look at issues of whole School development including the Friends & Donors Scheme and other fundraising areas.

### **Pupil Welfare Committee**

Pauline Taylor (Chairman), Brian Smith

Staff: Kenneth Taylor, Greg Murray (Head of Guidance), William Shaw (School Chaplain, to 23 June 2015), Anne Hood, Emma Wilson (PSE Co-ordinator), Jordan Croan or Nadine McDonald (Deputy Boarding House Managers)

In attendance: Pamela Young

The Committee's task is to have oversight of and to advise on School policies concerning the arrangements made by the School for the welfare of the pupils and Staff, for guidance, for boarding and more generally for the maintenance of good ethos and discipline. Its aim is to provide a forum for the views of Staff, parents and Directors on these matters and to provide informed advice to the Board of Directors and the Headteacher. Pupils are regularly invited to attend.

### **Remuneration Committee**

Simon Frith (to 31 July 2015) (Chairman), Graham Burnside, Neil Short, Christian Torkington

Staff: Kenneth Taylor, Pamela Young, JoAnna Collings (Assistant Bursar)

The Committee's task is to review at suitable intervals the remuneration scales and terms of employment of all categories of Staff and to make recommendations in respect thereof to the Board of Directors.

# **ST MARY'S MUSIC SCHOOL TRUST LIMITED**

## **DIRECTORS' REPORT (continued)**

### **Related Parties**

St Mary's Music School Enterprises Limited is a 100% subsidiary of St Mary's Music School Trust Limited whose income is derived from summer letting of the School premises. Further details are included within notes 1 and 9 to the financial statements.

### **Risk Management**

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 for Board and Committee meetings
- strategic plan
- School improvement plan
- comprehensive budgeting and management accounting
- established organisational structure and lines of reporting
- formal written policies which are reviewed regularly
- vetting procedures

Directors believe that the major risks are identified and have been adequately mitigated where necessary.

### **Objects and Activities**

#### **Charitable Objects**

The choir school was opened in 1880 to educate choristers for the newly built St Mary's Episcopal Cathedral. Nowadays the School has a much wider remit, educating young instrumentalists, composers and singers as well as the choristers. Pupils come to the School at any stage, including 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 provides at the School a number of places for choristers for the purposes of singing in St Mary's Episcopal Cathedral, Edinburgh.

Pupils gain a place on the basis of musical ability and potential, regardless of personal circumstances. Government funding, up to 100%, is available through The St Mary's Music School (Aided Places) (Scotland) Regulations 2001, as amended, to assist with the cost of tuition and boarding fees for up to 45 instrumentalists and tuition fees for up to 6 choristers. Cathedral Bursaries, currently around 50% of chorister fees, are awarded by St Mary's Episcopal Cathedral to another 16 choristers. Around 12 pupils are supported by bursaries provided by the School through fundraising and funds generated by St Mary's Music School Enterprises Limited.



**DIRECTORS' REPORT (continued)**

**Charitable Objects (continued)**

Outreach and community work are 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 accordion, clarsach, clarinet, guitar and mini-bass.

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 e.g. A Level 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 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
- 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

**Objectives for Session 2014/15**

During Session 2014/15 the Directors noted success in:

- Raising the profile of St Mary's Music School as a necessary first step to legacy and other fundraising
- the work of a Campaign Committee to develop plans for a new rehearsal and multi-purpose hall
- continuing to deliver an operating surplus in accordance with reserves policy
- In addition, the Directors welcomed the approach they received from the Royal High School Preservation Trust in March 2015 and have since then actively engaged with the Trustees.

Strategies to achieve the year's objectives

- the establishment of a Communications Committee
- extensive consultation with architects to prepare a feasibility study into the creation of a new rehearsal and multi-purpose hall at Coates Hall
- successful fundraising, careful budgeting and monitoring of expenditure

**DIRECTORS' REPORT (continued)**

**Principal activities of the year to 31 July 2015**

The extract from the Headteacher's Speech at prize-giving at the end of session 2014/15 which forms part of this report gives a detailed synopsis of the principal activities of the year to 31 July 2015.

**Grant Making Policy**

In addition to the places available through The Aided Places Scheme, the School provides financial assistance with the cost of tuition fees and other expenses to some further instrumental pupils attending St Mary's Music School. In 2014/15 this assistance was awarded to 13 pupils. Assistance is determined by reference to The St Mary's Music School (Aided Places) Regulations 2001, as amended.

**Achievements and Performance**

**Review of achievements and activities**

The session once again saw extremely good performance in public examinations with a 97% pass rate overall. 100% pass rate was achieved at A Level, with a 95% pass rate at Advanced Higher and 97% pass rates at Higher and National 5. 65% of all 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 specialist music training.

Nine pupils achieved grade eight Distinctions from The Associated Board of The Royal Schools of Music throughout the year and, of these, four achieved a result of between 140 and the maximum of 150.

Achievements in music were excellent and our leavers progressed to the Higher Education establishment of their choice, either university or conservatoire, many with scholarships. The School has thus achieved the objective of providing a first class music education.

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 outside organisations, often for charities, both small-scale and prestigious.

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

As well as being Scotland's specialist music school for instrumentalists, composers and singers, the School also educates the choristers of St Mary's 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. The School has thus achieved its objective of extending specialist music opportunities to pupils from other schools as appropriate.

**DIRECTORS' REPORT (continued)**

**Significant Fundraising Activities**

The School's 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.

Capital Funding of £90,164 has been received this year.

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 sought from an increasing number of participants.

A total of £242,654 in donations, fundraising and gifts in kind was received in the year ended 31 July 2015. Included in this sum was £50,000 from the Binks Trust.

Thanks are also due for gifts of musical instruments, sheet music, records and books (a number of gifts have not been included in the accounts as their individual values are very difficult to establish and are not high enough to justify the time and cost involved).

**Financial Review and Reserves Policy**

Details of the income and expenditure for the year, and assets and liabilities at 31 July 2015 are shown on the Statement of Financial Activities and Balance Sheet in the financial statements.

The combined surplus on unrestricted and restricted activities for the year, prior to revaluation of investments, was £144,891 (2014: surplus £51,795). Details of restricted reserves are included in the notes to the financial statements.

OSCR (Office of the Scottish Charity Regulator) is satisfied that, under section 28 of the Charities and Trustee Investment (Scotland) Act 2005, St Mary's Music School Trust Ltd meets the charity test.

**Investment Policy**

The School's investments are held in listed M & G Charifund, and the Directors note the increase in the fund value to £179,495 at 31 July 2015. The objectives of the investments are to generate income for certain restricted fund expenditure, while maintaining an appropriate level of capital growth.

**DIRECTORS' REPORT (continued)**

**Plans for future periods**

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

Government funding for Aided Places will allow the School to increase those fees in 2015/16 by 1%, excluding fees charged to Choristers. Government finances remain under great pressure and the cost of running the School continues to rise. The priorities and key objectives for 2015/16 will be:

- to continue with fundraising, including a legacy campaign
- to continue to deliver an operating surplus in accordance with reserves policy
- to work with the Royal High School Preservation Trust

We also aim to raise the profile of the School to attract the most talented pupils from Scotland, the rest of the UK and beyond, to explore new ways of economising and encouraging charitable donations to the School.

**Directors' Responsibilities**

**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 incoming resources and application of resources, including the net income and expenditure, of the charitable company and 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;
- 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)**

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 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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

**PAMELA YOUNG**  
Secretary

**GAVIN GEMMELL**  
Director

16 November 2015

16 November 2015

**Extract from the Headteacher's Speech at the Prize-giving at the end of session 2014/15**

**Introduction**

The Headteacher welcomed all present to Prize-giving on 23 June 2015 - Staff, pupils and guests, including the school's Chairman, Simon Frith, the School Chaplain, Willie Shaw, and Alison Melville, who later presented the prizes. He thanked Paul Stubbings, Director of Music, Duncan Ferguson, Organist and Master of the Music, St Mary's Cathedral, and other music staff and pupils who would perform during Prize-giving.

The Headteacher expressed gratitude to the many donors and trusts for their continuing provision of prizes and support of different aspects of school development, including gifts of musical instruments and equipment.

The Report outlined events of the year, concentrating on some of the many highlights, including the previous evening's Summer Concert at the Queen's Hall, the musical culmination of the session. The concert included contributions from the Choristers, the Senior String Ensemble, Senior Choir, a Brass Quintet, Senior Jazz, Trad Group and the School Orchestra, conducted by William Conway.

Another highlight was the Directors' Recital Prize, funded by the school's Directors who were thanked for their generous support. The competition attracted twenty pupil entries and the finalists performed in a public concert in the Cathedral on 16 June, with the winner chosen by a distinguished panel of judges.

The Junior Recital Prize, Intermediate Recital Prize, Sheila Tough Prize for Singing in a Foreign Language and the Isobel Dunlop Composition Award, likewise adjudicated by external judges, also attracted numerous pupil entries and the winners were congratulated.

Professor Frith was thanked for his support and the work he did on behalf of the school in his capacity as Chairman. Bill Moyes would become Chairman from September 2015. Four new Directors had been appointed during the session and all Directors were thanked for maintaining a valuable overview of the school and for their tireless campaign to recruit financial support for the school.

**Education and National Issues**

The new Higher Qualifications were now offered in all subjects. Next session would see the introduction of new Advanced Higher courses, completing the phasing in of qualifications for the Curriculum for Excellence.

The Scottish Government's support of the school through the Aided Places scheme was gratefully acknowledged.

The school is an active member of several music and education organisations, enjoying close links with the Choir Schools Association of Great Britain, the national Music and Dance Schools group of nine specialist schools, the Scottish Council for Independent Schools and the Music Education Strategy Group.

Pupils are encouraged to participate in national ensembles, including the National Youth Orchestra of Great Britain (an S6 pupil is principal trumpet), the National Youth Orchestra of Scotland, the National Children's Orchestra of Scotland, the National Jazz Orchestra of Scotland and the National Youth Choirs of Scotland.

## **ST MARY'S MUSIC SCHOOL TRUST LIMITED**

### **HEADTEACHER'S REPORT Continued**

#### **Session Developments**

The session started with a roll of 79 full-time pupils and two Part-time Pathways pupils. The 2015/16 session will start with a roll of 83 full-time pupils and two Pathways pupils.

Many new staff appointments were made during the session.

Members of staff and Directors were involved in meetings with Gareth Hoskins Architects Ltd to test and quantify plans to build a multipurpose concert hall at Coates Hall, as well as costing a move to an alternative site.

In March school was approached by The Royal High School Preservation Trust who were seeking to purchase the former Royal High School in Edinburgh, for restoration to use as a music school. The Trust had sufficient funds committed and underwritten from private benefactors to ensure both the restoration of the listed buildings and the creation of world-class facilities for the music school. Should the City of Edinburgh Council reject plans to convert the building into a hotel, the Trust will present their plans to the Council for consideration. The earliest the school could move from Coates Hall would be September 2018.

The Board has convened a Communications Group which aims to raise the profile of the school.

#### **Summary of School Year**

The school continued to enjoy good academic results, with some exceptional individual performances. Overall the percentage pass rate was 97% at Higher and Advanced Higher and 100% at A Level.

Associated Board and Trinity practical exam results were impressive, with many high Distinctions recorded.

Some pupils participated in Maths Challenges, achieving Gold and Silver awards in the Scottish Challenge and three Gold, seven Silver and eight Bronze in the UK Challenges. The school's Junior team subsequently came fifth out of 25 schools in the Edinburgh heat. Pupils also took part in literacy challenges. The Primary Play was Alice in Wonderland. Pupils participated in and enjoyed a school pantomime, ceilidh and Burns Supper. The Primaries celebrated National Poetry Day, held a Burns poetry competition and worked on a Scotland Project. 12 pupils took part in external debating competitions and two pupils competed in the final of the Donald Dewar Debating Competition at the Scottish Parliament.

Five teachers travelled to Portlethen Academy in November to provide training for instrumental teachers from Aberdeenshire Council.

Music performance opportunities for pupils were many and varied and at every level, both within the curriculum and outwith, local and national.

The school's major concert promotions were the Christmas Concert in St Cuthbert's Parish Church, the Rush Hour Chamber Music Concert in St Andrew's and St George's West Church in January, the Spring Concert in St Mary's Cathedral in March, involving all pupils, and the three June concerts – Senior Jazz in the Jam House, the finalists recital for the Directors' Recital Prize in the Cathedral, and the Summer Concert in the Queen's Hall.

Nine pupils gave performances for the internal Concerto Competition, which now incorporates the Lord Clyde Memorial Competition for Solo Performance, to select the Spring Concert soloist.

## **ST MARY'S MUSIC SCHOOL TRUST LIMITED**

### **HEADTEACHER'S REPORT Continued**

Brass pupils collaborated with brass players from the Royal Conservatoire of Scotland and St Andrews Brass in a concert as part of the St Andrews Brass Festival. A brass group of 10 pupils, past and present, participated in a Midsummer Concert at Elshieshields. This group has produced a CD, entitled "Stormchaser". Five string pupils took part in the Royal Northern College of Music's Chamber Music Festival in Manchester.

External chamber music concerts also included a lunchtime concert at St Andrews University and an evening concert for Haddington Concert Society. The Schubert Quintet group gave an extensive series of concerts throughout the UK, including a new commission from Mr Tom David Wilson, the school's Head of Composition, and they recorded the Schubert and Wilson quintets in conjunction with students from Edinburgh College.

Eight of the junior pianists played for Melrose Music Society. Junior instrumentalists gave a lunchtime concert in Rosslyn Chapel. The Senior String Ensemble and Mr Stubbings, organ, played for Christian Aid's fundraising day of music for Nepal in St John's Church. The Clarsach Duo provided music at the First Minister's Reception in the Palace of Holyrood.

The Nigel Murray Masterclass was held in February at the Royal Conservatoire of Scotland. Six violinists from school played for and received instruction from Felix Andrievsky. The event was observed by all pupils, joined by 130 young violinists and their teachers, including from Douglas Academy, Dyce Academy, Big Noise Raploch and the City of Edinburgh Music School.

The school's programme of talks and masterclasses with distinguished musicians was extensive and included instrumental, singing, composition and Scottish music specialists. Prelims took place in term 2 for all pupils in S4 and above. External Music Assessments and associated masterclasses took place for the whole school in term two, with feedback to pupils, parents and staff.

Our brass pupils worked with and gave a concert with the New Wallace Collection, led by the school's President, John Wallace. Several pupils and their teachers from other schools also took part in the concert.

12 pupils attended a piano masterclass at the Royal Conservatoire of Scotland and eight junior pianists attended the Young Pianist of the North in Newcastle. The players of the Trout Quintet enjoyed an intensive series of masterclasses with the Edinburgh Quartet. The Headteacher accompanied a first study horn pupil to a horn workshop with James MacMillan and Hebrides Ensemble at Napier University.

P5-S2 pupils gave a Junior Jazz Concert in the Cathedral Song School.

All senior pupils participated in a Baroque Dance Workshop at Freemasons' Hall.

Pupils achieved success in the Edinburgh Competition Festival, including a finalist in the Concerto Competition.

Pupils performed each week in lunchtime concerts in school. Visiting musicians also gave presentations and lunchtime concerts in school. A concert marked the arrival of the Collins Pipe Organ. A Leavers' Concert took place in the Chapel in June.

The Headteacher acknowledged the support pupils received throughout the year from their accompanists.

Instrumental pupils enjoyed an Open Morning at the Royal Conservatoire of Scotland, including a string class led by the RCS Head of Strings.

Pupils were also fortunate to have the opportunity to attend many professional concerts in Edinburgh, accompanied by Mr Stubbings – 28 "Unmissable Concerts".



## **ST MARY'S MUSIC SCHOOL TRUST LIMITED**

### **HEADTEACHER'S REPORT Continued**

The choristers were congratulated on their impressive singing in Cathedral services throughout the year. During the session they were presented to HRH Princess Anne, sang in the Cathedral with Durham Cathedral Choir, gave a concert in Parliament Hall and were involved in two live broadcasts from the Cathedral and performances with the BBC Scottish Symphony Orchestra in Glasgow of Berg's Wozzeck and Walton's Music for Henry V.

The Headteacher acknowledged the support of the Cathedral, not least in allowing the school to stage so many concerts in such a wonderful building.

### **Extra-Curricular**

Seven senior pupils enjoyed a school trip to Rome in term 2. School visits included an S2 Latin trip with mature postgraduate students from the University of Edinburgh to Hadrian's Wall and an S3 RME trip to the National War Museum.

Local trips included visits to art galleries, museums, theatre visits and workshops, zoo trips, cinema excursions, the Royal Botanic Garden, the Risk Factory, and opera. The Running Club took part in Edinburgh Schools' Cross Country and Athletics events. There were drama workshops, cycling proficiency classes arranged by the Eco-group, and the Gardening Club held a plant sale to raise money for the charity, Talking Tandems.

### **Saturday Music Classes and Outreach**

Saturday Music Classes continue in popularity, culminating with the Ice Cream Concert at the end of session. The Part-time Pathways to Music Specialism scheme is a form of outreach where part-time tuition in music is offered to over 16 year olds.

### **Leaving Pupils**

The Headteacher gave advice and wished the leavers success in their future studies. He thanked all pupils who made a positive contribution to the school and wished them all the best for their summer courses and concerts and looked forward to seeing those returning in September.

# INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF ST MARY'S MUSIC SCHOOL TRUST LIMITED



We have audited the financial statements of St Mary's Music School Trust Limited for the year ended 31 July 2015 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's directors, as a body, in accordance with section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and its directors 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, its members as a body and its directors as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on pages 12 and 13, the directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 July 2015 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 applicable to Smaller Entities; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

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

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements 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 directors 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 take advantage of the small companies' exemption from the requirement to prepare a strategic report.

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

2015

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 Income and Expenditure Account)

**For the year ended 31 July 2015**

	Notes	Unrestricted General Reserves £	Endowment Reserves £	Restricted Reserves £	2015 Total £	2014 Total £
<b>Incoming resources</b>						
<u>Incoming resources from charitable activities</u>						
School fees		1,675,891	-	-	1,675,891	1,687,012
Outreach fees		55,506	-	-	55,506	68,138
Other school income		36,033	-	-	36,033	34,847
<u>Incoming resources from generated funds</u>						
<i>Voluntary income – grants and donations</i>		110,307	-	132,347	242,654	148,328
<i>Activities for generating funds</i>						
Summer letting – trading subsidiary		27,491	-	-	27,491	27,872
Other letting income		24,009	-	-	24,009	26,308
<i>Investment income</i>		458	-	6,318	6,776	6,254
<b>Total incoming resources</b>		1,929,695	-	138,665	2,068,360	1,998,759
<b>Resources expended</b>						
<u>Charitable activities</u>						
School operating costs	5	1,868,608	-	29,297	1,897,905	1,924,992
<u>Costs of generating funds</u>						
Summer letting costs – trading subsidiary		15,141	-	-	15,141	13,023
Fundraising costs		-	-	1,025	1,025	-
<u>Governance costs</u>	6	9,398	-	-	9,398	8,949
<b>Total resources expended</b>		1,893,147	-	30,322	1,923,469	1,946,964
<b>Net incoming resources before transfers</b>						
Gross transfers between funds	14	36,548	-	108,343	144,891	51,795
		27,615	-	(27,615)	-	-
<b>Net incoming resources before revaluation of investments – net surplus</b>						
		64,163	-	80,728	144,891	51,795
Unrealised gain on revaluation of investments	9	-	3,084	-	3,084	12,355
Realised loss on investments	9	-	-	-	-	(368)
<b>Net movement in funds</b>						
		64,163	3,084	80,728	147,975	63,782
<b>Reconciliation of funds</b>						
Total funds brought forward	14	1,074,182	176,411	33,007	1,283,600	1,219,818
<b>Total funds carried forward</b>	14	1,138,345	179,495	113,735	1,431,575	1,283,600

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 32 form part of these accounts.

# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## CONSOLIDATED BALANCE SHEET

As at 31 July 2015

	Notes	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Tangible assets	8		1,072,594		1,124,797
Investments	9		179,495		176,411
			-----		-----
			1,252,089		1,301,208
<b>Current assets</b>					
Debtors	10	86,106		77,503	
Cash at bank and in hand		290,123		79,602	
		-----		-----	
		376,229		157,105	
<b>Creditors:</b> Amounts falling due within one year	11	196,701		174,676	
		-----		-----	
<b>Net current assets/(liabilities)</b>			179,528		(17,571)
			-----		-----
<b>Total assets less current liabilities</b>			1,431,617		1,283,637
			=====		=====
<b>Capital and reserves</b>					
Members' subscriptions	13		42		37
Endowment reserves	14		179,495		176,411
Restricted reserves	14		113,735		33,007
Unrestricted general reserves			1,138,345		1,074,182
			-----		-----
			1,431,617		1,283,637
			=====		=====

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008) relating to small companies.

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

..... Director

Gavin Gemmell

..... Director

James Cook

16 November 2015

**Company No. SC054504**

The notes on pages 23 to 32 form part of these accounts.

# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## COMPANY BALANCE SHEET

As at 31 July 2015

	Notes	2015	2014
		£	£
<b>Fixed assets</b>			
Tangible assets	8	1,072,594	1,124,797
Investments	9	180,495	177,411
		-----	-----
		1,253,089	1,302,208
<b>Current assets</b>			
Debtors	10	110,468	92,211
Cash at bank and in hand		242,565	52,339
		-----	-----
		353,033	144,550
<b>Creditors:</b> Amounts falling due within one year	11	174,510	163,101
		-----	-----
<b>Net current assets/(liabilities)</b>		178,523	(18,551)
		-----	-----
<b>Total assets less current liabilities</b>		1,431,612	1,283,657
		=====	=====
<b>Capital and reserves</b>			
Members' subscriptions	13	42	37
Endowment reserves	14	179,495	176,411
Restricted reserves	14	113,735	33,007
Unrestricted general reserves		1,138,340	1,074,202
		-----	-----
		1,431,612	1,283,657
		=====	=====

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008) relating to small companies.

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

..... Director

Gavin Gemmell

..... Director

James Cook

16 November 2015

**Company No. SC054504**

The notes on pages 23 to 32 form part of these accounts.

# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## NOTES to the ACCOUNTS

As at 31 July 2015

### 1. Accounting policies

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention subject to the revaluation of investments and in accordance with Charities Accounts (Scotland) Regulations 2006 (as amended), the Statement of Recommended Practice – Accounting and Reporting by Charities (2005), applicable accounting standards, Financial Reporting Standard for Smaller Entities (effective April 2008) and the Companies Act 2006.

#### **Basis of consolidation**

These financial statements 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 and paragraph 397 of the SORP.

#### **Going concern**

The financial statements 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 financial statements.

#### **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.

#### **Legacies**

Legacy income is included in the period in which it is receivable, which is when the Company becomes entitled to the resource.

#### **Grants and fees receivable**

Grants and fees receivable are recognised in the period in which the service is provided.

#### **Investment income and rental income**

Income from investments and rental income is recognised in the Statement of Financial Activities in the year in which it is receivable.

#### **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.

- Costs of generating funds are those associated with activities for generating funds.
- Charitable activities include expenditure associated with meeting the Company's primary objectives and include both the direct costs and the support costs relating to these activities.
- Governance costs are those of a constitutional, strategic, or statutory nature with respect to the general running of the Company, rather than day to day management.
- All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities.

# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## NOTES to the ACCOUNTS

As at 31 July 2015

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 profit and loss 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	Fixtures and fittings	- over 3 years
Multi-sports area/tennis court	- over 8 years	Office equipment	- over 3 years
Additional classrooms	- over 5 years	Musical instruments	- over 10 years

The costs of upgrading Coates Hall, the Principal's House, the Lodge, the Boarding House and the Classrooms are capitalised within the freehold buildings.

### **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). Realised and unrealised gains are separately disclosed in the Statement of Financial Activities. The investment in the trading subsidiary St Mary's Music School Enterprises Limited is included at cost.

### **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 14.

### **Unrestricted reserves**

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

### **Designated reserves**

Designated reserves are funds which the Directors have agreed to set aside for specific purposes.

### **Endowment reserves**

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



# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## NOTES to the ACCOUNTS

As at 31 July 2015

### 2. Turnover

Turnover represents the amounts charged to pupils as fees, including fees for music lessons and fees met by grants from The Scottish Government of £1,271,449 (2014: £1,258,398), chorister fees met by St Mary's Cathedral of £76,726 (2014: £76,881), boarding fees and income from rents and lets. Outreach fees consists of income from Saturday Music Classes, Summer Courses and the Part-time Pathways to Specialism Scheme as noted in the Directors' Report. Turnover is attributable to the continuing activities of St Mary's Music School.

<b>3. Operating surplus</b>	<b>2015</b>	<b>2014</b>
	£	£
This is stated after charging:		
Depreciation of tangible fixed assets	91,197	90,411
Auditors' remuneration - audit services	9,000	8,370
- non-audit services	5,814	6,828
	=====	=====

<b>4. Interest receivable</b>	<b>2015</b>	<b>2014</b>
	£	£
Bank interest	458	352
Other interest	-	1
	-----	-----
	458	353
	=====	=====

<b>5. Charitable activities</b>	<b>2015</b>	<b>2014</b>
<u>School operating costs</u>	£	£
Teaching	980,578	1,030,328
Premises (including depreciation)	349,018	328,660
Boarding	224,727	242,813
Support	342,254	321,002
Bank interest and charges	1,328	2,189
	-----	-----
	1,897,905	1,924,992
	=====	=====

<b>6. Governance costs</b>	<b>2015</b>	<b>2014</b>
	£	£
Audit and accountancy fees	9,218	8,550
Board costs of training and travel	180	399
	-----	-----
	9,398	8,949
	=====	=====

# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## NOTES to the ACCOUNTS

As at 31 July 2015

<b>7. Staff costs and emoluments of employees</b>	<b>2015</b>	<b>2014</b>
	£	£
Wages and salaries	1,181,725	1,208,514
Employer's national insurance	77,211	84,714
Pension costs	150,865	145,346
	-----	-----
	1,409,801	1,438,574
	=====	=====
	<b>No.</b>	<b>No.</b>
Average number of persons employed	114	95
Full time equivalent	39	42

One employee received remuneration above £60,000 during the year. (2014: 1). No Director received any remuneration. Out of pocket travel and subsistence expenses, totalling £180 (2014: £399) were reimbursed to two directors.

<b>8. Tangible fixed assets – Group and Company</b>	<b>Property Freehold Buildings</b>	<b>Multi-Sports Area/ Tennis Court</b>	<b>Kitchen Equip-ment</b>	<b>Fixtures &amp; Fittings</b>	<b>Office &amp; Other Equipment</b>	<b>Musical Instru-ments</b>	<b>Total</b>
	£	£	£	£	£	£	£
Cost							
At 1 August 2014	1,867,145	25,784	17,050	39,442	50,614	107,270	2,107,305
Additions	-	-	5,446	-	5,700	27,848	38,994
Disposals	-	-	(3,331)	-	-	-	(3,331)
	-----	-----	-----	-----	-----	-----	-----
At 31 July 2015	1,867,145	25,784	19,165	39,442	56,314	135,118	2,142,968
	-----	-----	-----	-----	-----	-----	-----
Depreciation							
At 1 August 2014	757,148	25,784	17,050	39,442	50,614	92,470	982,508
Charge for year	81,733	-	1,089	-	1,900	6,475	91,197
On Disposals	-	-	(3,331)	-	-	-	(3,331)
	-----	-----	-----	-----	-----	-----	-----
At 31 July 2015	838,881	25,784	14,808	39,442	52,514	98,945	1,070,374
	-----	-----	-----	-----	-----	-----	-----
Net book amounts							
At 31 July 2015	1,028,264	-	4,357	-	3,800	36,173	1,072,594
	=====	=====	=====	=====	=====	=====	=====
At 31 July 2014	1,109,997	-	-	-	-	14,800	1,124,797
	=====	=====	=====	=====	=====	=====	=====

Freehold land and buildings include the continuing cost of upgrading Coates Hall, the Principal's House and the Lodge. These 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 25 Grosvenor Crescent, Edinburgh at £2,100,000 on an open market basis.

**ST MARY'S MUSIC SCHOOL TRUST LIMITED**  
**NOTES to the ACCOUNTS**

**As at 31 July 2015**

**9. Investments –Group and Company**

	<b>2015</b>		<b>2014</b>	
	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	£	£	£	£
UK listed investments at market value	179,495	179,495	176,411	176,411
Investments in subsidiary at cost	-	1,000	-	1,000
	-----	-----	-----	-----
	179,495	180,495	176,411	177,411
	=====	=====	=====	=====
<u>Listed investments</u>				
Cost at 31 July 2014		134,594		132,062
Net unrealised gain		41,817		29,862
		-----		-----
Market value at 31 July 2014		176,411		161,924
Purchases at cost		-		22,532
Disposals at market value		-		(20,400)
Net unrealised gain for the year		3,084		12,355
		-----		-----
Market value at 31 July 2015		179,495		176,411
		=====		=====
Cost at 31 July 2015		134,594		134,594
		=====		=====
Net unrealised gains included in market value		44,901		41,817
		=====		=====
Net realised loss on disposal		-		(368)
		=====		=====

Holdings in subsidiary undertaking

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

<b>Company</b>	<b>Country of registration or Incorporation</b>	<b>Principal Business</b>	<b>Shares Held</b>	
			<b>Class</b>	<b>%</b>
St Mary's Music School Enterprises Limited	Scotland	Letting	Ordinary	100

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

	<b>Capital &amp; Reserves</b>	<b>Result for the Year</b>
	£	£
St Mary's Music School Enterprises Limited	1,000	20
	=====	=====

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

# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## NOTES to the ACCOUNTS

As at 31 July 2015

### 10. Debtors

	2015		2014	
	Group	Company	Group	Company
	£	£	£	£
Outstanding school and letting fees	75,603	74,356	60,188	56,983
Other debtors and prepayments	10,503	10,503	17,315	17,315
Due from St Mary's Music School Enterprises Limited – group undertaking (Gift Aid)	-	10,258	-	13,135
Due from St Mary's Music School Enterprises Limited – group undertaking	-	15,351	-	4,778
	-----	-----	-----	-----
	86,106	110,468	77,503	92,211
	=====	=====	=====	=====

### 11. Creditors: amounts falling due within one year

	2015		2014	
	Group	Company	Group	Company
	£	£	£	£
Creditors and accruals	136,594	134,994	113,019	111,419
Income Tax and Social Security	21,128	21,128	21,284	21,284
Pension contributions	15,712	15,712	17,102	17,102
Income received in advance (note 12)	23,267	2,676	23,271	13,296
	-----	-----	-----	-----
	196,701	174,510	174,676	163,101
	=====	=====	=====	=====

### 12. Income received in advance

The movements on deferred income were as follows:

	At 31 July 2014	Deferred Income	Released to revenue in year	At 31 July 2015
	£	£	£	£
Group – Income in advance	23,271	23,267	(23,271)	23,267
	=====	=====	=====	=====
Company – Income in advance	13,296	2,676	(13,296)	2,676
	=====	=====	=====	=====

### 13. Share capital

The Company is constituted as a company limited by guarantee. As at 31 July 2015 there were 42 members of the Company (2014: 37). 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 its being wound up.

# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## NOTES to the ACCOUNTS

As at 31 July 2015

<b>14. Endowment and Restricted reserves – Company and Group</b>	<b>Balance 31.07.14</b>	<b>Received in the year</b>	<b>Transfers</b>	<b>Net Gains / Losses on Investments</b>	<b>Funds Expended</b>	<b>Balance 31.07.15</b>
	£	£	£	£	£	£
<b>Endowment reserves</b>						
Prize Fund	19,143	-	-	140	-	19,283
Directors' Recital Prize	1,125	-	-	8	-	1,133
McCallum Piano Scholarship	34,665	-	-	414	-	35,079
GAS Nicholson Course						
Bursary	10,114	-	-	74	-	10,188
Nigel Murray Masterclass	89,872	-	-	2,291	-	92,163
Bursary Fund	21,492	-	-	157	-	21,649
	-----	-----	-----	-----	-----	-----
Total Endowment Reserves	176,411	-	-	3,084	-	179,495
	-----	-----	-----	-----	-----	-----
<b>Restricted Funds</b>						
Prize	195	1,514	-	-	(1,202)	507
Directors' Recital Prize	-	839	-	-	(839)	-
McCallum Piano Scholarship	2,856	1,429	-	-	-	4,285
GAS Nicholson Course	52	462	-	-	(450)	64
Bursary						
Instrument	10,668	17,664	(25,332)	-	-	3,000
Gaelic Fund	232	-	-	-	-	232
Playground equipment	2,696	-	-	-	-	2,696
Nigel Murray Masterclass	2,892	2,519	-	-	(1,913)	3,498
Instrument repairs	283	-	(283)	-	-	-
Music & music fees & sundry equipment	-	875	-	-	(875)	-
Hope Scott Awards	71	1,000	-	-	(1,000)	71
Expansion expenditure	2,000	72,500	(2,000)	-	(21,018)	51,482
Annual Bursary Fund	11,062	37,863	-	-	(1,025)	47,900
Syson Charitable Foundation	-	2,000	-	-	(2,000)	-
	-----	-----	-----	-----	-----	-----
Total Restricted Reserves	33,007	138,665	(27,615)	-	(30,322)	113,735
	=====	=====	=====	=====	=====	=====

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 will be used for bursaries.

Transfers from the expansion expenditure fund and the instrument repairs fund are to the instrument fund. The gross transfer from the instrument fund of £27,615 represents the funding and expenditure on new instruments including those costing more than £5,000 and therefore capitalised (note 8) and those costing less than this figure and expensed during the year.

# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## NOTES to the ACCOUNTS

As at 31 July 2015

### 15. Analysis of net assets between reserves – Group

	Unrestricted Reserves Including members' subscriptions £	Endowment Reserves £	Restricted Reserves £	Total Reserves 2015 £
Reserve Balances at 31 July 2015 are represented by:				
Tangible fixed assets	1,072,594	-	-	1,072,594
Investments	-	179,495	-	179,495
Current assets	262,494	-	113,735	376,229
Current liabilities	(196,701)	-	-	(196,701)
	-----	-----	-----	-----
Total net assets	1,138,387	179,495	113,735	1,431,617
	=====	=====	=====	=====

### 16. Reconciliation of capital and reserves - Group

	2015 £	2014 £
At 1 August 2014	1,283,637	1,219,853
Surplus for the year	144,891	51,795
Net realised & unrealised gain on investments	3,084	11,987
Members' subscriptions	5	2
	-----	-----
At 31 July 2015	1,431,617	1,283,637
	=====	=====

### 17. 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:

	2015 £	2014 £
<b>Incoming resources</b>		
Incoming resources from charitable activities	1,767,430	1,789,997
Incoming resources from generated funds	280,697	194,025
	-----	-----
	2,048,127	1,984,022
<b>Resources expended</b>		
Charitable activities	(1,895,861)	(1,924,928)
Governance costs	(7,400)	(7,299)
	-----	-----
	(1,903,261)	(1,932,227)
<b>Net incoming resources before revaluation of investments</b>	144,866	51,795
Unrealised investment gain	3,084	12,355
Realised investment loss	-	(368)
	-----	-----
<b>Net movement in funds</b>	147,950	63,782
Total funds brought forward	1,283,620	1,219,838
	-----	-----
Total funds carried forward	1,431,570	1,283,620
	=====	=====

# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## NOTES to the ACCOUNTS

As at 31 July 2015

### 17. Financial activities of the Company (continued)

	2015	2014
	£	£
Represented by		
Restricted reserves	113,735	33,007
Endowment reserves	179,495	176,411
Unrestricted general reserves	1,138,340	1,074,202
	-----	-----
	1,431,570	1,283,620
Members' subscriptions	42	37
	-----	-----
	1,431,612	1,283,657
	=====	=====

### 18. Taxation

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

### 19. Bank overdraft

The Clydesdale Bank PLC (a member of the National Australia Bank Group) has a standard security over the premises at Coates Hall, Edinburgh.

### 20. Related party disclosures

Certain of the Directors are parents of pupils at the School and as such have arm's length transactions in relation to payment of school fees.

The School Bursar is married to T M Young, Chartered Architect, who has acted as the School's architect for a number of years. During the year £6,241 (2014: £7,687) was paid to Mr Young for services rendered and £2,297 was due as at 31 July 2015 (2014: £350).

The Company is due £10,258 (2014: £13,135) in Gift Aid from St Mary's Music School Enterprises Limited for the year to 31 July 2015.

# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## NOTES to the ACCOUNTS

As at 31 July 2015

### **21. Pension commitments**

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

A full actuarial valuation was carried out at 31 March 2012. The results of this valuation identified a notional fund shortfall of £1.3 billion which is to be repaid by a supplementary rate of 4.5% of employers' pension contributions for 15 years from 1 April 2015. This supplementary rate is included in the employers rate of 17.2% which is payable from 1 September 2015. The employer contribution rate was 14.9% during the year whilst employees contribute on a sliding scale.

The pension cost for the Staff who were members of this scheme during the year was £97,002 and has been charged to the income and expenditure account. There are employee and employer contributions of £9,708 for July 2015 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 remains at 14.9%. The pension cost for the year was £55,458 and has been charged to the income and expenditure account. There are employee and employer contributions of £6,004 for July 2015 which were due to be paid to the scheme after the year end.