



ST MARY'S MUSIC SCHOOL TRUST LIMITED
REPORT and ACCOUNTS
For the year ended 31 July 2022

ST MARY'S MUSIC SCHOOL TRUST LIMITED

REFERENCE and ADMINISTRATIVE INFORMATION

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

Directors

The following Directors served during the year:

Chair Jo Elliot, resigned 9 February 2022
Katrina Heathcote, from 9 February 2022

Vice Chair Graham Burnside, retired 13 December 2021

Fiona Akers
Joanne Buckley
John Conway
Sarah Davidson, resigned 14 March 2022
Alistair Hector
Alistair Mackie, appointed 8 November 2022
Neil McLennan, appointed 11 October 2022
Jamie Munn
John Reid, resigned 17 February 2022
Janine Watson, appointed 25 August 2022

Senior Staff

Headteacher Dr Kenneth Taylor

Bursar & Company Secretary Dr JoAnna Ruth Collings

Honorary President John Wallace CBE

Honorary Vice-Presidents Gavin Gemmell 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	Virgin Money 83 George Street Edinburgh EH3 9BY Bank of Scotland 75 George Street Edinburgh EH2 3EW
Auditor	Chiene + Tait LLP Chartered Accountants and Statutory Auditor 61 Dublin Street Edinburgh EH3 6NL
Solicitors	Brodies LLP 58 Morrison Street Edinburgh EH3 8BP
Investment Manager	Rathbone Investment Management Ltd 28 St Andrew Square Edinburgh EH2 1AF

ST MARY'S MUSIC SCHOOL TRUST LIMITED

STATEMENT FROM THE CHAIR

I am delighted to be delivering my first Statement as Chair in a much more optimistic environment than has recently been the case. The School staff coped admirably with the challenges of the successive lockdown restrictions, which exacted a great toll on the life of the School and is reflected in reduced pupil numbers. However, the School is now recovering strongly, with a significant increase in student activity and new pupil applications.

As you will see from the Headteacher's report, the school continues to uphold the highest standards of educational attainment, with over 60% of pupils achieving straight As at Higher Level. This level of attainment is even more remarkable when one takes into account the musical output and achievement delivered alongside. Such results are a real tribute to the skills and dedication of our Headteacher, the teaching staff and the pupils themselves.

This year also marked the point at which the future move to the former Royal High School buildings on Calton Hill became a reality. Following the agreement by Edinburgh City Council to grant a lease to the Royal High School Preservation Trust ('RHSPT'), the building experienced a splendid musical reawakening during the summer with the Pianodrome and Hidden Door initiatives and many of our pupils, past and present, had the opportunity to make music there. The doors of the building are now closed again as it is transformed into a state of the art centre for music education and performance.

To prepare for the move the School has made a number of important changes and hires, including an Interim CEO to oversee the transition. We will be working with architects, the RHSPT and others to ensure that the both the refurbished historic buildings and those to be constructed match our ambitious plans. Ensuring that the School grows steadily in anticipation of the move will be a primary focus over the next few years and the Board are committed to ensuring that this happens with minimal disruption to daily life.

Finally, we had two significant changes to our senior team this year. The first was at Christmas when I took over from Jo Elliott as Chair. Jo served on the Board for almost 8 years but as the project to redevelop the Royal High building got the go ahead, he felt it was appropriate to hand over the reins to a fresh team to supervise the transition. Jo presided over a difficult and, at times, frustrating period for the School. Throughout, Jo remained a steady guide at the helm of the School and we are very appreciative of his hard work and steady leadership over the years.

At the end of the summer term Paul Stubbings resigned from the position of Director of Music after a period of 10 years. As an interim measure, the position is being ably managed by our senior musical staff while we take time to ensure that we fully understand the requirements for a new Director of Music to take us forward to the new environment at the Calton Hill.

As you can see from this statement, the focus of the School is very firmly on the future. However, as we go in to the 2022-2023 academic year, we are also taking time to properly celebrate the School's 50th Anniversary, with a celebratory programme of events that will include both former and current pupils and all our supporters and sponsors.

It is an exciting time and I feel privileged to lead the Board through it.

Katrina Heathcote
Chair

2022

The following is an edited version of the Headteacher's Speech at the Prize-giving at the end of session 2021/22.

Education and National Issues

We appreciate the support shown to the school by Scottish Government and we are continually grateful for the Scottish Government provision for the Aided Places Scheme. We continue to link with the Choir Schools Association of Great Britain, the Scottish Council for Independent Schools and the UK Music and Dance Schools group of nine specialist schools. I represent the school in the Music Education Partnership Group. Many of our pupils have places in national ensembles such as the National Youth Orchestra of Great Britain, National Children's Orchestra, National Youth Orchestras of Scotland. Several pupils were involved as peer mentors and participants in the On-Line Scottish Chamber Orchestra String Academy run in association with the school.

Session Developments

The session started with a roll of 62 pupils. The school always encourages pupils and former-pupils alike to share their knowledge of the school with their fellow musicians and, where appropriate, to encourage them to audition here. As ever there have been changes in the school's staff – over twenty in fact. We are grateful for the contribution those that have left have made and delighted to have welcomed new staff to the school. In the music department, we have welcomed Philip Sharp, a new Teacher of Piano, following the departure of Elena Fischer-Dieskau. John Reid, one of our Directors, has taken on a role as Interim Chief Executive Officer as we work with various parties towards our move to the former Royal High School.

Summary of School Year

Term 1

Last year's summer holiday had barely started when Coates Hall suffered its worst flood to date. The work to repair the damage is still being completed in the North Basement. There were continuing issues relating to COVID-19 – face mask wearing, occasional positive tests etc. In term 1 there was no evidence of in-school transmission and no cases in the Boarding House. Choirs and wind groups were allowed to play together again, with mitigating protocols in place. The exam results from last summer were outstanding – in line with previous best years. The results were based on demonstrated pupil achievement by verified assessment in school. 20 of the 31 candidates achieved straight As over all SQA courses studied. The Cambridge iGCSE moderated results were nine grade 9s and the Pre-U results were all distinctions with 5 pupils gaining the top grade 1 award. As well as continuing to share two virtual open events, we held a new 'Instrumentalist Taster Day' which was devised and delivered for young musicians to experience aspects of a specialist music education. Celebrity 6 continued under William Conway's stewardship, with Pekka Kuusisto visiting in Term 1.

Saturday Music Classes were back in school for the first time in well over a year. Former pupil Brighde Chaimbeul's Scottish Smallpipes playing opened the Cop26 Summit. In the Christmas Concert we heard performances from the Choristers, the Junior and Senior String Ensembles and Choirs, performances of Handel and Haydn from the Orchestra and the second Seven Hills Commission, Tom David Wilson's On Blackford Hill – a Clarinet Quartet - was premiered following the lecture from Astronomer (and amateur clarinettist) Professor John Peacock in the previous Friday's Performance Practice.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

HEADTEACHER'S REPORT (continued)

Term 2

With Covid restrictions for public events becoming more of an issue, our Chamber Concert in St Andrew's and St George's West at the end of week 1 was performed to the Boarding House and a couple of supporters, behind closed doors. With more transmissible variants, what had been a relatively Covid free school became prone to many pupil and staff absences – with teachers and pupils having to rest up and /or work from home. As a result of the uncertain working conditions all first study assessments were recorded and submitted to assessors on-line. Just before half term the Principal of the Royal Conservatoire of Scotland, Jeffrey Sharkey, adjudicated the Lord Clyde Concerto Competition.

In February we enjoyed a visit from Liz Haddon and Martin Suckling focused on string duet playing – and our on-line Celebrity Six visitors were Anna Meredith, Clifton Harrison and Gillian Moore. Valerie Pearson, ably assisted by John Cameron, staged a special performance to donors of the Franck Violin Sonata from William, Anias, Ellie and Clio and Bach from Lydia. The Junior Instrumentalists made a recording for the CoMA Festival led by Rob Hall and William Conway.

A notable assembly in March – our first in person assembly for over two years - saw Michelle Huang destroy Richard Beauchamp's record for memorising pi – completing 230 digits. The school supported the Scottish Chamber Orchestra wind academy in two on-line and one in person Sunday sessions.

The Spring Concert was our second concert open to the public since December 2019. The concert featured Robert Johnston in his Lord Clyde winning performance of the York Bowen Concerto for Horn and Strings and the third Seven Hills Commission "*Enlightenment*" from Neil Tomás Smith based on the poem "*On Calton Hill*" from Alexander McCall Smith - which he read to us on the night.

Term 3

We enjoyed an afternoon of music and lectures from our Vice President James Macmillan. We saw the Unmissable Concert series restart – there were seven concerts this session and we enjoyed two outstanding lunchtime concerts from Vice president Steven Osborne in Messiaen and Susan Tomes and John Cameron in Mozart and Masterclasses from Danny Driver and Jack Liebeck. We enjoyed Junior and Senior Chamber Music Recitals in the Chapel, a Summer Chamber Concert in the Brunton Theatre in Musselburgh arranged by Duncan Ferguson and two Pupil Composer Concerts in the Cathedral. The week of the Directors' Recital Prize was even busier than usual with the Hidden Door event at the Former Royal High School the following evening, which included performances from pupils past and present.

Seven Hills Project

Throughout the year Valerie Pearson has continued to take the Seven Hills Project forward – developing links with the composers we had commissioned, looking to share music making with young musicians beyond the school, encouraging pupil fundraising around the project and raising public awareness of the project which will help us build towards our 50th Anniversary Concert next summer.

HEADTEACHER'S REPORT (continued)

Outreach and Saturday Music Classes

Saturday Music Classes returned in person this session and have started to rebuild after last session was spent online. They have produced three concerts in the Cathedral to showcase their work which were very well produced. Eleanor Parker will be leaving us after 13 years working with our Saturday Music Classes and we are all most grateful to her for her work and stewardship around this unique offering.

We have continued our work with the SCO in SCO Academy and I would like to offer my thanks to Pearson, Lydia, Ellie, India, Daisy, Beau and Alex for their support around String Academy. Several pupils supported the Benedetti Foundation's recent weekend sessions in Perth – thanks go to Lydia, Viktor, Klara, Ellie, India and Daisy. Valerie Pearson also led what turned out to be online composer workshops for Culloden Academy with the help of Jay Caperauld, Alex, Alexander and Amelia.

Departing Teachers

Alison Horsey retired at the end of last session but, when we were let down by our new Latin Teacher, Alison very kindly agreed to teach our certificate classes. Now we do have a teacher of Latin, Alison can finally relax, free of the weekly commitments at SMMS.

Diana Esland worked part time last year as maternity cover for Susan Saunderson. She has continued to work a day or so with us this year to allow Susan a little more time with her family.

Alan Dunsmore has been our part time teacher of Mathematics for the past two years and we have been delighted that he chose to join us after finishing his work at Stewart's Melville College as Principal Teacher of Mathematics.

Ruth Martin has been teaching Art and Design here since 2006. Her work and that of her senior pupils has been of the very highest quality.

Paul Stubbings Paul is one of the most committed teachers I have met in 25 years of teaching. He is generous with his time and his tireless work has helped make St Mary's Music School the place it is today. We are all hugely grateful for the ten years of his life he has devoted to the school.

Kenneth Taylor

2022

The Directors present their report and accounts for the year ended 31 July 2022

Objects and Activities

Charitable Objects

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

The objects of St Mary's Music School Trust Ltd as set out in its Memorandum and Articles of Association are to promote the study, practice and knowledge of music and other musical, literary, artistic, cultural and educational purposes connected therewith, and for these purposes to establish, maintain and manage a school, both primary and secondary, for gifted children. St Mary's Music School provides pupils attending the School with a general education and enters them for normal educational examinations and also musical examinations, both theory and practical, and prepares pupils, where possible, for a career in music. St Mary's Music School also offers places for the choristers of St Mary's Episcopal Cathedral, Edinburgh. Pupils gain a place on the basis of musical ability and potential, regardless of parental means (see pages 9 & 10).

Outreach and community work are growing and important aspects of the work of St Mary's Music School and we aim to encourage inclusion, extending specialist music opportunities to pupils from other schools as appropriate. Our long established Saturday Music Classes, attended by around 100 children from the pre-school year upwards, are an important part of our community activities. Alongside the well-established classes in violin, cello, recorder, singing and theory, tuition is now available in small groups for beginners in clarsach, clarineo, clarinet and guitar.

We have a long history of welcoming pupils from other schools to participate in our core activities such as masterclasses and workshops.

Aims of St Mary's Music School

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

Aims

- To provide specialist music education to instrumentalists and the choristers of St Mary's Episcopal Cathedral
- To contribute to the cultural life of Scotland and internationally
- To encourage applications from all pupils with the potential to benefit from a supportive specialist music school education
- 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 2022

The extract from the Headteacher's Speech at prize-giving at the end of session 2021/22 which forms part of this report gives a synopsis of the principal activities of the year to 31 July 2022.

Objectives for Session 2021/22

The year's objectives included:

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

Strategies to achieve the year's objectives included:

- Targeted fundraising campaigns and other related activities
- Careful budgeting and monitoring of expenditure
- Continuing to develop our marketing campaign

Review of achievements and activities

The 2021/22 session saw good performance in public examinations with a 100% pass rate overall. 82% of all SQA presentations achieved an A Grade. The school has once again achieved the objective of maintaining its high academic performance, providing an excellent general education alongside a first class music education.

Achievements in music were excellent. Our leavers progressed to Higher Education establishments of their choice, either university or conservatoire, many with scholarships. Outside school, our pupils routinely play in youth orchestras, such as National Children's Orchestra, National Youth Orchestras of Scotland, and National Youth Orchestra of Great Britain.

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

The School celebrates its 50th anniversary in June 2023. To celebrate this milestone, the School has initiated the Seven Hills Project. This three year project is commissioning a set of new works from multiple composers with links to the School, as well as a series of associated workshops in schools and in the wider community.

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 benefit 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.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

DIRECTORS' REPORT (continued)

Significant Fundraising Activities (continued)

A total of £719,635 in donations and legacies was received in the year ended 31 July 2022. Included in this sum was £90,000 from Dunard Fund in support of the RHS development project and £60,000 received from Gavin Gemmell for the development of school projects, substantial and generous gifts which were hugely appreciated.

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

Financial Review

Details of the income and expenditure for the year, and assets and liabilities at 31 July 2022 are shown on the Statement of Financial Activities and Balance Sheet in the accounts.

The combined deficit on unrestricted and restricted activities for the year, prior to revaluation of investments, was £66,236 (2021: deficit £24,686).

Scottish Government Aided Places Scheme and School Bursaries

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

For the 2022/23 academic year the scheme provides for up to 49 instrumentalists and 6 choristers, for eligible pupils. Remission on fees is based on a sliding scale linked to family income and is subject to annual means-testing.

In the academic year 2021/22 there were a total of 50 pupils in receipt of financial assistance via the Aided Places Scheme, funded by either the Scottish Government or the School. From these two sources the value of means-tested remission awards in 2021/22 amounted to £1,307,017.

The range of awards from both sources are:

Percentage of award	Number of pupils
1 – 40%	0 beneficiaries
41 – 60%	1 beneficiary
61 – 80%	11 beneficiaries
81 – 100%	38 beneficiaries (of whom 9 received 100%)

Non means-tested fee remissions

All choristers not holding an Aided Place are awarded a Cathedral bursary of at least 33% of the full fee by the St Mary's Episcopal Cathedral. The value of Cathedral bursaries in 2021/22 was £52,748 awarded to 9 pupils.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

DIRECTORS' REPORT (continued)

Reserves Policy

The Directors are satisfied, based on financial assumptions which they consider reasonable, that the Company will be able to meet its debts as they fall due for the foreseeable future. Cash balances at the year end represented approximately 3 months' operating expenditure. Unrestricted reserves at 31 July 2022 amounted to £829,249. Details of restricted reserves are included in the notes to the accounts.

The School would be vulnerable to a detrimental change in The Aided Places Scheme operated by the Scottish Government. However, the Directors are not aware of any indications that Scottish Government support for musically gifted pupils to attend the School will not continue and have been encouraged by the agreement reached to increase the level of fees by 7% from the next session.

Investment Policy

The School's investments are held by Rathbone Investment Management Ltd. At the start of 2021/22, investments had a value of £468,769 compared to the original cost of £484,595. At the year end this investment had depreciated by £3,117.

Plans for future periods

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

In 2022/23 School fees will be increased by 7% from 2021/22.

Key objectives for 2022/23 are:

- Prepare a long-term plan to ready the school for its relocation to the RHS
- In particular, develop a plan to deliver a significant increase in the pupil roll
- Reorganise the fundraising function
- Liaise closely with the RHSP/T to develop plans for the refurbishment of the RHS
- Maintain rigorous financial discipline

Structure, governance and management

Governing Document

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

Recruitment and Training of Directors

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

Organisational management

The Board of Directors, as the charity trustees of the Charity, are legally responsible for the overall management and control of the School and meet at least four times a year.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

DIRECTORS' REPORT (continued)

Remuneration of Key Management Personnel

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

Related Parties

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

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

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

	Unrestricted	Restricted	Total
	£	£	£
Members of the Board (including Trusts)	20,488	9,812	30,300
Key management personnel	1,375	100	1,475

Principal Risks and uncertainties

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

The Directors believe that the reputation of the School is key to ensuring future success. The Directors consider that there is a sufficient and continuing demand for specialist music education to sustain an adequate school roll over the medium term.

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

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

The School also has considered non-financial risks and as child protection and the health and safety of pupils and staff is paramount they consider any potential breach to be a principal risk.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

DIRECTORS' REPORT (continued)

Principal Risks and uncertainties (continued)

To mitigate the safeguarding risk the School has developed policies to ensure the regulations and guidelines for the welfare of pupils are observed. Directors are aware that in participating in St Mary's Episcopal Cathedral Choir and National Youth Music Organisations pupils are in regular contact with adults who for legitimate legal reasons may not have been vetted by either Disclosure Scotland or the Disclosure Barring Service in England. They are satisfied that these organisations have policies in place to safeguard the pupils in their care.

A comprehensive risk management report, prepared by senior Staff, is monitored by the Board. Risks are identified and assessed and steps are taken to establish systems and controls where necessary.

Controls used by St Mary's Music School include:

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

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

Statement of Directors' responsibilities

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

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

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

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

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

Statement of Directors' responsibilities (continued)

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

In so far as the Directors are aware:

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

Small company provisions

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

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

JoAnna Ruth Collings
Secretary

_____ 2022

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



Opinion

We have audited the accounts of St Mary's Music School Trust Limited (the 'charitable company') for the year ended 31 July 2022 which comprise the Statement of Financial Activities, Statement of Financial Position, Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2022, and of the incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the Directors

As explained more fully in the Directors' Responsibilities set out on page 12 and 13, the Directors are also responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Directors (continued)

In preparing the accounts, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the sector in which it operates and considered the risks of acts by the charitable company which were contrary to applicable laws and regulations, included fraud.

We focused on laws and regulations that could give rise to a material misstatement in the accounts. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- review of minutes of Directors' meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in an audit of accounts and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the accounts, the less likely we are to become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the Board that represented a material misstatement due to fraud.

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

Use of our report

This report is made solely to the members of St Mary's Music School Trust Limited, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the Board of Directors, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the Board of directors of St Mary's Music School Trust Limited those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, and its Board of Directors as a body, for our audit work, for this report, or for the opinions we have formed.

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

2022

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

STATEMENT OF FINANCIAL ACTIVITIES

(incorporating the Statement of Comprehensive Income)

For the year ended 31 July 2022

	Notes	Unrestricted General Reserves £	Endow- ment Reserves £	Designated Reserves £	Restricted Reserves £	2022 Total £	2021 Total £
Income from:							
Charitable activities	3	1,786,612	-	-	-	1,786,612	1,850,400
CJRS/SSP /Covid Grant		-	-	-	-	-	135,397
Donations & legacies	4	127,622	-	149,216	442,797	719,635	526,509
Other trading activities	5	38,828	-	-	-	38,828	25,679
Investment income	6	10,422	1,472	-	7,095	18,989	14,793
Total income		1,963,484	1,472	149,216	449,892	2,564,064	2,553,209
Expenditure on:							
Raising funds	11	2,979	-	-	135,191	138,170	81,524
Charitable activities	8	2,199,815	-	-	292,315	2,492,130	2,496,371
Total expenditure		2,202,794	-	-	427,506	2,630,300	2,577,895
Net (expenditure) / income before transfers between funds							
		(239,310)	1,472	149,216	22,836	(66,236)	(24,686)
Gross transfers between fund	18	93,794	-	-	(93,794)	-	-
Net (expenditure) / income before gain on investments							
		(145,416)	1,472	149,216	(71,408)	(66,236)	(24,686)
Net gain on investments		539	471	-	-	1,010	31,067
Net (expenditure) / income for the year and net movement in funds							
		(144,977)	1,943	149,216	(71,408)	(65,226)	6,381
Reconciliation of funds							
Total funds brought forward	18	974,226	218,802	-	528,095	1,721,123	1,714,742
Total funds carried forward	18	829,249	220,745	149,216	456,687	1,655,897	1,721,123
		=====	=====	=====	=====	=====	=====

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 21 to 36 form part of these accounts.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

BALANCE SHEET

As at 31 July 2022

	Notes	£	2022 £	£	2021 £
Fixed assets					
Tangible assets	12		745,581		767,254
Investments	13		468,024		469,769
			-----		-----
			1,213,605		1,237,023
Current assets					
Debtors	14	42,803		64,186	
Cash at bank and in hand		673,284		683,030	
		-----		-----	
		716,087		747,216	
Creditors: Amounts falling due within one year	15	273,754		263,075	
		-----		-----	
Net current assets			442,333		484,141
			-----		-----
Total net assets			1,655,938		1,721,164
			=====		=====
The funds of the charity					
Members' subscriptions	17		41		41
Endowment funds	18		220,745		218,802
Designated funds	18		149,216		-
Restricted funds	18		456,687		528,095
Unrestricted general funds	18		829,249		974,226
			-----		-----
	25		1,655,938		1,721,164
			=====		=====

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 _____ 2022 and signed on its behalf by:-

..... Director

Katrina Heathcote

..... Director

Fiona Akers

Company No. SC054504

The notes on pages 21 to 36 are an integral part of these accounts.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

CASH FLOW STATEMENT

For the year ended 31 July 2022

	Notes	2022	2021	
		£	£	
Cash flows from operating activities:				
Net cash provided by operating activities	20	(7,001)	96,878	
Cash flows from investing activities:				
Dividends, interest and rent from investments	18,989	14,793		
Purchase of property, plant and equipment	(24,489)	(56,018)		
Proceeds from sale of investments	58,539	468,006		
Purchase of investments	(48,437)	(466,671)		
Net cash provided by / (used in) investing activities		4,602	(39,890)	
Cash flows from financing activities:				
Members' subscriptions		-	1	
Change in cash and cash equivalents in the reporting period		(2,399)	56,989	
Cash and cash equivalents at the beginning of the reporting period		684,365	627,376	
Cash and cash equivalents at the end of the reporting period		681,966	684,365	
Cash and cash equivalents				
Cash held within investments		8,682	1,335	
Cash at bank and in hand		673,284	683,030	
		681,966	684,365	
Analysis of changes in net debt				
	At start of year	Cash-flows	Other non-cash changes	At end of year
	£	£	£	£
Cash and cash equivalents	684,365	(2,399)	-	681,966

The notes on pages 21 to 36 are an integral part of these accounts.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2022

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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

St Mary's Music School Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

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

Going concern

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

Income

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

School Fees

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

Donations and gifts

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

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2022

1. Accounting policies

Resources expended

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

- Costs of raising funds are the direct costs associated with activities for generating income from donations, legacies and the generation of summer letting income.
- Charitable activities include expenditure associated with meeting the Company's primary objectives and include both the direct costs, support costs and the governance costs relating to these activities. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation. These costs include costs related to statutory audit and legal fees.
- All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities.

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

Musical Instruments

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

Pensions

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

Fixed Assets

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

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

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

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

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2022

1. Accounting policies

Financial instruments

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

Investments

Investments are included in the accounts at market value. Realised and unrealised gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Investment gains and losses are separately disclosed in the Statement of Financial Activities.

The investment in the subsidiary St Mary's Music School Enterprises Limited is included at cost. The subsidiary has been dormant throughout the past two financial years and the balance sheet has not been consolidated within these accounts as the net impact is nil.

Restricted reserves

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

Unrestricted reserves

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

Endowment reserves

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

2. Turnover (Income from Charitable and Trading activities)

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

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2022

3. Income from charitable activities (Unrestricted)	2022	2021
	£	£
School fees (gross)	1,830,756	1,912,313
Fee subsidy awarded by the School *	(75,622)	(82,276)
Remission awarded by the School *	(48,857)	(12,845)
	-----	-----
School fees (net)	1,706,277	1,817,192
	=====	=====
Contributed by:		
Scottish Government Aided Places Scheme	1,258,160	1,358,072
St Mary's Episcopal Cathedral for chorister fees	52,748	66,735
Parents	395,370	392,385
	-----	-----
School fees (net)	1,706,277	1,817,192
Outreach fees	52,008	21,269
Other school income	28,327	11,939
	-----	-----
Total	1,786,612	1,850,400
	=====	=====

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

4. Donations and legacies	Unrestricted	Designated	Restricted	2022 Total	2021 Total
	£		£	£	£
Grants and donations	127,622	-	442,797	570,419	526,940
Legacies	-	149,216	-	149,216	-
	-----	-----	-----	-----	-----
Total	127,622	149,216	442,797	719,635	526,940
	=====	=====	=====	=====	=====
2021	45,651	-	481,289	526,940	
	=====	=====	=====	=====	

5. Other trading activities (Unrestricted)	2022	2021
	£	£
Summer letting	11,748	-
Garage letting income	27,080	25,679
	-----	-----
Total	38,828	25,679
	=====	=====

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2022

6. Investment income	Unrestricted	Endowment	Restricted	2022 Total	2021 Total
	£	£	£	£	£
On deposits	2,317	-	-	2,317	2,252
On listed investments	8,105	1,472	7,095	16,672	12,541
	-----	-----	-----	-----	-----
Total	10,422	1,472	7,095	18,989	14,793
	=====	=====	=====	=====	=====
2021	9,260	-	5,533	14,793	
	=====	=====	=====	=====	

7. Net income for year	2022	2021
	£	£
This is stated after charging:		
Depreciation of tangible fixed assets	46,163	60,762
Auditors' remuneration - audit services	10,200	8,291
- non-audit services	5,308	7,410
	=====	=====

8. Charitable activities	Unrestricted	Restricted	2022 Total	2021 Total
	£	£	£	£
<u>School operating costs</u>				
Teaching	1,189,150	180,794	1,369,944	1,379,321
Premises (including depreciation)	293,423	5,756	299,179	318,162
Boarding	270,543	-	270,543	257,437
Support	433,085	105,765	438,850	530,490
Bank interest and charges	3,414	-	3,414	2,670
<u>Governance costs</u>				
Audit and accountancy fees	10,200	-	10,200	8,291
	-----	-----	-----	-----
Total	2,199,815	292,315	2,492,130	2,496,371
	=====	=====	=====	=====
2021	2,258,875	237,496	2,496,371	
	=====	=====	=====	

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2022

9. Support costs	Unrestricted	Restricted	2022 Total	2021 Total
	£	£	£	£
Administration staff	348,882	23,649	372,531	366,429
Publicity	12,707	60,402	73,109	66,865
Telephone, postage and subscriptions	18,172	5,049	23,221	18,740
Computer support and maintenance	32,569	2,565	35,134	52,139
Professional and legal fees	13,790	13,718	27,508	15,299
Other	6,965	382	7,347	11,018
	-----	-----	-----	-----
	433,085	105,765	538,850	530,490
	=====	=====	=====	=====

10. Staff costs and emoluments of employees	2022	2021
	£	£
Wages and salaries	1,689,171	1,664,266
Employer's national insurance	132,237	131,468
Pension costs	275,911	285,698
	-----	-----
	2,097,319	2,081,432
	=====	=====
	No.	No.
Average number of persons employed	108	110
Full time equivalent	44	45
	=====	=====

Key management personnel are the Directors, the Headteacher, the Bursar and the Interim CEO. No Director received any remuneration and the total remuneration, including employer pension and national insurance contributions, paid to other key management personnel was £216,188 (2021: £198,033). The number of employees falling into the listed bands of total remuneration were:

	2022	2021
£70,001-£80,000	-	1
£80,001-£90,000	1	1
£90,001-£100,000	1	-
£100,001 - £110,000	-	-

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2022

11. Expenditure on raising funds	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Summer letting costs	1,345	-	1,345	-
Fundraising fees and expenses	1,634	135,191	136,825	81,524
	-----	-----	-----	-----
Total	2,979	135,191	138,170	81,524
	=====	=====	=====	=====
2021	-	81,524	81,524	
	=====	=====	=====	

12. Tangible fixed assets

	Property £	Equipment £	Musical Instruments £	Total £
<u>Cost</u>				
At 1 August 2021	1,940,503	99,079	253,118	2,292,700
Additions	3,404	-	21,085	24,489
Disposals	-	-	-	-
	-----	-----	-----	-----
At 31 July 2022	1,943,907	99,079	274,203	2,317,189
	-----	-----	-----	-----
<u>Depreciation</u>				
At 1 August 2021	1,289,560	94,371	141,514	1,525,445
Charge for year	31,467	3,107	11,589	46,163
Disposals	-	-	-	-
	-----	-----	-----	-----
At 31 July 2022	1,321,027	97,478	153,103	1,571,608
	-----	-----	-----	-----
<u>Net book amounts</u>				
At 31 July 2022	622,880	1,601	121,100	745,581
	=====	=====	=====	=====
At 31 July 2021	650,943	4,708	111,603	767,254
	=====	=====	=====	=====

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

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2022

13. Investments

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

	2022	2021
	£	£
UK listed investments at market value -		
- Endowment (restricted)	220,745	218,803
- Investment (unrestricted)	246,279	249,966
Investments in subsidiary at cost	1,000	1,000
	-----	-----
	468,024	469,769
	=====	=====
<u>Listed investments</u>		
Cost at 31 July 2021	439,891	484,595
Net unrealised gain / (loss)	27,543	(46,893)
	-----	-----
Market value at 31 July 2021	467,434	437,702
Purchases at cost	48,437	466,671
Disposal proceeds	(58,539)	(468,006)
Net realised and unrealised gain for the year	1,010	31,067
	-----	-----
Market value at 31 July 2022	458,342	467,434
Cash held in portfolio	8,682	1,335
	-----	-----
	467,024	468,769
	=====	=====
Cost at 31 July 2022	437,304	439,891
	=====	=====
Net unrealised gain included in market value	29,720	28,878
	=====	=====

The listed investments are held with the objective of generating income to fund expenditure 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 monitor the performance of the fund and the level of fund manager's costs. Investment management was put to tender and has been managed by Rathbone Investment Management Ltd with effect from 18 December 2020. There are no holdings within the Rathbones portfolio that comprise over 5% of the market value.

Holdings in subsidiary undertaking

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

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

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2022

13. Investments (continued)

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

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

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

14. Debtors

	2022	2021
	£	£
Outstanding school and letting fees	7,217	16,327
Other debtors and prepayments	35,586	47,859
	-----	-----
	42,803	64,186
	=====	=====

15. Creditors: amounts falling due within one year

	2022	2021
	£	£
Creditors and accruals	165,892	184,859
Income Tax and Social Security	30,999	30,118
Pension contributions	26,668	26,951
Income received in advance (note 16)	50,195	21,148
	-----	-----
	273,754	263,076
	=====	=====

16. Income received in advance

The movements on deferred income were as follows:

	At 31 July 2021	Deferred Income	Released to revenue in year	At 31 July 2022
	£	£	£	£
Income in advance	21,148	50,195	(21,148)	50,195
	=====	=====	=====	=====

Deferred income relates to fees which are received in advance.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2022

17. Share capital

The Company is constituted as a company limited by guarantee. As at 31 July 2022 there were 41 members of the Company (2021: 41). Each member undertakes, under the terms of the Company's Memorandum of Association, to contribute a sum not exceeding £1 to the assets of the Company in the event of it being wound up.

	Balance at 31 July 2021 £	Dividends rec'd in the year £	Net Gains on Investment s £	Balance at 31 July 2022 £
18. Reserves				
Endowment reserves				
<u>Prizes & Scholarships</u>				
Prize Fund	17,355	117	37	17,509
Directors' Recital Prize	1,021	7	2	1,030
GAS Nicholson Summer Course Bursary	9,171	62	20	9,252
<u>Bursaries (School Fees)</u>				
Ms Weightman Instrumental Scholarship	19,485	131	42	19,658
McCallum Piano Scholarship	32,551	219	70	32,840
John B Rankin Piano Scholarship	46,261	311	100	46,673
<u>Masterclass funding</u>				
Nigel Murray	92,958	625	200	93,783
	-----	-----	-----	-----
Total Endowment Reserves	218,802	1,472	471	220,745
	=====	=====	=====	=====

	Balance at 31 July 2020 £	Net Gains on Investments £	Balance at 31 July 2021 £
Prior Year			
Endowment reserves			
<u>Prizes & Scholarships</u>			
Prize Fund	16,227	1,128	17,355
Directors' Recital Prize	955	66	1,021
GAS Nicholson Summer Course Bursary	8,575	596	9,171
<u>Bursaries (School Fees)</u>			
Ms Weightman Instrumental Scholarship	18,219	1,266	19,485
McCallum Piano Scholarship	30,382	2,169	32,551
John B Rankin Piano Scholarship	43,255	3,006	46,261
<u>Masterclass funding</u>			
Nigel Murray	86,364	6,594	92,958
	-----	-----	-----
Total Endowment Reserves	203,977	14,825	218,802
	=====	=====	=====

Endowment reserves are invested to provide income for prizes, scholarships, bursaries and masterclasses.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2022

18. Reserves (continued)	Balance at 31 July 2021 £	Dividends rec'd in the year £	Donations rec'd in the year £	* Transfers	Funds Expended £	Balance at 31 July 2022 £
Restricted Funds						
<u>Prizes & Scholarships</u>						
Prize Funds	530	596	782	-	(1,488)	420
Bursary & Awards	1,843	297	-	-	-	2,140
<u>Bursaries (School Fees)</u>						
Bursary Fund*	189,932	632	92,835	(91,045)	-	192,354
McCallum Piano Schl'ship	3,457	1,056	-	(1,790)	-	2,723
John Rankin Piano Award	6,400	1,500	-	-	(100)	7,800
<u>Outreach bursaries</u>						
Saturday Music Classes	5,464	-	-	(959)	-	4,505
Summer Schools	-	-	6,800	-	-	6,800
<u>Development</u>						
Development Fund	44,586	-	50,000	(15,314)	(44,833)	34,439
Advancement Fund	58,074	-	90,000	34,178	(148,386)	33,866
Business Fund	9,618	-	-	-	(9,618)	-
Transition Fund	41,000	-	-	-	(24,716)	16,284
<u>Teaching</u>						
Teaching Funds	40,448		86,000	(18,864)	(87,509)	20,075
<u>Other</u>						
Instrument Funds	1,340	-	-	-	-	1,340
Steinway Grand Fund#	65,200	-	-	-	(3,750)	61,450
Steinway School Fund#	23,863	-	12,500	-	(1,027)	35,336
Equipment Fund	1,600	-	3,000	-	(2,350)	2,250
Masterclass Funds	7,997	3,014	13,500	-	(4,915)	19,596
Projects Funds	21,537	-	19,880	5,000	(35,059)	11,358
Outreach Funds	5,206	-	67,500	(5,000)	(63,755)	3,951
	-----	-----	-----	-----	-----	-----
Total Restricted Reserves	528,095	7,095	442,797	(93,794)	(427,506)	456,687
	=====	=====	=====	=====	=====	=====

* Transfers to the general reserves from the Bursary Fund of £92,835 are being used towards the cost to the School of providing means-tested bursaries (see note 3). £959 is for means-tested Saturday Music Class bursaries.

Reserves are held in these funds to cover depreciation costs of instruments bought as part of the Steinway School project.

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

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2022

18. Reserves (continued) – Prior Year	Balance at 31 July 2020 £	Dividends rec'd in the year £	Donations rec'd in the year £	* Transfers	Funds Expended £	Balance at 31 July 2021 £
Restricted Funds						
<u>Prizes & Scholarships</u>						
Prize Funds	1,422	515	1,892	-	(3299)	530
Bursary & Awards	1,585	258	-	-	-	1,843
<u>Bursaries (School Fees)</u>						
Bursary Fund*	172,987	546	82,875	(66,476)	-	189,932
McCallum Piano Schl'ship	3,372	859	-	(774)	-	3,457
John Rankin Piano Award	5,204	1,296	-	-	(100)	6,400
<u>Outreach bursaries</u>						
Saturday Music Classes	6,220	-	-	(756)	-	5,464
Summer School Fund	2,000	-	-	-	(2,000)	-
<u>Development</u>						
Development Fund	33,519	-	55,960	-	(44,893)	44,586
Advancement Fund	54,456	-	100,000	-	(96,382)	58,074
Business Fund	5,380	-	20,000	-	(15,762)	9,618
Transition Fund	-	-	41,000	-	-	41,000
<u>Teaching</u>						
Teaching Funds	50,112	-	67,500	-	(77,164)	40,448
<u>Other</u>						
Instrument Funds	1,340	-	250	-	(250)	1,340
Steinway Grand Fund#	68,950	-	-	-	(3,750)	65,200
Steinway School Fund#	13,063	-	11,875	-	(1,075)	23,863
Equipment Fund	1,600	-	3,000	-	(3,000)	1,600
Masterclass Funds	5,087	2,059	10,000	-	(9,151)	7,997
Projects Funds	2,000	-	31,937	5,000	(17,400)	21,537
Outreach Funds	-	-	55,000	(5,000)	(44,794)	5,206
	-----	-----	-----	-----	-----	-----
Total Restricted Reserves	428,299	5,533	481,289	(68,006)	(319,020)	528,095
	=====	=====	=====	=====	=====	=====

* Transfers to the general reserves from the Bursary Fund of £67,250 are being used towards the cost to the School of providing means-tested bursaries (see note 3). £756 is for means-tested Saturday Music Class bursaries.

Reserves are held in these funds to cover depreciation costs of instruments bought as part of the Steinway School project.

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

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2022

18. Reserves (continued)	Balance at 31 July 2021	Donations rec'd in the year	Funds Expended	Balance at 31 July 2022
	£	£	£	£
Designated Reserves				
Legacy Fund	-	149,216	-	149,216
	-----	-----	-----	-----
Total Designated Reserves	-	149,216	-	149,216
	=====	=====	=====	=====

Prior Year	Balance at 31 July 2020	Donations rec'd in the year	Funds Expended	Balance at 31 July 2021
	£	£	£	£
Designated Reserves				
Legacy Fund	-	-	-	-
	-----	-----	-----	-----
Total Designated Reserves	-	-	-	-
	=====	=====	=====	=====

Designated reserves are held to fund a variety of purposes as directed by the School.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

As at 31 July 2022

18. Reserves (continued) Unrestricted	Balance at 31 July 2021	Total income	Transfers	Net gain on investment	Total expenditure	Balance at 31 July 2022
General Reserves	974,226	1,963,484	93,794	539	(2,202,794)	829,249
	=====	=====	=====	=====	=====	=====

Unrestricted reserves are available for the advancement of the charitable objects of the Company. Note 19 describes how £667,066 of unrestricted reserves are invested in the School's tangible fixed assets. Freely available unrestricted reserves are £162,754.

Prior Year Unrestricted	Balance at 31 July 2020	Total income	Transfers	Net loss on investment	Total expenditure	Balance at 31 July 2021
General Reserves	1,082,466	2,066,387	68,006	16,242	(2,258,875)	974,226
	=====	=====	=====	=====	=====	=====

Unrestricted reserves are available for the advancement of the charitable objects of the Company. Note 19 describes how £681,251 of unrestricted reserves are invested in the School's tangible fixed assets. Freely available unrestricted reserves are £292,975

19. Analysis of net assets between reserves	Unrestricted Reserves*	Endowment Reserves	Restricted Reserves	Total Reserves 2022
	£	£	£	£
Reserve Balances at 31 July 2022 are represented by:				
Tangible fixed assets	667,066	-	78,515	745,581
Investments	247,279	220,745	-	468,024
Current assets	337,915	-	378,172	716,087
Current liabilities	(273,754)	-	-	(273,754)
	-----	-----	-----	-----
Total net assets	978,506	220,745	456,687	1,655,938
	=====	=====	=====	=====

* Including members' subscriptions and designated reserves.

Analysis of net assets between reserves – Prior Year	Unrestricted Reserves*	Endowment Reserves	Restricted Reserves	Total Reserves 2021
	£	£	£	£
Reserve Balances at 31 July 2021 are represented by:				
Tangible fixed assets	681,251	-	86,003	767,254
Investments	250,967	218,802	-	469,769
Current assets	305,124	-	442,092	747,216
Current liabilities	(263,075)	-	-	(263,075)
	-----	-----	-----	-----
Total net assets	974,267	218,802	528,095	1,721,164
	=====	=====	=====	=====

* Including members' subscriptions.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

As at 31 July 2022

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

	2022	2021
	£	£
Net (deficit) / surplus for the year	(65,226)	6,381
Realised (gains) on investments	(1,457)	(1,954)
Unrealised (gains) / losses on investments	447	(29,113)
Interest and investment income	(18,989)	(14,793)
Depreciation	46,163	60,762
Decrease in debtors	21,382	38,260
Increase in creditors	10,679	37,335
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Net cash (used in) / provided by operating activities	(7,001)	96,878
	=====	=====

21. Taxation

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

22. Banking

Virgin Money has a standard security over the premises at Coates Hall, Edinburgh.

23. Related party disclosures

Donations of £800 have been received from Directors during the year.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

As at 31 July 2022

24. Pension commitments

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

While a valuation was carried out as at 31 March 2016, it is not possible to say what deficit or surplus may affect future contributions. Work on the valuation was suspended by the UK Government pending the decision from the Court of Appeal (McCloud (Judiciary scheme)/Sargeant (Firefighters' Scheme) cases) that held that the transitional protections provided as part of the 2015 reforms was unlawfully discriminated on the grounds of age. Following consultation and an announcement in February 2021 on proposals to remedy the discrimination, the UK Government confirmed that the cost control element of the 2016 valuations could be completed. The UK Government has also asked the Government Actuary to review whether, and to what extent, the cost control mechanism is meeting its original objectives. The 2020 actuarial valuations will take the report's findings into account. The interim report is complete (restricted) and is currently being finalised with a consultation. Alongside these announcements, the UK Government confirmed that current employer contribution rates would stay in force until 1 April 2024.

The pension cost for the Staff who were members of these schemes during the year was £190,755 and has been charged to the income and expenditure account. There are employee and employer contributions of £17,941 for July 2022 which were due to be paid to the scheme after the year end.

The Company also contributes to a defined contribution scheme in respect of other Staff. The employee basic contribution rate is 7% while the employer contribution rate is 17.2% or 8.0%. The pension cost for the year was £85,156 and has been charged to the income and expenditure account. There are employee and employer contributions of £8,727 for July 2022 which were due to be paid to the scheme after the year end.

25. Reconciliation of capital and reserves

	2022	2021
	£	£
At 1 August 2021	1,721,164	1,714,782
(Deficit) / Surplus for the year	(65,226)	6,381
Members' subscriptions (net movement)	-	1
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At 31 July 2022	1,655,938	1,721,164
	=====	=====