



**ST MARY'S MUSIC SCHOOL TRUST LIMITED**  
**CONSOLIDATED REPORT and ACCOUNTS**  
For the year ended 31 July 2016

# 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 Dr William Moyes

Vice Chairman Rt Rev Brian Smith

Paul Baxter  
Graham Burnside  
James Cook  
John Elliot  
Jacqui Low  
Gavin Gemmell, CBE  
Brian Gill  
Neil Short  
Pauline Taylor  
Christian Torkington

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 (deceased 14 March 2016)  
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

### CHAIRMAN'S STATEMENT

2015/2016 was another very successful year for St Mary's Music School, with excellent music and academic results. To generate a pool of musical talent for future generations it is essential that we educate and train exceptionally talented children from an early age and St Mary's Music School has an outstanding track record in meeting this need. The School's success would not be possible without expert, dedicated teachers and support staff: Headteacher Dr Taylor has shown very strong leadership of his team and I thank him and his staff for their excellent work. A special thanks also goes to Anne Hood, who retired at the end of the 2015/2016 session after 13 years as Depute Headteacher. We wish Anne a long and happy retirement and welcome her successor Frances Findlay.

The School is fortunate in having the support of our Honorary President John Wallace and six Honorary Vice-Presidents, all of whom are distinguished musicians. It was with great sadness that we learned of the death in March 2016 of Sir Peter Maxwell Davies.

In 2015/16 the School roll comprised 61 instrumentalists and 23 choristers. Both instrumentalists and choristers obtain entry to the School by audition and assessment, based solely on musical ability and potential. No musically talented child is excluded from the school by inability to pay fees: financial assistance is provided by the St Mary's Music School (Aided Places) (Scotland) Regulations 2015 funded by Scottish Government, by School bursaries and by St Mary's Cathedral bursaries. All three sources of funding are important and we are grateful for the continuing support of the Scottish Government, St Mary's Cathedral and the generosity of a wide range of benefactors. Donations to the School in the year to 31 July 2016 totalled £207,085, including a legacy of £50,000 and this, combined with rigorous control of costs, enabled us to further strengthen our reserves.

Looking ahead, our vision is to increase substantially the number of musically gifted children whom the School can educate in an inspiring, inclusive and supportive environment. We also aim to develop our existing outreach activities, building on our long established programme of Saturday Music Classes which enable local children to discover the wonders of music.

Over the past 18 months we have started to see the possibility of this vision turning into reality. Backed by the philanthropic Dunard Fund, the Royal High School Preservation Trust (RHSPT) has made excellent progress in its exciting plans to convert the former Royal High School building in Regent Road, Edinburgh into a new home for St Mary's Music School. This new home would provide state of the art teaching, practice, and boarding facilities and a wonderful performance space. Moving to the refurbished former Royal High School site would enable us to attract and educate a greater number of musically talented students and to enlarge our outreach work.

The RHSPT submitted a planning application in December 2015 which to our delight was unanimously approved by the City of Edinburgh Council in August 2016. The Board is continuing to work closely with the RHSPT to develop detailed plans for the hoped-for migration from Coates Hall to the new location in Regent Road.

The Board and its various Committees have had a busy year in 2015/16 and I am very grateful to my fellow Directors who have given generously of their time and talents, especially in the pursuit of the development of our strategic goals. We look forward with enthusiasm to an exciting future.

William Moyes  
Chairman

November 2016

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

## **HEADTEACHER'S REPORT**

**The following is an edited and condensed version of the Headteacher's Speech at the Prize-giving at the end of session 2015/16.**

### **Introduction**

2015/2016 was an eventful year and a full account is contained in the speech I gave at the prize-giving at the end of the session. The full text of the speech can be found at <http://www.st-marys-music-school.co.uk/school-info/directors/statutory-accounts>

Our Queen's Hall summer concert was the musical culmination of the year. The concert included the Choristers, the String Ensemble, our Choirs, Brass Trio, Senior Jazz, Trad. Group as well as the School Orchestra led by Richard Montgomery and conducted by David Watkin.

The Directors' Recital Prize was another highlight. This year the competition attracted eighteen pupil entries. The eventual winner, Aaron Akugbo, and finalists Violeta Cubarsi, Hugh MacKay and Sophie Williams provided a fantastic concert. Our Junior Recital prize attracted eighteen entries and the Intermediate Recital Prize had fifteen entries.

### **Education and National Issues**

2015/2016 saw the new Advanced Higher Qualifications being offered in all subjects.

We continue to link with the Choir Schools Association of Great Britain. The School is an active member of the Scottish Council for Independent Schools and the national Music and Dance Schools group of nine specialist schools. I represent St Mary's Music School in the national 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 Orchestra of Scotland, the National Children's Orchestra of Scotland, the National Jazz Orchestra of Scotland and the National Youth Choirs of Scotland.

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

#### ***Term 1***

Key events included a concert as part of St Andrews Brass Festival, pupils performing for the Corstorphine Literary and Geographical Society and the School's Traditional Music Group performed at the SQA Star Awards. Our Christmas Concert in St Cuthbert's Parish Church included Mendelssohn's Hebrides Overture, Sibelius' Valse Triste and Christmas motets by Judith Weir.

Ruairidh MacLeod's improvisation De Profundis was the winner of the 2015 John Byrne Award, a competition open to 16 to 19 year olds in Scotland, supporting creative expression.

#### ***Term 2***

Chamber Music Concerts included the Rush Hour Chamber Music Concert at St Andrew's and St George's West Church, and an evening concert for the Haddington Concert Society. There was also a lunchtime Jazz concert in St Andrew University's lunchtime series. 13 pupils gave performances for our Internal Concerto Competition for the Lord Clyde Performance Prize. The winner, Hugh MacKay, performed the Elgar 'Cello Concerto at a special afternoon concert in March.

Our Easter Concert took place during Holy Week. The programme included Howell's Requiem and Haydn's The Seven Last Words of Christ from the Cross.

During the holidays fifteen senior pupils enjoyed a six day school trip to the Belgian Battlefields.

***Term 3***

On 22 April the St Mary's Music School Piano Day incorporating the Nigel Murray Masterclass took place in Stockbridge Parish Church. Over 250 people, including piano teachers and pupils from all over Scotland, were in attendance. The day included a concert from James Willshire, Fraser Mason, Simon Smith and primary pupils, as well as a Masterclass from Joanna MacGregor OBE for six of our senior pupils. The work of staff, particularly John Cameron and Claire McGregor, in planning and making the event such a positive advert for our school, was outstanding. This included the free hire of a Steingraeber piano which was flown over from Bayreuth specially.

In late April Brighde Chaimbeul won the BBC Radio 2 Young Folk Award in the Albert Hall, beating off strong opposition including the Causeway Trio who are all former pupils. At the start of June our leavers held the best leavers' concert I have witnessed, both in terms of the organisation and the musical content.

Our fourth Junior Jazz Concert took place at the end of May. At the Senior Jazz Concert, Jazz at The Jam House, Intermediate Jazz, The Jazz Combo and Senior Jazz groups gave accomplished performances under the inspired direction of Richard Ingham.

**Music Programmes**

Our Chamber Music programme provides something for all, with William Conway working on every possible combination. Likewise our jazz programme is available throughout the School, culminating in the two jazz concerts that have already been mentioned.

Performing opportunities for our pupils are many and varied and at every level, both within the curriculum and outwith, local and national. We perform an astonishing number of concerts at a variety of levels and in a variety of locations including our internal lunchtime concerts and local Edinburgh concerts. Our ARCM practical exam results have been impressive with several high distinctions recorded.

**Choristers**

In November the Choristers travelled to Paisley for a joint evensong with St Giles Cathedral and Paisley Abbey and in February they travelled to Durham for a joint service with the Choir of Durham Cathedral. In December they sang Benjamin Britten's A Boy Was Born with the SCO Chorus in a concert in Greyfriars Kirk and sang as part of the Mercy Ships Carol Service. In February and March the Choristers made a Stravinsky Recording with the SCO for Delphian Records.

**Saturday Morning Classes and Outreach**

Saturday Music Classes continue in popularity and we are grateful to many of our pupils who are involved as helpers as a form of Work Experience.

The Pathways Scheme is a form of outreach where part-time tuition in music is offered to over 16 year olds. There were two Pathways students with us during the session.

### **Anne Hood**

Anne Hood retired from the School at the end of June after 13 years of distinguished service. In that time she has been responsible for the day to day running of the School, taking care of the timetable, staff absence and cover, reporting, SQA exams and generally sorting things out when things don't run to plan. Of course she was also a first rate teacher of German as those who have been fortunate enough to study with her know. She will be sorely missed and we all wish her all the best for a long, happy and well deserved retirement.

### **Our Track Record**

In addition to its wide ranging and exceptional music provision, the School has a strong academic focus and has an excellent record in external examinations. The School enjoys consistently good exam results and again last year's results compared very well with other Scottish schools. Overall our percentage pass rate was 97% at National 5 and Higher, 96% at Advanced Higher and 100% at A Level.

All pupils go on to higher education, with by far the majority studying music and entering the music profession. Many former pupils have enjoyed success in prestigious national and international competitions and many are now pursuing international careers.

Last session's leavers progressed to: the Royal Academy of Music (4 pupils), the Royal College of Music (1), the Royal Conservatoire of Scotland (2), the Guildhall School of Music and Drama (2), Trinity Laban Conservatoire of Music and Dance, London (1), Maastricht University (1), University of Cambridge - Homerton College (1), with one pupil on a gap year performing and recording throughout the UK and beyond.

### **The Future**

My colleagues and I have been heavily involved in working with the Royal High School Preservation Trust in developing plans for a possible move from our current premises to the site of the former Royal High School. This would provide us with a state of the art new home complete with concert hall, rehearsal space, two recital rooms and numerous practice rooms.

The cost of the RHSPT's scheme has been underwritten by the Dunard Fund. If it is implemented, the facilities provided would be sector leading and would allow the School to expand both its core and outreach provisions, as well as providing an outstanding city centre venue for performance and rehearsal.

Kenneth Taylor

November 2016

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

## **DIRECTORS' REPORT**

The Directors present their report and accounts for the year ended 31 July 2016.

### **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 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 music 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. Government funding, up to 100%, is available through The St Mary's Music School (Aided Places) (Scotland) Regulations 2015 to assist with the cost of tuition and boarding fees for up to 45 instrumentalists and tuition fees for up to six choristers. Cathedral Bursaries, currently around 50% of chorister fees, are awarded by St Mary's Episcopal Cathedral to another 17 choristers. Around 16 pupils are supported by bursaries provided by the School through fundraising and funds generated by St Mary's Music School Enterprises Limited.

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 such as 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



**DIRECTORS' REPORT (continued)**

**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 2016**

The extract from the Headteacher's Speech at prize-giving at the end of session 2015/16 which forms part of this report gives a detailed synopsis of the principal activities of the year to 31 July 2016.

**Objectives for Session 2015/16**

The year's objectives included:

- Fundraising and promoting legacy giving
- Continuing to deliver an operating surplus thereby enhancing our reserves
- Continuing to work with the RHSPT and with their Architect Richard Murphy to produce the plans which gained approval from City of Edinburgh Council in August 2016

Strategies to achieve the year's objectives included:

- Legacy giving promoted on website and concert programmes
- Successful fundraising
- Careful budgeting and monitoring of expenditure
- Extensive consultation with RHSPT and Richard Murphy Architects

**Review of achievements and activities**

The session once again saw extremely good performance in public examinations with a 96.5% pass rate overall. 100% pass rate was achieved at A Level, with a 96% pass rate at Advanced Higher, 100% pass rate at Higher and 94% pass rate at National 5. 66% 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 a first class music education.

Achievements in music were excellent. Eight pupils achieved Grade VIII Distinctions from The Associated Board of The Royal Schools of Music throughout the year and, of these, three achieved a result of between 140 and the maximum of 150. 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 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, 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 £207,085 in donations, fundraising and gifts in kind was received in the year ended 31 July 2016. Included in this sum was £50,000 from the Binks Trust and a legacy of £50,000 from the estate of Mhairi Rankin.

Grateful thanks are due for gifts of musical instruments, sheet music, records and books as well as public relations services. A number of smaller gifts have not been included in the accounts as their individual values are very difficult to establish.

#### **Financial Review and Reserves Policy**

Details of the income and expenditure for the year, and assets and liabilities at 31 July 2016 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 £111,133 (2015: surplus £144,891).

#### **Aided Places Scheme**

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).

The scheme provides financial assistance towards the costs of fees for all eligible instrumental pupils and up to six chorister pupils. Remission on fees is based on a sliding scale linked to family income and is subject to annual means-testing.

The value of means-tested remission awards in 2015/16 amounted to £1,467,006. In the academic year 2015-16 there were a total of 67 pupils in receipt of financial assistance from either the Scottish Government or the School's bursary fund.

# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## DIRECTORS' REPORT (continued)

### Aided Places Scheme (continued)

The range of awards is as follows:

0-20%	2 beneficiaries
21 – 40%	1 beneficiary
41 – 60%	3 beneficiaries
61 – 80%	11 beneficiaries
81 – 100%	50 beneficiaries (of whom 13 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. The value of Cathedral Bursaries in 2015-16 was £88,373 awarded to 17 pupils.

One other pupil was also awarded a discretionary bursary from the School valued at £2,988.

### 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. Unrestricted reserves at 31 July 2016 amounted to £1,160,258 of which £982,972 is invested in fixed assets leaving available liquid reserves of £177,286. Details of restricted reserves are included in the notes to the accounts.

The School is vulnerable to a detrimental change in The Aided Places Scheme operated by the Scottish Government. However, the Directors are not aware of any indicators which suggest Scottish Government support to enable musically gifted pupils to attend the School will not continue.

### Investment Policy

The School's investments are held in listed M & G Charifund, and the Directors note the increase in the fund value by £5,649 to £235,144 at 31 July 2016. The objectives of the investments are to generate income for certain restricted fund expenditure, while maintaining an appropriate level of capital growth.

# **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 2016/17 School fees will remain unchanged from 2015/16.

The priorities and key objectives for 2016/17 will be:

- to maintain fundraising, including a legacy campaign
- to maintain rigorous cost controls
- to further enhance reserves
- to continue to work closely with the Royal High School Preservation Trust
- to work with consultants to produce a new business plan

We also aim to continue 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.

### **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 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.

#### **Communications Committee**

Jacqui Low (Chair), Paul Baxter, Chris Torkington

Staff: John Cameron (Head of Keyboard), Heather Innes (IT Administrator) from 28 September 2015, Paul Stubbings (Director of Music), Kenneth Taylor, Pamela Young

Advisers: Hazel Sheppard, Felicity MacFarlane (Indigo PR)

The Committee's task is to develop and secure the delivery of a strategy of all aspects of communications and to monitor media coverage of the school.

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

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

### **Structure, governance and management (continued)**

#### **Education Committee**

Brian Smith (Chair), Brian Gill, Neil Short, Pauline Taylor from 2 February 2016

Staff: John Cameron, Duncan Ferguson (Master of the Cathedral Music), Frances Findlay (Depute Headteacher) from 1 September 2016, Anne Hood (Depute Headteacher) to 21 June 2016, Yvonne Jarron (Head of Primary), Paul Stubbings (Director of Music), Kenneth Taylor, Pamela Young

In attendance: Claire McGregor (Minute Secretary)

The Committee's task is to satisfy themselves that the School's educational policies, planning, staffing and recruitment and auditioning of pupils reflect best educational practice and to provide informed advice to the Board of Directors, the Headteacher and the School Management Team.

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

James Cook (Chair), Graham Burnside, Jo Elliot, Gavin Gemmell until 23 March 2016

Staff: Kenneth Taylor, Pamela Young

The Finance and General Purposes Committee 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), Paul Baxter, Brian Gill, Jacqui Low, Chris Torkington

Staff: Kenneth Taylor, Pamela Young

Advisers: Hazel Sheppard, Peter Thierfeldt to 28 January 2016

The Committee's task is to consider, review and implement strategies for fundraising.

#### **Pupil Welfare Committee**

Pauline Taylor (Chair), Brian Smith

Parent Representative: Rosie Addis from 24 February 2016

School Chaplain: Kenneth Fleming from 24 February 2016

Staff: Kenneth Taylor, Greg Murray (Head of Guidance), Anne Hood to 21 June 2016, Frances Findlay from 1 September 2016, Emma Wilson (PSE Co-ordinator) to 21 June 2016, Jordan Croan (to 30 September 2016) or Nadine McDonald (Deputy Boarding House Managers), Pamela Young

The Committee's task is to ensure on behalf of the Board that proper procedures are in place for monitoring and promoting pupils' physical and mental health and social and spiritual wellbeing, to receive reports on any pupil welfare issues and to receive a synopsis of issues from questionnaires completed by pupils and parents.

#### **Remuneration, HR and Nominations Committee**

Graham Burnside (Chair), Neil Short, Christian Torkington

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

The Committee's task is to review the remuneration scales and terms of employment of all categories of Staff and to make recommendations in respect thereof to the Board of Directors. The committee also recommends candidates for appointment or reappointment to the

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

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

### **Structure, governance and management (continued)**

#### **Remuneration, HR and Nominations Committee (continued)**

Board and its committees, and ensures that the School's policies and processes for all aspects of non-executive appointments are fit for purpose.

#### **Remuneration of Key Management Personnel**

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

#### **Strategy Committee**

Jo Elliot (Chair), James Cook, Gavin Gemmell, Jacqui Low, William Moyes  
Staff: Kenneth Taylor, Pamela Young

The Committee's task is to consider how expansion may be achieved and to lead negotiations on the possible relocation of the school to the former Royal High School building in Regent Road.

#### **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 13 to the accounts.

None of the directors receive remuneration or other benefit from their work with the charity. Any contractual relationship must be disclosed and notes of interest are retained in written form.

Two of the directors have children attending the School. Generally this does not affect their capability to make independent and fair decisions but, if there is a specific situation where there may be conflicted interests, directors will remove themselves from meetings.

During the year, gifts in cash and in kind valued at £23,760 were received from members of the Board and have been included in the total of donations and legacies received of £207,085. Jo Elliot is a Trustee of the Binks Trust which made a donation of £50,000 to the School.

#### **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 according to 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.

**ST MARY'S MUSIC SCHOOL TRUST LIMITED**  
**DIRECTORS' REPORT (continued)**

**Structure, governance and management (continued)**

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 finance 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 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.

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
- 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 adequately mitigated to the extent necessary and practicable.

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

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

### **Structure, governance and management (continued)**

#### **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.

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:-

**PAMELA YOUNG**

**Secretary**

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We have audited the accounts of St Mary's Music School Trust Limited for the year ended 31 July 2016 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Statements of Financial Position, the Group Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 page 15, the directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the accounts 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 accounts 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 Ethical Standards for Auditors.

#### **Scope of the audit of the accounts**

A description of the scope of an audit of accounts is provided on the Financial Reporting Council's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on accounts**

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 2016 and of the group's 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 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 accounts are prepared is consistent with the accounts.

### **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 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 directors were not entitled to prepare the accounts 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 BA CA (Senior Statutory Auditor)  
For and on behalf of  
Chiene + Tait LLP  
Chartered Accountants and Statutory Auditor  
61 Dublin Street  
Edinburgh  
EH3 6NL

2016

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 2016

	Notes	Unrestricted General Reserves £	Endowment Reserves £	Restricted Reserves £	2016 Total £	2015 Total £
<b>Income from:</b>						
Charitable activities	3	1,854,619	-	-	1,854,619	1,767,430
Donations and legacies	4	101,029	50,000	56,056	207,085	242,654
Other trading activities	5	45,983	-	-	45,983	51,500
Investment income	6	1,206	-	7,144	8,350	6,776
<b>Total income</b>		2,002,837	50,000	63,200	2,116,037	2,068,360
<b>Expenditure on:</b>						
Raising funds	11					
Summer letting costs		8,102	-	-	8,102	15,141
Fundraising costs		-	-	-	-	1,025
		8,102	-	-	8,102	16,166
Charitable activities	8	1,972,862	-	23,940	1,996,802	1,907,303
<b>Total expenditure</b>		1,980,964	-	23,940	2,004,904	1,923,469
<b>Net income before investment gains</b>		21,873	50,000	39,260	111,133	144,891
<b>Net gains on investments</b>		-	5,649	-	5,649	3,084
<b>Net income for the year and net movement in funds</b>		21,873	55,649	39,260	116,782	147,975
<b>Reconciliation of funds</b>						
Total funds brought forward	18	1,138,345	179,495	113,735	1,431,575	1,283,600
<b>Total funds carried forward</b>	18	1,160,218	235,144	152,995	1,548,357	1,431,575
		=====	=====	=====	=====	=====

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 34 form part of these accounts.

# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## CONSOLIDATED BALANCE SHEET

As at 31 July 2016

	Notes	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Tangible assets	12		982,972		1,072,594
Investments	13		235,144		179,495
			-----		-----
			1,218,116		1,252,089
<b>Current assets</b>					
Debtors	14	80,607		86,106	
Cash at bank and in hand		437,089		290,123	
			-----	-----	
		517,696		376,229	
<b>Creditors:</b> Amounts falling due within one year	15	187,415		196,701	
			-----	-----	
<b>Net current assets</b>			330,281		179,528
			-----		-----
<b>Total net assets</b>			1,548,397		1,431,617
			=====		=====
<b>The funds of the charity</b>					
Members' subscriptions	17		40		42
Endowment funds	18		235,144		179,495
Restricted funds	18		152,995		113,735
Unrestricted general funds			1,160,218		1,138,345
			-----		-----
			1,548,397		1,431,617
			=====		=====

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 \_\_\_\_\_ and signed on its behalf by:-

..... Director

William Moyes

..... Director

James Cook

**Company No. SC054504**

The notes on pages 23 to 34 are an integral part of these accounts.

# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## COMPANY BALANCE SHEET

As at 31 July 2016

	Notes	2016	2015
		£	£
<b>Fixed assets</b>			
Tangible assets	12	982,972	1,072,594
Investments	13	236,144	180,495
		-----	-----
		1,219,116	1,253,089
<b>Current assets</b>			
Debtors	14	82,891	110,468
Cash at bank and in hand		420,379	242,565
		-----	-----
		503,270	353,033
<b>Creditors:</b> Amounts falling due within one year	15	173,989	174,510
		-----	-----
<b>Net current assets</b>		329,281	178,523
		-----	-----
<b>Total net assets</b>		1,548,397	1,431,612
		=====	=====
<b>The funds of the charity</b>			
Members' subscriptions	17	40	42
Endowment funds	18	235,144	179,495
Restricted funds	18	152,995	113,735
Unrestricted general funds		1,160,218	1,138,340
		-----	-----
		1,548,397	1,431,612
		=====	=====

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 \_\_\_\_\_ and signed on its behalf by:-

..... Director

William Moyes

..... Director

James Cook

**Company No. SC054504**

The notes on pages 23 to 34 are an integral part of these accounts.

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

**CONSOLIDATED CASH FLOW STATEMENT**

**For the year ended 31 July 2016**

	Notes	2016	2015
		£	£
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	21	192,670	237,734
<b>Cash flows from investing activities:</b>			
Dividends, interest and rent from investments	8,350	6,776	
Purchase of M&G units	(50,000)	-	
Purchase of property, plant and equipment	(4,052)	(33,994)	
<b>Net cash used in investing activities</b>		(45,702)	(27,218)
<b>Cash flows from financing activities:</b>			
Members' subscriptions		(2)	5
<b>Change in cash and cash equivalents in the reporting period</b>		146,966	210,521
<b>Cash and cash equivalents at the beginning of the reporting period</b>		290,123	79,602
<b>Cash and cash equivalents at the end of the reporting period</b>		437,089	290,123

The notes on pages 23 to 34 are an integral part of these accounts.

# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## NOTES to the ACCOUNTS

For the year ended 31 July 2016

### 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.

#### Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. The trustees have reviewed the transactions and have determined that no amendment to the comparative figures is required.

In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income/(expenditure) for the year is provided with the net income/(expenditure) under previous GAAP adjusted for the presentation of investment gains/(losses) as a component of reported income.

#### Reconciliation of reported net income

	£
Net income/(expenditure) as previously stated	144,891
Adjustments for gains/(losses) on investments now treated as a component of net income	3,084
	-----
2015 net income restated	147,975
	=====

#### 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.

#### 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.

# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## NOTES to the ACCOUNTS

For the year ended at 31 July 2016

### Income

Income 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.

### 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, legal fees and Board training and travel costs.
- 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 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 10 years	Musical instruments	- over 10 years

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



# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## NOTES to the ACCOUNTS

For the year ended 31 July 2016

### 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). 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 18.

### 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.

## 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 £1,281,374 (2015: £1,271,449), chorister fees met by St Mary's Cathedral of £88,373 (2015: £76,726), boarding fees and income from rents and lets. Outreach fees consists of income from Saturday Music Classes 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.

## 3. Income from charitable activities

	Unrestricted	Endowment	Restricted	2016 Total	2015 Total
	£	£	£	£	£
School fees	1,748,244	-	-	1,748,244	1,675,891
Outreach fees	72,613	-	-	72,613	55,506
Other school income	33,762	-	-	33,762	36,033
	-----	-----	-----	-----	-----
Total	1,854,619	-	-	1,854,619	1,767,430
	=====	=====	=====	=====	=====
2015	1,767,430	-	-	1,767,430	
	=====	=====	=====	=====	

# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## NOTES to the ACCOUNTS

For the year ended 31 July 2016

<b>4. Donations and legacies</b>	<b>Unrestricted</b>	<b>Endowment</b>	<b>Restricted</b>	<b>2016 Total</b>	<b>2015 Total</b>
	£	£	£	£	£
Grants and donations	100,029	-	56,056	156,085	242,654
Legacies	1,000	50,000	-	51,000	-
	-----	-----	-----	-----	-----
Total	101,029	50,000	56,056	207,085	242,654
	=====	=====	=====	=====	=====
2015	110,307	-	132,347	242,654	
	=====	=====	=====	=====	

<b>5. Other trading activities</b>	<b>Unrestricted</b>	<b>Endowment</b>	<b>Restricted</b>	<b>2016 Total</b>	<b>2015 Total</b>
	£	£	£	£	£
Summer letting – trading subsidiary	21,012	-	-	21,012	27,491
Garage letting income	24,971	-	-	24,971	24,009
	-----	-----	-----	-----	-----
Total	45,983	-	-	45,983	51,500
	=====	=====	=====	=====	=====
2015	51,500	-	-	51,500	
	=====	=====	=====	=====	

<b>6. Investment income</b>	<b>Unrestricted</b>	<b>Endowment</b>	<b>Restricted</b>	<b>2016 Total</b>	<b>2015 Total</b>
	£	£	£	£	£
On deposits	1,206	-	-	1,206	458
On listed investments	-	-	7,144	7,144	6,318
	-----	-----	-----	-----	-----
Total	1,206	-	7,144	8,350	6,776
	=====	=====	=====	=====	=====
2015	458	-	6,318	6,776	
	=====	=====	=====	=====	

<b>7. Net income for year</b>	<b>2016</b>	<b>2015</b>
	£	£
This is stated after charging:		
Depreciation of tangible fixed assets	93,674	91,197
Auditors' remuneration - audit services	10,150	9,000
- non-audit services	5,806	5,814
	=====	=====

# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## NOTES to the ACCOUNTS

For the year ended 31 July 2016

<b>8. Charitable activities</b>	<b>Unrestricted</b>	<b>Endowment</b>	<b>Restricted</b>	<b>2016 Total</b>	<b>2015 Total</b>
	£	£	£	£	£
<u>School operating costs</u>					
Teaching	1,025,794	-	16,337	1,042,131	980,578
Premises (including depreciation)	334,096	-	7,299	341,395	349,018
Boarding	242,473	-	304	242,777	224,727
Support	355,338	-	-	355,338	342,254
Bank interest and charges	2,312	-	-	2,312	1,328
<u>Governance costs</u>					
Audit and accountancy fees	12,647	-	-	12,647	9,218
Board costs of training and travel	202	-	-	202	180
	-----	-----	-----	-----	-----
Total	1,972,862	-	23,940	1,996,802	1,907,303
	=====	=====	=====	=====	=====
2015	1,878,006	-	29,297	1,907,303	
	=====	=====	=====	=====	

<b>9.Support costs</b>	<b>2016</b>	<b>2015</b>
	£	£
Administration staff	247,850	229,533
Publicity	52,514	28,739
Telephone, postage and subscriptions	11,677	12,091
Computer support and maintenance	18,423	28,512
Professional and legal fees	18,487	31,869
Other	6,387	11,510
	-----	-----
	355,338	342,254
	=====	=====

<b>10. Staff costs and emoluments of employees</b>	<b>2016</b>	<b>2015</b>
	£	£
Wages and salaries	1,252,674	1,181,725
Employer's national insurance	86,261	77,211
Pension costs	178,521	150,865
	-----	-----
	1,517,456	1,409,801
	=====	=====
	<b>No.</b>	<b>No.</b>
Average number of persons employed	114	114
Full time equivalent	40	39

# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## NOTES to the ACCOUNTS

For the year ended 31 July 2016

### 10. Staff costs and emoluments of employees (continued)

Key management personnel are the Directors, the Headteacher and the Bursar. No Director received any remuneration and the total remuneration, including employer pension contributions, paid to other key management personnel was £136,724 (2015: £133,122). One employee received remuneration above £60,000 during the year (2015: one).

Out of pocket travel and subsistence expenses, totalling £202 (2015: £180) were reimbursed to one director.

11.Expenditure on raising funds	Unrestricted	Endowment	Restricted	2016 Total	2015 Total
	£	£	£	£	£
Summer letting costs – trading subsidiary	8,102	-	-	8,102	15,141
Fundraising costs	-	-	-	-	1,025
	-----	-----	-----	-----	-----
Total	8,102	-	-	8,102	16,166
	=====	=====	=====	=====	=====
2015	15,141	-	1,025	16,166	
	=====	=====	=====	=====	

12. Tangible fixed assets – Group and Company	Property Freehold Buildings	Multi-Sports Area/ Tennis Court	Kitchen Equip-ment	Fixtures & Fittings	Office & Other Equipment	Musical Instru-ments	Total
	£	£	£	£	£	£	£
Cost							
At 1 August 2015	1,867,145	25,784	19,165	39,442	61,314	130,118	2,142,968
Additions	-	-	-	-	4,052	-	4,052
Disposals	-	-	-	(9,636)	(23,259)	-	(32,895)
	-----	-----	-----	-----	-----	-----	-----
At 31 July 2016	1,867,145	25,784	19,165	29,806	42,107	130,118	2,114,125
	-----	-----	-----	-----	-----	-----	-----
Depreciation							
At 1 August 2015	838,881	25,784	14,808	39,442	52,514	98,945	1,070,374
Charge for year	81,733	-	1,089	-	4,917	5,935	93,674
On Disposals	-	-	-	(9,636)	(23,259)	-	(32,895)
	-----	-----	-----	-----	-----	-----	-----
At 31 July 2016	920,614	25,784	15,897	29,806	34,172	104,880	1,131,153
	-----	-----	-----	-----	-----	-----	-----
Net book amounts							
At 31 July 2016	946,531	-	3,268	-	7,935	25,238	982,972
	=====	=====	=====	=====	=====	=====	=====
At 31 July 2015	1,028,264	-	4,357	-	8,800	31,173	1,072,594
	=====	=====	=====	=====	=====	=====	=====

# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## NOTES to the ACCOUNTS

For the year ended 31 July 2016

### 12. Tangible fixed assets – Group and Company (continued)

Freehold land and buildings include 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 25 Grosvenor Crescent, Edinburgh at £2,100,000 on an open market basis.

### 13. Investments – Group and Company

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

	2016		2015	
	Group	Company	Group	Company
	£	£	£	£
UK listed investments at market value	235,144	235,144	179,495	179,495
Investments in subsidiary at cost	-	1,000	-	1,000
	-----	-----	-----	-----
	235,144	236,144	179,495	180,495
	=====	=====	=====	=====
<u>Listed investments</u>				
Cost at 31 July 2015		134,594		134,594
Net unrealised gain		44,901		41,817
		-----		-----
Market value at 31 July 2015		179,495		176,411
Purchases at cost		50,000		-
Disposals at market value		-		-
Net unrealised gain for the year		5,649		3,084
		-----		-----
Market value at 31 July 2016		235,144		179,495
		=====		=====
Cost at 31 July 2016		184,594		134,594
		=====		=====
Net unrealised gains included in market value		50,550		44,901
		=====		=====

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.

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 have mitigated these risks by investing in M&G Charifund units which are specifically designed for the charity sector. 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 remains appropriate at this time.

# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## NOTES to the ACCOUNTS

For the year ended 31 July 2016

### 13. Investments – Group and Company (continued)

#### 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	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:

	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

	2016		2015	
	Group	Company	Group	Company
	£	£	£	£
Outstanding school and letting fees	69,125	60,324	75,603	74,356
Other debtors and prepayments	11,482	11,482	10,503	10,503
Due from St Mary's Music School Enterprises Limited – group undertaking				
- Gift Aid	-	11,085	-	10,258
- Other	-	-	-	15,351
	-----	-----	-----	-----
	80,607	82,891	86,106	110,468
	=====	=====	=====	=====

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

	2016		2015	
	Group	Company	Group	Company
	£	£	£	£
Creditors and accruals	125,103	123,803	136,594	134,994
Income Tax and Social Security	21,713	21,713	21,128	21,128
Pension contributions	18,337	18,337	15,712	15,712
Income received in advance (note 16)	22,262	10,136	23,267	2,676
	-----	-----	-----	-----
	187,415	173,989	196,701	174,510
	=====	=====	=====	=====

# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## NOTES to the ACCOUNTS

For the year ended 31 July 2016

### 16. Income received in advance

The movements on deferred income were as follows:

	At 31 July 2015	Deferred Income	Released to revenue in year	At 31 July 2016
	£	£	£	£
Group – Income in advance	23,267	22,262	(23,267)	22,262
	=====	=====	=====	=====
Company – Income in advance	2,676	10,136	(2,676)	10,136
	=====	=====	=====	=====

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 2016 there were 40 members of the Company (2015: 42). 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.

18. Reserves – Company and Group	Balance 31.07.15	Received in the year	Net Gains / Losses on Investments	Funds Expended	Balance 31.07.16
	£	£	£	£	£
<b>Endowment reserves</b>					
Prize Fund	19,283	-	185	-	19,468
Directors' Recital Prize	1,133	-	11	-	1,144
McCallum Piano	35,079	-	518	-	35,597
Scholarship					
GAS Nicholson Course	10,188	-	98	-	10,286
Bursary					
Nigel Murray	92,163	-	2,738	-	94,901
Masterclass					
Bursary Fund	21,649	-	207	-	21,856
John B Rankin Award	-	50,000	1,892	-	51,892
	-----	-----	-----	-----	-----
Total Endowment Reserves	179,495	50,000	5,649	-	235,144
	-----	-----	-----	-----	-----
<b>Restricted Funds</b>					
Prize	507	2,038	-	(1,845)	700
Directors' Recital Prize	-	828	-	(828)	-
McCallum Piano					
Scholarship	4,285	1,476	-	-	5,761
GAS Nicholson Course					
Bursary	64	478	-	(520)	22
Instrument	3,000	-	-	-	3,000
Gaelic Fund	232	-	-	-	232

# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## NOTES to the ACCOUNTS

For the year ended 31 July 2016

18. Reserves – Company and Group (continued)	Balance 31.07.15 £	Received in the year £	Net Gains / Losses on Investments £	Funds Expended £	Balance 31.07.16 £
<b>Restricted Funds (cont'd)</b>					
Playground equipment	2,696	-	-	-	2,696
Nigel Murray Masterclass	3,498	2,602	-	(2,513)	3,587
Hope Scott Awards	71	1,000	-	(1,071)	-
Expansion expenditure	51,482	5,000	-	(6,370)	50,112
Annual Bursary Fund	47,900	46,913	-	(8,693)	86,120
Syson Charitable Foundation	-	2,000	-	(2,000)	-
John B Rankin Award	-	615	-	(100)	515
Running Club	-	250	-	-	250
	-----	-----	-----	-----	-----
Total Restricted Reserves	113,735 =====	63,200 =====	- =====	(23,940) =====	152,995 =====

### Unrestricted General Reserves

1,138,345 =====	2,002,837 =====	- =====	(1,980,964) =====	1,160,218 =====
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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.

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.

Unrestricted reserves are available for the advancement of the charitable objects of the Company.

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

	Unrestricted Reserves Including members' subscriptions £	Endowment Reserves £	Restricted Reserves £	Total Reserves 2016 £
Reserve Balances at 31 July 2016 are represented by:				
Tangible fixed assets	982,972	-	-	982,972
Investments	-	235,144	-	235,144
Current assets	364,701	-	152,995	517,696
Current liabilities	(187,415)	-	-	(187,415)
	-----	-----	-----	-----
Total net assets	1,160,258 =====	235,144 =====	152,995 =====	1,548,397 =====



# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## NOTES to the ACCOUNTS

As at 31 July 2016

### 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:

	2016	2015
	£	£
<b>Income from:</b>		
Charitable activities	1,854,620	1,767,430
Donations and legacies	207,085	242,654
Other trading activities	36,056	34,267
Investment income	8,350	6,776
	-----	-----
	2,106,111	2,051,127
<b>Resources expended</b>		
Charitable activities	(1,994,973)	(1,906,261)
	-----	-----
<b>Net incoming resources before revaluation of investments</b>	111,138	144,866
Unrealised investment gain	5,649	3,084
Realised investment loss	-	-
	-----	-----
<b>Net movement in funds</b>	116,787	147,950
Total funds brought forward	1,431,570	1,283,620
	-----	-----
Total funds carried forward	1,548,357	1,431,570
	=====	=====

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

	2016	2015
	£	£
Net surplus for the year	116,782	147,975
Unrealised gains on investments	(5,649)	(3,084)
Interest and investment income	(8,350)	(6,776)
Depreciation	93,674	91,197
Donated assets	-	(5,000)
(Increase)/decrease in debtors	5,499	(8,603)
Increase/(decrease) in creditors	(9,286)	22,025
	-----	-----
Net cash provided by operating activities	192,670	237,734
	=====	=====

### 22. Taxation

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

### 23. Bank overdraft

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

# ST MARY'S MUSIC SCHOOL TRUST LIMITED

## NOTES to the ACCOUNTS

### As at 31 July 2016

#### **24. 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.

Donations of £23,760, including the value of donated services in respect of public relations, have been received from directors during the year.

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 £3,409 (2015: £6,241) was paid to Mr Young for services rendered and £2,049 was due as at 31 July 2016 (2014: £2,297).

The Company is due £11,085 (2015: £10,258) in Gift Aid from St Mary's Music School Enterprises Limited for the year to 31 July 2016.

#### **25. 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 of the scheme 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. Employees contribute on a sliding scale.

The pension cost for the Staff who were members of this scheme during the year was £183,035 and has been charged to the income and expenditure account. There are employee and employer contributions of £10,775 for July 2016 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 increased from 14.9% to 17.2% from September 2015. The pension cost for the year was £98,477 and has been charged to the income and expenditure account. There are employee and employer contributions of £7,562 for July 2016 which were due to be paid to the scheme after the year end.

#### **26. Reconciliation of capital and reserves - Group**

	2016	2015
	£	£
At 1 August 2015	1,431,617	1,283,637
Surplus for the year	116,782	147,975
Members' subscriptions	(2)	5
	-----	-----
At 31 July 2016	1,548,397	1,431,617
	=====	=====