

Registered Charity No. SC014611
Company No. SC054504



ST MARY'S MUSIC SCHOOL TRUST LIMITED
REPORT and ACCOUNTS
For the year ended 31 July 2023

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 Katrina Heathcote

Fiona Akers
Joanne Buckley, resigned 19 December 2022
John Conway
Ken Fairbrother, appointed 2 May 2023
Alistair Hector, resigned 29 January 2023
Alistair Mackie, appointed 8 November 2022
Neil McLennan, appointed 11 October 2022
Jamie Munn
Janine Watson, appointed 25 August 2022

Senior Staff

Headteacher Dr Kenneth Taylor
Bursar & Company Secretary Dr JoAnna Ruth Collings
Interim CEO John Reid
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 (trading as CT) 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**

The academic year 2022/23 was notable in a number of ways, with the most momentous being our celebration of 50 years of specialist musical education. The concert held on 26 June 2023 at The Queen's Hall provided an outstanding testament to the enduring quality of that education. The joyful reunions at the reception, as past pupils re-connected, were heart-warming and the alumni performances were outstanding. It was a timely reminder, as we begin to plan for the future of the School, that St Mary's Music School has much to celebrate and be proud of.

The Headteacher's report shows, once again, that the School continued to uphold the highest standards of educational attainment with a 2022 SQA examination pass rate of 100%, with 83% of Grade A. This level of attainment remains remarkable given the exceptional musical standards also achieved. Such results are a real tribute to the skills and dedication of our Headteacher, the teaching staff and the pupils themselves.

During the course of the School year we spent a great deal of time interviewing and refining our specifications for a Director of Music, finally taking the significant step of offering the role of Director of Music to John Cameron while creating a new role of Artistic Director, to which we appointed Robert Baxter. John performed exceptionally well as Acting Director of Music so we were delighted when he accepted the role permanently. Robert is a highly experienced musician who has played with and conducted the Royal Scottish National Orchestra and Scottish Ballet. He has taught at the Royal Conservatoire of Scotland, is involved in the National Youth Orchestra of Scotland, and has a passion for mentoring and developing young musicians. Robert will continue with many of his other activities and will lead the formation and development of relationships and partnerships with other organisations within the musical community. We believe that this is a very exciting solution as it will enable the school to participate in the wider musical community of Scotland, whilst maintaining a focus for musically curious school age children in the Edinburgh area.

The year also brought a significant change to our forward strategy, as we dealt with the initially startling news that the costs of the transformation of the old Royal High School had begun to escalate to a point at which the Royal High School Preservation Trust were no longer able to support our mutual ambition to create a new music school at the site. While this represents a major change of intended direction for us, calm reflection has provided an outline strategy that enables us to strengthen our ties with St Mary's Episcopal Cathedral and look to capitalise on our excellent position in the West End of Edinburgh. We are developing a long-term master plan for St Mary's Music School that improves the existing site and provides much needed additional facilities. We hope to present this plan in 2024. The support from donors and other friends of the School has been outstanding and we are confident that the new plans will be robust, manageable and fundable.

As you can see from this statement, the focus of the School remains very firmly on the future. Pupil numbers are increasing, musical and academic standards continue to exceed expectation in every direction and the School very much feels as if it is in a period of growth and development.

I look forward to presenting our plans over the course of 2024.

Katrina Heathcote

Katrina Heathcote

Chair

10 November 2023 2023

ST MARY'S MUSIC SCHOOL TRUST LIMITED

HEADTEACHER'S REPORT

The following is an edited version of the Headteacher's Speech at the Prize-giving at the end of session 2022/23.

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 school is an active member of the Scottish Council for Independent Schools and the UK Music and Dance Schools group of nine specialist schools – the heads met at our school in June 2023. Dr Kenneth Taylor represents 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, the National Children's Orchestra and National Youth Orchestras of Scotland.

Session Developments

The session started with a roll of 61 pupils. At the latest count we will be starting the 2023/24 session with 64 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. A significant change was the departure of our Director of Music Paul Stubbings last year at this time. We have been extremely fortunate and grateful that John Cameron stepped into the role of Acting Director of Music and everyone is in agreement that this year the school's music programme has been planned and executed brilliantly. The Board decided to offer John Cameron the role of Director of Music.

Summary of School Year

Term 1

Before term started John Cameron and Helena Buckmayer had staged a highly successful International Piano Summer School. In addition, pupils and former pupils gave a series of lunchtime recitals at Pianodrome at the former Royal High School. The choristers sang throughout the Edinburgh International Festival. As well as their sung services, they gave a concert and a BBC Broadcast. Our school library was reinstated as a teaching area at the start of term following flood damage. And we received excellent exam results once again – testament to much hard work from senior pupils and staff. This session's results are amongst our very best from an SQA examination diet with a 100% pass rate across all levels and 83% at Grade A awards.

In academic music we decided to present S4 pupils for Higher Music while pupils in S3 and S4 would study towards a bespoke S3/4 qualification in music comprising Listening, Analysis and Composition.

With the help of the Heads of School and many pupils we ran two virtual open events per term and Instrumental Taster Days in term 1 and term 2, and with Yvonne Jarron, the choristers and the Cathedral we held three 'Be a Chorister Afternoons'.

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

We enjoyed a visit from Kabantu who gave a concert and a class on improvisation. The Seven Hills Project forged ahead with a performance of the fifth commission "Dottyville" by Ailie Robertson performed by Gaia Duo in Canongate Kirk as part of a Concert involving our Junior Instrumentalists called "Songs She Scored Out" and at the Christmas Concert Simon Smith's "A Shared Mystery", was performed, with both works being recorded at Stockbridge Parish Church. Ten pupils provided music for the Open Education Conference, and we provided music for the inaugural St Andrew Celebrations at the Scottish Parliament. The Christmas Concert featured many groups with John Cameron encouraging a theme of 'self-direction' and we heard Bairstow from The Choristers, Corelli from the Junior Strings, Hindemith from the String Ensemble, Handel from the Early Music Group, Paulus, Ticheli and Gjeilo from Junior and Senior Choirs and Haydn from the Senior Orchestra.

There were eight Concert Trips and a lunchtime concert from Susan Tomes.

After term finished the choristers continued with two Nine Lessons and Carols Concerts, the Midnight and Christmas Day Eucharists.

Term 2

The term started with the Rush Hour Chamber Concert, followed by the Evening with Francoix Leleux and the prelim diet for the senior school. That first half term we enjoyed lunchtime concerts from Jean Johnson and Steven Osborne, Philip Higham, Steven Osborne, Nikita Lukinov, a Celebrity 6 session with Australian Violist and Composer Brett Dean and, following a busy day at the concerto class for the Edinburgh Competition Festival we organised the Lord Clyde Concerto Competition with ten pupils taking part. We ran recital assessments in Term 2 with the help of external musicians such as Andrew Somerville, Gaby Lester, Aaron Akugbo, Jonathan Gawn, Milos Milivojevic, Andrew Somerville, Pat MacMahon, Graham Scott, Katherine Bryer and Arlene Macfarlane.

Pupils performed on the stage of the Usher Hall in our RSNO Showcase Concert and in the Scottish Arts Club. The seventh Seven Hills commission "Castle Rock" by David Horne was filmed and then performed as part of the Spring Concert which also included Bruckner from the Cathedral Choir, Goodall and Esenvalds from the School's Choirs, Britten from the Senior String Ensemble, Mozart from the Senior Orchestra and the Lord Clyde Winner, Alexander Kwon's rendition of the Rachmaninov Rhapsody on a Theme of Paganini where the Senior Orchestra was augmented by 30 additional musicians of all ages to augment the symphony orchestra providing the depth and gravitas for that piece. During the term there were five concert trips and a trip to an RCS Lugansky Masterclass.

Term 3

As is usual the start of Term 3 was dominated by Academic Examinations for our Senior Pupils. However, before those started we enjoyed the Viola Day with Louise Lansdown and visiting violists and a visit from around 25 students from Svendborg Gymnasium in Denmark. We enjoyed Celebrity 6 sessions with Kate Molleson and Julian Joseph, memorable Performance Practice sessions from Fraser Kelman and Anna Michels, a concert in Rosslyn Chapel with a major brass input, lunchtime concerts from Dopey Monkey and Susan Tomes, a friends chancel concert and a concert trip and an opera trip. Once the exams were almost finished we enjoyed a piano masterclass with Stephen Coombs, Chamber Concerts in Perth and Musselburgh and a jazz concert in St Andrews and St Georges West.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

HEADTEACHER'S REPORT (continued)

There were 41 recitals for the Director's Recital Prize, Intermediate Recital Prize and Junior Recital Prize.

The Junior and Intermediate Recital Prizes were adjudicated by Su-a Lee and the Sheila Tough Prize for Singing in a Foreign Language was adjudicated by Patricia MacMahon. The Isobel Dunlop Composition Prize was adjudicated by David Horne.

The 50th Anniversary Concert brought a unique year in school to a close and we were delighted to welcome almost 40 former pupils to participate in a very special concert in The Queen's Hall. Every item was special in its own right, but the performance of the choir in the James MacMillan commission, accompanied by former pupils will live long in the memory.

Saturday Music Classes and Engagement

Saturday Music Classes returned this session under the new management of Philip Bartai. Work is underway to increase the ensemble work for the young musicians and to offer a more rounded package of music on a Saturday. In December and June, they produced two concerts in the Cathedral to showcase their work which were beautifully presented.

Throughout this academic year, John Cameron, Kate Aitken and Valerie Pearson have worked tirelessly to not only raise awareness of the School and the work that is undertaken here, but to create opportunities for all the pupils whilst at St Mary's Music School and beyond. We have had amazing opportunities to work with other world class organisations: Scottish Chamber Orchestra through their Connect and Reconnect programmes, a Showcase concert with the Royal Scottish National Orchestra and the side-by-side project with the Brodsky Quartet. Through our Performance Practice Sessions and the Celebrity 6 Series, we have welcomed speakers, including many staff, from a multitude of disciplines to share their wisdom and experience. The School has also been in the position to welcome in more local visitors; players from all over the Lothians have joined us to participate in and observe various events and masterclasses. We have greatly enjoyed having them and look forward to welcoming more musicians to join us next year.

The greatest achievement of all the engagement work this year is the Instrument Library. The scheme looks to provide high quality student instruments to local children who otherwise would be unable to afford to participate in music making. Having raised nearly £15,000, the scheme will be launched with three oboes, two bassoons and a saxophone on offer. By working with Local Authorities and Grass Roots organisations, we will look to increase the instruments available and hope to ensure no child who has a passion and talent for music, is unable to participate.

Departing Teachers

Avril Cameron started teaching here in August 2018. She is an experienced and expert teacher who came to us from teaching at Balerno - prior to that she taught at Penicuik High School, the Royal High and Beeslack Community High School and we have been very fortunate in benefitting from her expertise over the past five years – pupils in her senior classes have enjoyed unparalleled success in examinations.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

HEADTEACHER'S REPORT (continued)

Anne Giles started teaching violin in SMC classes in 1991. She has worked in the school since 1993 where her roles have included practice supervisor, violin teacher, chamber music coach and junior strings teacher. We are all most grateful for everything she has brought to the school.

Margaret Wakeford started teaching piano here in 1992. She had already been teaching at the RSAMD and runs a highly sought after private studio. As well as teaching she has worked as an accompanist, chamber music coach and has directed performance classes. Her pupils have enjoyed great success with many enjoying successful careers playing and teaching. Her presence around school will be sorely missed.

Tom Wilson is the longest serving teacher retiring today. Mr Wilson has taught composition and academic music here for 34 years since 1989. At one time he was responsible for careers advice and also was a guidance teacher.



Kenneth Taylor

16 November 20222023

ST MARY'S MUSIC SCHOOL TRUST LIMITED

DIRECTORS' REPORT

The Directors present their report and accounts for the year ended 31 July 2023.

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 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. 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, clarinet, 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

ST MARY'S MUSIC SCHOOL TRUST LIMITED

DIRECTORS' REPORT (continued)

Achievements and Performance

Principal activities of the year to 31 July 2023

The extract from the Headteacher's Speech at prize-giving at the end of session 2022/23 which forms part of this report gives a synopsis of the principal activities of the year to 31 July 2023.

Objectives for Session 2022/23

The year's objectives included:

- Prepare a long-term plan to ready the school for its relocation to the former Royal High School (RHS) site
- In particular, develop a plan to deliver a significant increase in the pupil roll
- Reorganise the fundraising function
- Liaise closely with the RHSPT to develop plans for the refurbishment of the RHS
- Maintain rigorous financial discipline

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 fundraising campaigns

Review of achievements and activities

The 2022/23 session delivered performance in public examinations with a 99% pass rate overall. 85% 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 audition for and are accepted 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 celebrated its 50th anniversary in June 2023. To celebrate this milestone, the School initiated the Seven Hills Project. This three year project commissioned 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 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 £677,226 in donations and legacies was received in the year ended 31 July 2023. Included in this sum was £90,000 from Dunard Fund in support of the development project and £60,000 received from Gavin Gemmell for the development of school projects. Substantial and generous gifts are all hugely appreciated.

Grateful thanks are also due for a number of smaller gifts in kind which have not been included individually in the accounts.

Financial Review

Details of the income and expenditure for the year, and assets and liabilities at 31 July 2023 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 £130,830 (2022: deficit £66,236).

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 the School. 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 provided 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 2022/23 there were a total of 53 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 2022/23 amounted to £1,460,461.

The range of awards from both sources are:

Percentage of award	Number of pupils
1 – 40%	4 beneficiaries
41 – 60%	1 beneficiary
61 – 80%	8 beneficiaries
81 – 100%	40 beneficiaries (of whom 10 received 100%)

Non means-tested fee remissions

All choristers not holding an Aided Place are awarded a Cathedral bursary of at least 33% of the full fee by St Mary's Episcopal Cathedral. The value of Cathedral bursaries in 2022/23 was £72,002 awarded to 13 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 excluding designated funds at 31 July 2023 amounted to £568,267 included within this was £724,965 of fixed assets leaving no free reserves which is common with independent schools as all free reserves are invested in the school buildings. Details of restricted reserves are included in the notes to the accounts.

The School would be vulnerable if there were 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 increase of 7% to the fee level from session 2023/24.

Investment Policy

The School's investments are held by Rathbone Investment Management Ltd. At the start of 2022/23, investments had a value of £467,024 compared to the original cost of £484,595. At the year end these investments had depreciated by £25,570.

Plans for future periods

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

Key objectives for 2023/24 are:

- Prepare a long-term plan to redevelop the site at Coates Hall
- Maintain a high level of music and academic achievement
- Continue to increase the pupil roll
- Implement the new fundraising strategy
- 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, the Bursar and the Interim CEO, 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 prospectus, 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, and the Interim CEO. 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. The Directors have indemnity insurance in place throughout the year and post year end.

Related Parties

St Mary's Music School Enterprises Limited is a 100% 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)	100	9,700	9,800
Key management personnel	125	5,100	5,225

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 the 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.

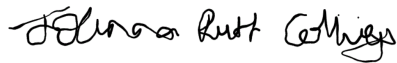
In so far as the Directors are aware:

- 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

16 November 2023

**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 2023 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 2023, 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' (who are also the trustees of the charitable company for the purposes of charity law) 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.

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND
MEMBERS OF ST MARY'S MUSIC SCHOOL TRUST LIMITED (contd.)****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 13 and 14, the Directors are also responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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



Responsibilities of the Directors (continued)

In preparing the accounts, the Directors are responsible for assessing the 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, including 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.

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

CT:

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.



Jeremy Chittleburgh CA (Senior Statutory Auditor)
For and on behalf of
CT
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

16 November 2023 2023

CT 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 2023

	Notes	Unrestricted General Reserves £	Endow- ment Reserves £	Designated Reserves £	Restricted Reserves £	2023 Total £	2022 Total £
Income from:							
Charitable activities	3	2,002,573	-	-	-	2,002,573	1,786,612
Donations & legacies	4	263,288	-	-	413,938	677,226	719,635
Other trading activities	5	50,890	-	-	-	50,890	38,828
Investment income	6	13,041	-	-	7,551	20,592	18,989
Total income		2,329,792	-	-	421,489	2,751,281	2,564,064
Expenditure on:							
Raising funds	11	7,206	-	-	43,334	50,540	138,170
Charitable activities	8	2,483,900	-	20,251	327,422	2,831,573	2,492,130
Total expenditure		2,491,106	-	20,251	370,756	2,882,113	2,630,300
Net (expenditure) / income before transfers between funds							
		(161,314)	-	(20,251)	50,733	(130,832)	(66,236)
Gross transfers between fund	18	(86,185)	-	181,246	(95,061)	-	-
Net (expenditure) / income before gain on investments							
		(247,499)	-	160,995	(44,328)	(130,832)	(66,236)
Net (loss)/gain on investments		(13,483)	(12,087)	-	-	(25,570)	1,010
Net (expenditure) / income for the year and net movement in funds							
		(260,982)	(12,087)	160,995	(44,328)	(156,402)	(65,226)
Reconciliation of funds							
Total funds brought forward	18	829,249	220,745	149,216	456,687	1,655,897	1,721,123
Total funds carried forward	18	568,267	208,658	310,211	412,359	1,499,495	1,655,897

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 22 to 37 form part of these accounts.

ST MARY'S MUSIC SCHOOL TRUST LIMITED**BALANCE SHEET****As at 31 July 2023**

	Notes	£	2023 £	£	2022 £
Fixed assets					
Tangible assets	12		796,703		745,581
Investments	13		438,163		468,024
			-----		-----
			1,234,866		1,213,605
Current assets					
Debtors	14	95,604		42,803	
Cash at bank and in hand		458,547		673,284	
		-----		-----	
		554,151		716,087	
Creditors: Amounts falling due within one year	15	289,477		273,754	
		-----		-----	
Net current assets			264,674		442,333
			-----		-----
Total net assets			1,499,540		1,655,938
			=====		=====
The funds of the charity					
Members' subscriptions	17		45		41
Endowment funds (Restricted)	18		208,658		220,745
Restricted funds	18		412,359		456,687
Designated funds (Unrestricted)	18		310,211		149,216
Unrestricted general funds	18		568,267		829,249
			-----		-----
	25		1,499,540		1,655,938
			=====		=====

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 16 November 2023 2023 and signed on its behalf by: -



..... Director

Janine Watson



..... Director

Fiona Akers

Company No. SC054504

The notes on pages 22 to 37 are an integral part of these accounts.

ST MARY'S MUSIC SCHOOL TRUST LIMITED**CASH FLOW STATEMENT****For the year ended 31 July 2023**

	Notes	2023	2022	
		£	£	
Cash flows from operating activities:				
Net cash (used in) operating activities	20	(132,176)	(7,001)	
Cash flows from investing activities:				
Dividends, interest and rent from investments		20,591	18,989	
Purchase of property, plant and equipment		(107,447)	(24,489)	
Proceeds from sale of investments		31,543	58,539	
Purchase of investments		(28,235)	(48,437)	
		-----	-----	
Net cash provided by / (used in) investing activities		(83,547)	4,602	
Cash flows from financing activities:				
Members' subscriptions		4	-	
		-----	-----	
Change in cash and cash equivalents in the reporting period		(215,719)	(2,399)	
Cash and cash equivalents at the beginning of the reporting period		681,966	684,365	
		-----	-----	
Cash and cash equivalents at the end of the reporting period		466,247	681,966	
		=====	=====	
Cash and cash equivalents				
Cash held within investments		7,700	8,682	
Cash at bank and in hand		458,547	673,284	
		-----	-----	
		466,247	681,966	
		=====	=====	
Analysis of changes in net debt				
			Other	
			non-	
			cash	
	At start	Cash-	changes	At end
	of year	flows	£	of year
	£	£	£	£
Cash and cash equivalents	681,966	(215,719)	-	466,247
	=====	=====	=====	=====

The notes on pages 22 to 37 are an integral part of these accounts.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2023

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 rounded to the nearest pound.

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 2023****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 2023****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 fair 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 fair 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 since 1 August 2018 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. Judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is reviewed where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements or estimate uncertainties have a significant effect on amounts recognised in the financial statements:

Bad debt provision

Management judges the recoverability of debtors and makes a provision where the debt is not expected to be recovered.

Depreciation rates

Depreciation is calculated to fully write off the cost of assets over their estimate useful life. Management estimate the useful life of each asset. Details of the depreciation charge in the period are in note 12.

ST MARY'S MUSIC SCHOOL TRUST LIMITED**NOTES to the ACCOUNTS****For the year ended 31 July 2023**

3. Income from charitable activities (Unrestricted)	2023	2022
	£	£
School fees (gross)	1,990,827	1,830,756
Fee subsidy awarded by the School *	(84,239)	(75,622)
Remission awarded by the School *	(12,094)	(48,857)
	-----	-----
School fees (net)	1,894,494	1,706,277
	=====	=====
Contributed by:		
Scottish Government Aided Places Scheme	1,460,461	1,258,160
St Mary's Episcopal Cathedral for chorister fees	72,002	52,748
Parents	362,031	395,370
	-----	-----
School fees (net)	1,894,494	1,706,277
Outreach fees	68,871	52,008
Other school income	39,208	28,327
	-----	-----
Total	2,002,573	1,786,612
	=====	=====

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

4. Donations and legacies	Unrestricted	Designated	Restricted	2023 Total	2022 Total
	£		£	£	£
Grants and donations	72,042	-	413,938	485,980	570,419
Legacies	191,246	-	-	191,246	149,216
	-----	-----	-----	-----	-----
Total	263,288	-	413,938	677,226	719,635
	=====	=====	=====	=====	=====
2022	127,622	149,216	442,797	719,635	
	=====	=====	=====	=====	

5. Other trading activities (Unrestricted)	2023	2022
	£	£
Summer letting	20,826	11,748
Other letting income	1,152	-
Garage letting income	28,912	27,080
	-----	-----
Total	50,890	38,828
	=====	=====

ST MARY'S MUSIC SCHOOL TRUST LIMITED**NOTES to the ACCOUNTS****For the year ended 31 July 2023**

6. Investment income	Unrestricted	Endowment	Restricted	2023	2022
	£	£	£	Total	Total
				£	£
On deposits	4,616	-	-	4,616	2,317
On listed investments	8,425	-	7,551	15,976	16,672
	-----	-----	-----	-----	-----
Total	13,041	-	7,551	20,592	18,989
	=====	=====	=====	=====	=====
2022	10,422	1,472	7,095	18,989	
	=====	=====	=====	=====	

7. Net income for year

	2023	2022
	£	£
This is stated after charging:		
Depreciation of tangible fixed assets	56,325	46,163
Auditors' remuneration - audit services	11,460	10,200
- non-audit services	5,643	5,208
	=====	=====

8. Charitable activities	Unrestricted	Designated	Restricted	2023	2022
	£	£	£	Total	Total
				£	£
<u>School operating costs</u>					
Teaching	1,327,578	17,195	185,252	1,530,025	1,369,944
Premises (including depreciation)	352,417	-	6,495	358,912	299,179
Boarding	329,255	-	-	329,255	270,543
Support	459,290	3,056	135,675	598,021	538,850
Bank interest and charges	3,900	-	-	3,900	3,414
<u>Governance costs</u>					
Audit and accountancy fees	11,460	-	-	11,460	10,200
	-----	-----	-----	-----	-----
Total	2,483,900	20,251	327,422	2,831,573	2,492,130
	=====	=====	=====	=====	=====
2022	2,199,815	-	292,315	2,492,130	
	=====	=====	=====	=====	

ST MARY'S MUSIC SCHOOL TRUST LIMITED**NOTES to the ACCOUNTS****For the year ended 31 July 2023**

9. Support costs	Unrestricted	Designated	Restricted	2023	2022
	£	£	£	Total	Total
Administration staff	353,382	-	42,682	396,064	372,531
Publicity	18,683	3,056	66,039	87,778	73,109
Telephone, postage and subscriptions	18,433	-	370	18,803	23,221
Computer support and maintenance	33,948	-	4,092	38,040	35,134
Professional and legal fees	19,442	-	19,607	39,049	27,508
Other	15,402	-	2,885	18,287	7,347
	-----	-----	-----	-----	-----
	459,290	3,056	135,675	598,021	538,850
	=====	=====	=====	=====	=====

10. Staff costs and emoluments of employees

	2023	2022
	£	£
Wages and salaries	1,778,358	1,689,171
Employer's national insurance	143,051	132,237
Pension costs	306,450	275,911
	-----	-----
	2,227,859	2,097,319
	=====	=====
	No.	No.
Average number of persons employed	101	108
Full time equivalent	46	44
	=====	=====

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 key management personnel was £262,724 (2022: £216,188). The number of employees falling into the listed bands of total remuneration were:

	2023	2022
£60,001 - £70,000	1	0
£70,001-£80,000	1	-
£80,001-£90,000	1	1
£90,001-£100,000	-	1
£100,001 - £110,000	1	-

ST MARY'S MUSIC SCHOOL TRUST LIMITED**NOTES to the ACCOUNTS****For the year ended 31 July 2023**

11. Expenditure on raising funds	Unrestricted	Restricted	2023	2022
	£	£	Total	Total
Summer letting costs	7,206	-	7,206	1,345
Fundraising fees and expenses	-	43,334	43,334	136,825
	-----	-----	-----	-----
Total	7,206	43,334	50,540	138,170
	=====	=====	=====	=====
2022	2,979	135,191	138,170	
	=====	=====	=====	

12. Tangible fixed assets

	Property	Equipment	Musical	Total
			Instruments	
	£	£	£	£
<u>Cost</u>				
At 1 August 2022	1,943,907	99,079	274,203	2,317,189
Additions	64,274	10,248	32,925	107,447
	-----	-----	-----	-----
At 31 July 2023	2,008,181	109,327	307,128	2,424,636
	-----	-----	-----	-----
<u>Depreciation</u>				
At 1 August 2022	1,321,027	97,478	153,103	1,571,608
Charge for year	37,895	5,017	13,413	56,325
	-----	-----	-----	-----
At 31 July 2023	1,358,922	102,495	166,516	1,627,933
	-----	-----	-----	-----
<u>Net book amounts</u>				
At 31 July 2023	649,259	6,832	140,612	796,703
	=====	=====	=====	=====
At 31 July 2022	622,880	1,601	121,100	745,581
	=====	=====	=====	=====

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.

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

ST MARY'S MUSIC SCHOOL TRUST LIMITED**NOTES to the ACCOUNTS****For the year ended 31 July 2023****13. Investments**

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

	2023	2022
	£	£
UK listed investments at market value -		
- Endowment (restricted)	208,658	220,745
- Investment (unrestricted)	227,505	246,279
Investments in subsidiary at cost	1,000	1,000
	-----	-----
	438,163	468,024
	=====	=====
<u>Listed investments</u>		
Cost at 31 July 2022	437,304	439,891
Net unrealised gain	21,038	27,543
	-----	-----
Market value at 31 July 2022	458,342	467,434
Purchases at cost	28,235	48,437
Disposal proceeds	(31,543)	(58,539)
Net realised and unrealised (loss) / gain for the year	(25,570)	1,010
	-----	-----
Market value at 31 July 2023	429,463	458,342
Cash held in portfolio	7,700	8,682
	-----	-----
	437,163	467,024
	=====	=====
Cost at 31 July 2023	429,291	437,304
	=====	=====
Net unrealised gain included in market value	7,872	29,720
	=====	=====

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 2023****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

	2023	2022
	£	£
Outstanding school and letting fees	1,517	7,217
Other debtors and prepayments	94,087	35,586
	-----	-----
	95,604	42,803
	=====	=====

15. Creditors: amounts falling due within one year

	2023	2022
	£	£
Creditors and accruals	173,901	165,892
Income Tax and Social Security	36,677	30,999
Pension contributions	33,030	26,668
Income received in advance (note 16)	45,869	50,195
	-----	-----
	289,477	273,754
	=====	=====

16. Income received in advance

The movements on deferred income were as follows:

	At 31 July 2022	Deferred Income	Released to revenue in year	At 31 July 2023
	£	£	£	£
Income in advance	50,195	45,869	(50,195)	45,869
	=====	=====	=====	=====

Deferred income relates to fees which are received in advance of education provision being provided.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2023

17. Share capital

The Company is constituted as a company limited by guarantee. As at 31 July 2023 there were 45 members of the Company (2022: 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 2022	Dividends rec'd in the year	Net Gains / (Losses) on Investments	Balance at 31 July 2023
	£	£	£	£
18. Reserves				
Endowment reserves				
<u>Prizes & Scholarships</u>				
Prize Fund	17,509	-	(959)	16,550
Directors' Recital Prize	1,030	-	(56)	974
GAS Nicholson Summer Course Bursary	9,252	-	(507)	8,745
<u>Bursaries (School Fees)</u>				
Ms Weightman Instrumental Scholarship	19,658	-	(1,076)	18,582
McCallum Piano Scholarship	32,840	-	(1,798)	31,042
John B Rankin Piano Scholarship	46,673	-	(2,556)	44,117
<u>Masterclass funding</u>				
Nigel Murray	93,783	-	(5,135)	88,648
	-----	-----	-----	-----
Total Endowment Reserves	220,745	-	(12,087)	208,658
	=====	=====	=====	=====

	Balance at 31 July 2021	Dividends rec'd in the year	Net Gains on Investments	Balance at 31 July 2022
	£	£	£	£
Prior Year				
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
	=====	=====	=====	=====

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 2023**

18. Reserves (continued)	Balance at 31 July 2022 £	Dividends rec'd in the year £	Donations rec'd in the year £	* Transfers	Funds Expended £	Balance at 31 July 2023 £
Restricted Funds						
<u>Prizes & Scholarships</u>						
Prize Funds	420	634	620	100	(1,716)	58
Bursary & Awards	2,140	316	-	-	(1,600)	856
<u>Bursaries (School Fees)</u>						
Bursary Fund*	192,354	672	78,750	(83,750)	-	188,026
McCallum Piano Schl'ship	2,723	1,123	-	-	-	3,846
John Rankin Piano Award	7,800	1,598	-	(3,100)	-	6,298
<u>Outreach bursaries</u>						
Saturday Music Classes	4,505	-	-	(471)	-	4,034
Summer Schools	6,800	-	4,800	(1,590)	-	10,010
<u>Development</u>						
Development Fund	34,439	-	50,000	(37,361)	(42,176)	4,902
Advancement Fund	33,866	-	90,000	(1,368)	(72,132)	50,366
Transition Fund	16,284	-	-	37,606	(53,890)	-
<u>Teaching</u>						
Teaching Funds	20,075	-	96,250	-	(102,823)	13,502
<u>Other</u>						
Instrument Funds	1,340	-	5,250	-	(4,261)	2,329
Instrument Library Fund	-	-	14,375	(14,000)	(272)	103
Instrument Library Fund#	-	-	-	14,000	-	14,000
Steinway Grand Fund#	61,450	-	-	-	(5,200)	56,250
Steinway School Fund#	35,336	-	-	(6,250)	(1,027)	28,059
Equipment Fund	2,250	-	-	-	(1,600)	650
Masterclass Funds	19,596	3,208	10,000	-	(12,919)	19,885
Projects Funds	11,358	-	893	3,842	(16,092)	1
Outreach Funds	3,951	-	60,000	(2,719)	(53,048)	8,184
Summer School Fund	-	-	3,000	-	(2,000)	1,000
Total Restricted Reserves	456,687	7,551	413,938	(95,061)	(370,756)	412,359

* Transfers to the general reserves from the Bursary Fund of £93,000 are being used towards the cost to the School of providing means-tested bursaries (see note 3). £471 is for means-tested Saturday Music Class bursaries and £1,590 for Summer School bursaries.

Reserves are held in these funds to cover depreciation costs of instruments bought as part of the Steinway School and Instrument Library projects.

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 £	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 2023**

18. Reserves (continued)	Balance at 31 July 2022	Donations designated in the year	Funds Expended	Balance at 31 July 2023
	£	£	£	£
Designated Reserves				
Legacy Fund (MK)	149,216	142	(20,251)	129,107
Legacy Fund (RG)	-	181,104		181,104
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Total Designated Reserves	149,216	181,246	(20,251)	310,211
	=====	=====	=====	=====

Prior Year	Balance at 31 July 2021	Donations designated in the year	Funds Expended	Balance at 31 July 2022
	£	£	£	£
Designated Reserves				
Legacy Fund (MK)	-	149,216	-	149,216
	-----	-----	-----	-----
Total Designated Reserves	-	149,216	-	149,216
	=====	=====	=====	=====

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 2023**

18. Reserves (continued) Unrestricted	Balance at 31 July 2022	Total income	Transfers	Net gain on investment	Total expenditure	Balance at 31 July 2023
General Reserves	829,249	2,329,792	(86,185)	(13,483)	(2,491,106)	568,267
	=====	=====	=====	=====	=====	=====

Unrestricted reserves are available for the advancement of the charitable objects of the Company. Note 19 describes how £724,965 of unrestricted reserves are invested in the School's tangible fixed assets. Leaving a deficit in freely available unrestricted reserves of £156,698.

Prior Year 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.

19. Analysis of net assets between reserves	Unrestricted Reserves*	Endowment Reserves	Restricted Reserves	Total Reserves 2023
	£	£	£	£
Reserve Balances at 31 July 2023 are represented by:				
Tangible fixed assets	724,965	-	71,738	796,703
Investments	228,505	208,658	-	437,163
Current assets	214,530	-	340,621	556,121
Current liabilities	(289,477)	-	-	(289,477)
	-----	-----	-----	-----
Total net assets	878,523	208,658	412,359	1,499,540
	=====	=====	=====	=====

* Including members' subscriptions and designated reserves.

Analysis of net assets between reserves – Prior Year	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.

ST MARY'S MUSIC SCHOOL TRUST LIMITED**NOTES to the ACCOUNTS****As at 31 July 2023****20. Reconciliation of consolidated net income to consolidated net cash flow from operating activities**

	2023	2022
	£	£
Net (deficit) for the year	(156,402)	(65,226)
Realised (gains) / losses on investments	4,468	(1,457)
Unrealised (gains) / losses on investments	21,102	447
Interest and investment income	(20,591)	(18,989)
Depreciation	56,325	46,163
Decrease in debtors	(52,801)	21,382
Increase in creditors	15,723	10,679
	-----	-----
Net cash (used in) operating activities	(132,176)	(7,001)
	=====	=====

21. Taxation

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

23. Related party disclosures

Donations of £9,800 have been received from Directors during the year. A payment of £40,000 was made to the Benedetti Foundation of which Janine Watson is Director. There were no amounts outstanding at the year end.

24. Financial Instruments

	2023	2022
	£	£
Assets measured at fair value through profit & loss	437,164	467,024

Assets measure at fair value through profit and loss comprise investments.

ST MARY'S MUSIC SCHOOL TRUST LIMITED**NOTES to the ACCOUNTS****As at 31 July 2023****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 £221,956 and has been charged to the income and expenditure account. There are employee and employer contributions of £22,731 for July 2023 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 £84,494 and has been charged to the income and expenditure account. There are employee and employer contributions of £10,298 for July 2023 which were due to be paid to the scheme after the year end.

25. Reconciliation of capital and reserves

	2023	2022
	£	£
At 1 August 2022	1,655,938	1,721,164
(Deficit) for the year	(156,402)	(65,226)
Members' subscriptions (net movement)	4	-
	-----	-----
At 31 July 2023	1,499,540	1,655,938
	=====	=====