



ST MARY'S MUSIC SCHOOL TRUST LIMITED
REPORT and ACCOUNTS
For the year ended 31 July 2020

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

Vice Chair Graham Burnside

Joanne Buckley
James Cook
John Conway
Sarah Davidson, appointed 12 November 2019
Katrina Heathcote
Alistair Hector
Jamie Munn, appointed 9 June 2020
John Reid
Neil Short

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

ST MARY'S MUSIC SCHOOL TRUST LIMITED

STATEMENT FROM THE CHAIR

The dominant theme of the year since March has been the effect of the COVID-19 pandemic upon all aspects of the School's life. Nevertheless we have sustained our activities in this radically changed environment while continuing our development plans.

Our mission remains to open our doors to outstanding young instrumentalists and choristers from Scotland and beyond – regardless of their means or circumstances – allowing them to flourish and excel, musically and academically, in a safe, supportive and inspiring environment.

This year a prime concern has been safety from COVID-19. The school buildings at Coates Hall were closed for the summer term, with teaching continuing remotely. At the time of writing, the building has re-opened and pupils have returned, both day and boarding, in line with detailed risk assessments. Reworking our entire method of working has been a very substantial and sustained piece of work for our small senior staff team, who were already working at full capacity before the pandemic struck. I pay tribute to Dr Taylor and his colleagues who have so effectively maintained the activities and ethos of the School during this most testing of times, with any definitive ending barely in sight.

We were very pleased, therefore, to congratulate our pupils on excellent results in public exams, that over 86% of SQA grades awarded were at Grade A and this session we saw our highest percentage pass rate (100%) across all levels. Five of our final year leavers secured places at Oxbridge colleges, an extraordinary achievement out of a departing sixth form of only fifteen pupils. It all underlines our commitment to academic as well as musical excellence.

It is the Aided Places Scheme of the Scottish Government which keeps this specialist education open to all those who can take advantage of it, regardless of their means or circumstances, and we acknowledge with gratitude the increases in Scottish Government funding this year which have largely balanced additional staff costs in implementing national pay and pension awards. St Mary's Cathedral supports chorister places but a number of instrumentalist places depend on bursary support from a growing body of generous donors. We offer particular thanks to Dunard Fund who fund our advancement activities, the fruits of which are seen in our outreach activities and engagement with our wide range of stakeholders, including our developing partnership with the Scottish Chamber Orchestra for the Youth Academy to offer training and experience to young musicians from outside the school. Most of our externally focused activities have had to go online, but our public profile nevertheless continues to develop through our website and our new newsletter Lines & Spaces.

A big strategic step forward since the year end has been the recruitment of Dr Valerie Pearson as in the new full-time post of Head of Strings. Her background combines performance, composition and teaching, and she is a strong addition to our senior staff team.

We continue to hold to our ambition to move the School to the old Royal High School on Calton Hill, after conversion, and the project has now taken a significant step forward. Our prospective landlords, the Royal High School Preservation Trust (RHSPT), not only have planning permission for their scheme but also full funding. The site has been leased by City of Edinburgh Council to a hotel group on the condition that it obtains planning permission for its hotel scheme. That permission was twice denied by City of Edinburgh Council as planning authority.. The hotel group appealed, and the resulting public inquiry ran between September and December 2018. The inquiry report was submitted to Scottish Ministers in June of this year. At the time of writing Scottish Ministers have just published their decisions rejecting the appeal. There is a short window for the hotel group to appeal the ministerial decision but this can only be on legal (as opposed to planning) grounds and we believe that such a further appeal is unlikely. We are now looking forward to working hard with the RHSPT to bring our plans to fruition. The delay has been frustrating but it remains absolutely clear that this will be the best long term solution to our shortage of physical capacity at Coates Hall.

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

As a small organisation, the school draws extensively on the professional expertise of its Directors. This year we welcomed two new members to our Board. Sarah Davidson is Chief Executive of the Carnegie UK Trust, and a non-executive director of the Scottish Chamber Orchestra, having previously held senior positions in the Scottish Government civil service. Jamie Munn is co-founder and Chief Executive of Nevis Ensemble. With the expiry of their terms of office, in December this year, we lose two longstanding Board members, Jim Cook and Neil Short. As chair of our Finance and General Purposes Committee, Jim's intimate understanding of our finances has been invaluable, and Neil has been a huge support on educational matters. We shall miss you both greatly.

The COVID-19 pandemic means that we rely more than ever on our magnificent partners and stakeholders: pupils, parents, teachers, Board members and all those who support our activities in whatever way. We are most grateful to you all, and remain confident that with your support the School will continue to prosper.

Jo Elliot
Chair

2020

The following is an edited version of the Headteacher's Speech at the (on-line) Prize-giving at the end of session 2019/20.

This session was unique in that the school was closed from Monday 23 March until the end of session due to the COVID-19 crisis. Thus it was not possible to finish the session as we normally would through a celebration of our pupils' music making through public concerts. The exception was the Directors' Recital Prize where a collaboration with the RSNO allowed filming of the participants at the RSNO Centre which was subsequently broadcast as a YouTube Premier on 6 July. This prize is funded by the school's Directors and we thank them for their generous support. This year the competition attracted 25 online entries. The eventual winners Sofia Ros (accordion) and Clíodhna Scott (flute). They and fellow finalists Phoebe Barber (oboe) and Pavlina Gusheva (piano) provided a stunning showcase. Our Junior Recital Prize attracted 14 entries and the Intermediate Recital Prize had 15.

Education and National Issues

We remain continually grateful for the Scottish Government's provision of the Aided Places Scheme. We continue to link with the Choir Schools Association of Great Britain, the Scottish Council for Independent Schools and the UK Music and Dance Schools group of nine specialist schools. I represent the school at the Scottish Music Education Partnership Group. Many of our pupils play in national ensembles and some of these have been holding online courses in recent weeks.

Session Developments

The session started with a roll of 78 pupils. Academically the main development has been revised Advanced Higher Qualification assessment arrangements. Estimate grades were provided for all pupils sitting external qualifications.

Summary of School Year

Term 1

The school enjoys consistently good exam results and last year was no exception. Overall our percentage pass rate in 2019 was 100% at National 5 (81% A), 98% at Higher (84% A or B), 97% at Advanced Higher (85% A or B) and 100% iGCSE (90%A* or A) and 100% Distinction or Merit Cambridge Pre-U.

Fraser Mason gave a lunchtime concert in the Cathedral as part of the Edinburgh Festival Fringe and the choristers sang in a BBC Festival Broadcast, gave a concert and provided a range of sung services. There was an Edinburgh Series Masterclass with flautist Adam Walker, and David Watkin worked with the Senior Orchestra on Beethoven Symphonies. Pupils provided music for a Handelsbanken reception, the Corstorphine Literary and Geographical Society, the friends of Cathedral Music and the SCEN Youth Summit Conference. There was a piano and harpsichord lunchtime recital for the University of Edinburgh and the saxophones and jazz pianists played at a concert in Biggar and Sofia Ros and Neil McCracken played for the SQA Star Awards.

John Cameron, Fiona Duncan and I went on a fact-finding trip to Malaysia where we raised awareness of our school's specialist music education with Mr Cameron hosting performance practice, coaching, a masterclass and a concert. Paul Stubbings promoted the school and gave a series of Organ recitals in Russia. In partnership with SCO the school ran String Academy in November, followed by Wind Academy in Term 2. The Maxwell Quartet and Will Conway hosted a Strings Day in Palmerston Place Church which was fully subscribed with around 60 players. As well as their usual Christmas commitments the Choristers took part in a sell-out Concert in aid of Maggie's, that same evening music was provided for the Edinburgh Marie Curie Hospice Event.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

HEADTEACHER'S REPORT (continued)

The Christmas Concert included the Choristers in Hendrie, the String Ensemble in Handel, our Senior Choir, Jazz Combo and the Senior Orchestra playing the first movement of Beethoven 6 with the whole school performing Pietro Yon arranged and orchestrated by Ruari Woodsend.

Term 2

Term 2 started with our winter festival of chamber music which featured the annual Rush Hour Concert at St Andrew's and St George's West. Later that term groups participated in the RNCM Chamber Music Festival in Manchester and the Rosin Chamber Music Festival at the RCS. On Sunday 19 January there was a memorial service held in the chapel and in the school grounds for much loved former houseparent Zuzanna Liddell.

Twenty pupils gave performances for our Lord Clyde Concerto Competition, adjudicated by Maya Iwabuchi. Sadly, the winner Clodhna Scott was unable to perform the Reinecke Flute Concerto in the Spring Concert since the concert never took place due to school closure on the penultimate Friday of Term. Twenty one pupils took part in the Edinburgh Competition Festival Concerto Competition with all but one being accompanied by John Cameron. The Nigel Murray Masterclass, on 21 February, was led by Nicolas Altstaedt and renowned international violist Lawrence Power gave an Edinburgh Series Masterclass in the chapel

Term 3

This term was unique as a result of the COVID-19 lockdown. Staff and pupils have shown ingenuity in getting remote teaching to work and then to refine and improve the experience. The Junior and Intermediate Recital Prizes were conducted online and adjudicated by Cheryl Crocket and Christian Elliot. The Isobel Dunlop Composition Prize was adjudicated by Gareth Williams. Five leaving first study pianists got the opportunity of a virtual masterclass in the company of Danny Driver. Many of our leavers who play orchestral instruments have prepared and submitted recordings, alongside their MDS Counterparts at Chetham's, Menuhin, Purcell and Wells, into a big orchestral project that united the five schools in a new commission by composer Gwilym Simcock. Of course, many planned activities were cancelled including the Junior instrumentalists' concert trip to Venice.

Music Programme

Performing opportunities for our pupils are many and varied and at every level, both within the curriculum and outwith, local and national. We give a large number of concerts at a variety of levels and locations including our internal lunch-time concerts, local Edinburgh concerts and supporting a range of charities. Our ABRSM practical exam results have once again been consistently impressive. In terms 1 and 2, Paul Stubbings led pupils on 28 'unmissable' concert trips.

Outreach: Friday & Saturday Music Classes

Classes flourished in terms 1 and 2, but there was no provision in term 3.

Departing Teachers

Deryck Porteous (Mathematics part-time from 2016). His positive nature and irrepressible good humour and wonderful baking skills mean he will be sorely missed.

Louise Watson (Support for Learning from 2012). Her calm, thoroughly professional support of individual pupils' has been very much appreciated.

Kate McLean (Classroom Assistant since 2017), she leaves with our very best wishes.

Kenneth Taylor

2020

The Directors present their report and accounts for the year ended 31 July 2020.

Objects and Activities

Charitable Objects

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

The objects of St Mary's Music School Trust Ltd as set out in its Memorandum of Association are to promote the study, practice and knowledge of music and other musical, literary, artistic, cultural and educational purposes connected therewith, and for these purposes to establish, maintain and manage a school, both primary and secondary, for gifted children. St Mary's Music School provides pupils attending the School with a general education and enters them for normal educational examinations and also musical examinations, both theory and practical, and prepares pupils, where possible, for a career in music. St Mary's Music School also offers places for the choristers of St Mary's Episcopal Cathedral, Edinburgh. Pupils gain a place on the basis of musical ability and potential, regardless of parental means (see pages 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 Friday & Saturday Music Classes, attended by around 150 children from the pre-school year upwards, are an important part of our community activities. Alongside the well-established classes in violin, cello, recorder, singing and theory, tuition is now available in small groups for beginners in clarsach, clarineo, clarinet, guitar and trumpet.

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

Aims of St Mary's Music School (continued)

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

Achievements and Performance

Principal activities of the year to 31 July 2020

The extract from the Headteacher's Speech at prize-giving at the end of session 2019/20 which forms part of this report gives a synopsis of the principal activities of the year to 31 July 2020.

Objectives for Session 2019/20

The year's objectives included:

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

Strategies to achieve the year's objectives included:

- Legacy giving promoted on website and concert programmes
- Targeted fundraising campaigns and other related activities
- Careful budgeting and monitoring of expenditure
- Continuing to develop our marketing campaign with international outreach

Review of achievements and activities

The 2019/20 session once again saw good performance in public examinations with a 100% pass rate overall. This year all external examination results were based on teacher estimated grades (unmoderated) due to the COVID-19 crisis. 86% 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 all progressed to Higher Education establishments of their choice, either university or conservatoire, many with scholarships.

From Friday 20 March 2020 the school was forced to close its doors and offer a purely digital education to our pupils for the remainder of the academic year due to the global COVID pandemic. A vast amount of work was done to ensure music lessons and academic classes could be given online. The result was that all activities, except those requiring pupils to perform with one-another or an accompanist, were able to continue without any interruption.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

DIRECTORS' REPORT (continued)

Review of achievements and activities (continued)

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

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

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

Significant Fundraising Activities

The School's fundraising and development programme aims to give its pupils the facilities which their musical talents deserve, to enhance their education and also 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.

A total of £453,531 in donations was received in the year ended 31 July 2020. Included in this sum was £100,000 from Dunard Fund in support of the RHS development project and £60,000 received from Gavin Gemmell for the advancement of outreach and marketing projects, substantial and generous gifts which were hugely appreciated. We acknowledge with grateful thanks the gifts of two Boston upright pianos, one from the Witherby Publishing Groups Charitable Trust and one from Sally May and Robin Angus in memory of their mother, Sally Angus.

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 2020 are shown on the Statement of Financial Activities and Balance Sheet in the accounts.

The combined surplus on unrestricted and restricted activities for the year, prior to revaluation of investments, was £28,411 (2019: surplus £94,417).

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 2019/20 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.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

DIRECTORS' REPORT (continued)

Scottish Government Aided Places Scheme and School Bursaries (continued)

Around 14 pupils were supported by bursaries provided by the School through fundraising and funds generated by outreach activities.

In the academic year 2019/20 there were a total of 67 pupils in receipt of financial assistance from either the Scottish Government Aided Places Scheme or the School bursaries. From these two sources the value of means-tested remission awards in 2019/20 amounted to £1,475,735.

The range of awards from both sources are:

Percentage of award	Number of pupils
1 – 40%	6 beneficiaries
41 – 60%	6 beneficiaries
61 – 80%	12 beneficiaries
81 – 100%	43 beneficiaries (of whom 11 received 100%)

Non means-tested fee remissions

All choristers not holding an Aided Place are awarded a Cathedral bursary of at least 50% of the full fee by the St Mary's Episcopal Cathedral. The value of Cathedral bursaries in 2019/20 was £59,641 awarded to 11 pupils.

Reserves Policy

The Directors are satisfied, based on financial assumptions which they consider reasonable, that the Company will be able to meet its debts as they fall due for the foreseeable future. Cash balances at the year end represented approximately 3 months' operating expenditure. Unrestricted reserves at 31 July 2020 amounted to £1,082,466. 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 4% from the next session.

Investment Policy

Over the year in review, the School's investments were held in the M&G Charifund, a low cost, high yielding unit trust specifically designed for charities. At the start of 2019/20 this investment had a value of £566,959 compared to the original cost of £484,595. At the year end this investment had depreciated by £119,257. In order to mitigate future investment risk the School has appointed Rathbones to manage its investments on a discretionary basis.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

DIRECTORS' REPORT (continued)

Plans for future periods

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

School fees are set by the Scottish Government under The Aided Places Scheme. In 2020/21 School fees will be increased by 4% from 2019/20.

Within the context of restricted social contact due to the global pandemic which affects almost all of our activities, including the ability to teach, play together, receive visitors and give concerts, the priorities and key objectives for 2020/21 are:

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

Structure, governance and management

Governing Document

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

Recruitment and Training of Directors

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

Organisational management

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

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

Remuneration of Key Management Personnel

Key Management Personnel are the Directors and 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.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

DIRECTORS' REPORT (continued)

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)	450	37,706	38,156
Key management personnel	1,375	225	1,600

Principal Risks and uncertainties

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

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

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

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

The School also has considered non-financial risks and as child protection and the health and safety of pupils and staff is paramount they consider any potential breach to be a principal risk. COVID-19 has required a substantial reworking of the School's policies and procedures to control the risk of spread of infection.

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.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

DIRECTORS' REPORT (continued)

Principal Risks and uncertainties (continued)

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

Controls used by St Mary's Music School include:

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

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

Statement of Directors' responsibilities

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

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

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

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

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

Statement of Directors' responsibilities (continued)

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

In so far as the Directors are aware:

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

Small company provisions

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

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

JoAnna Ruth Collings
Secretary

_____ 2020

Opinion

We have audited the accounts of St Mary's Music School Trust Limited for the year ended 31 July 2020 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 2020, 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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the Directors

As explained more fully in the Directors' Responsibilities set out on page 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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

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

Use of our report

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

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

2020

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 2020

	Notes	Unrestricted General Reserves £	Endowment Reserves £	Restricted Reserves £	2020 Total £	2019 Total £
Income from:						
Charitable activities	3	1,952,557	-	-	1,952,557	1,889,810
CJRS Grant		60,512	-	-	60,512	-
Donations and legacies	4	61,863	-	391,668	453,531	486,851
Other trading activities	5	40,486	-	-	40,486	42,050
Investment income	6	20,357	-	10,675	31,032	28,366
Total income		2,135,775	-	402,343	2,538,118	2,447,077
Expenditure on:						
Raising funds	11	2,125	-	76,750	78,875	94,036
Charitable activities	8	2,278,081	-	152,751	2,430,832	2,258,624
Total expenditure		2,280,206	-	229,501	2,509,707	2,352,660
Net income/ (expenditure) before transfers between funds						
		(144,431)	-	172,842	28,411	94,417
Gross transfers between fund	18	93,492	-	(93,492)	-	-
Net income/ (expenditure) before loss on investments						
		(50,939)	-	79,350	28,411	94,417
Net (loss) on investments		(65,296)	(53,961)	-	(119,257)	(10,257)
Net income for the year and net movement in funds						
		(116,235)	(53,961)	79,350	(90,846)	84,160
Reconciliation of funds						
Total funds brought forward	18	1,198,701	257,938	348,949	1,805,588	1,721,428
Total funds carried forward	18	1,082,466	203,977	428,299	1,714,742	1,805,588

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 35 form part of these accounts.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

BALANCE SHEET

As at 31 July 2020

	Notes	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	12		771,998		837,645
Investments	13		438,702		557,959
			-----		-----
			1,210,700		1,395,604
Current assets					
Debtors	14	103,446		117,805	
Cash at bank and in hand		627,376		528,699	
		-----		-----	
		730,822		646,504	
Creditors: Amounts falling due within one year	15	226,740		236,480	
		-----		-----	
Net current assets			504,082		410,024
			-----		-----
Total net assets			1,714,782		1,805,628
			=====		=====
The funds of the charity					
Members' subscriptions	17		40		40
Endowment funds	18		203,977		257,938
Restricted funds	18		428,299		348,949
Unrestricted general funds	18		1,082,466		1,198,701
			-----		-----
	26		1,714,782		1,805,628
			=====		=====

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 _____ 2020 and signed on its behalf by:-

..... Director

Jo Elliot

..... Director

John Reid

Company No. SC054504

The notes on pages 21 to 35 are an integral part of these accounts.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

CASH FLOW STATEMENT

For the year ended 31 July 2020

	Notes	2020	2019
		£	£
Cash flows from operating activities:			
Net cash provided by operating activities	20	82,447	123,188
Cash flows from investing activities:			
Dividends, interest and rent from investments	31,032	28,366	
Purchase of property, plant and equipment	(14,802)	(91,900)	
	-----	-----	
Net cash provided by/ (used in) investing activities		16,230	(63,534)
Cash flows from financing activities:			
Members' subscriptions		-	2
		-----	-----
Change in cash and cash equivalents in the reporting period		98,677	59,656
Cash and cash equivalents at the beginning of the reporting period		528,699	469,043
		-----	-----
Cash and cash equivalents at the end of the reporting period		627,376	528,699
		=====	=====

Analysis of changes in net debt

	At start of year	Cash-flows	Other non-cash changes	At end of year
	£	£	£	£
Cash and cash equivalents	528,699	98,677	-	627,376
	=====	=====	=====	=====

The notes on pages 21 to 35 are an integral part of these accounts.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2020

1. Accounting policies

Basis of accounting

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

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.

Impact of Covid-19

On 20 March 2020, Scottish schools were required to close due to the global pandemic. The School remained closed for the remainder of the session. In order to maintain a specialist music education for all pupils, some investment was required in digital infrastructure and there was a loss of income due to closure of the Boarding House and cancellation of other trading activities.

The financial impact on the school was mitigated by reduced operational costs and income from the CJRS (Furlough scheme). Future budgets have taken account of additional costs and reductions in revenue due to the pandemic, and the school's Directors are satisfied that the going concern basis of preparation remains appropriate.

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 2020

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.

1. Accounting policies (continued)

Resources expended (continued)

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

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

Musical Instruments

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

Pensions

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

Fixed Assets

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

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

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

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

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2020

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 2020

3. Income from charitable activities (Unrestricted)	2020	2019
	£	£
School fees (gross)	1,983,239	2,002,786
Remission awarded by the School *	(107,773)	(208,193)
	-----	-----
School fees (net)	1,875,466	1,794,593
	=====	=====
Contributed by:		
Scottish Government Aided Places Scheme	1,367,962	1,284,930
St Mary's Episcopal Cathedral for chorister fees	59,641	61,302
Parents	447,863	448,361
	-----	-----
School fees (net)	1,875,466	1,794,593
Outreach fees	45,312	67,542
Other school income	31,779	27,675
	-----	-----
Total	1,952,557	1,889,810
	=====	=====

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

4. Donations and legacies	Unrestricted	Restricted	2020	2019
	£	£	Total	Total
			£	£
Grants and donations	59,363	386,668	446,031	486,758
Legacies	2,500	5,000	7,500	93
	-----	-----	-----	-----
Total	61,863	391,668	453,531	486,851
	=====	=====	=====	=====
2019	101,241	385,610	486,851	
	=====	=====	=====	

5. Other trading activities (Unrestricted)	2020	2019
	£	£
Summer letting	13,697	15,187
Garage letting income	26,789	26,863
	-----	-----
Total	40,486	42,050
	=====	=====

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2020

6. Investment income	Unrestricted	Restricted	2020 Total	2019 Total
	£	£	£	£
On deposits	4,807	-	4,807	2,853
On listed investments	15,550	10,675	26,225	25,513
	-----	-----	-----	-----
Total	20,357	10,675	31,032	28,366
	=====	=====	=====	=====
2019	17,981	10,385	28,366	
	=====	=====	=====	

7. Net income for year	2020	2019
	£	£
This is stated after charging:		
Depreciation of tangible fixed assets	80,449	79,531
Auditors' remuneration - audit services	9,180	9,030
- non-audit services	7,954	5,648
	=====	=====

8. Charitable activities	Unrestricted	Restricted	2020 Total	2019 Total
	£	£	£	£
<u>School operating costs</u>				
Teaching	1,283,604	35,377	1,318,981	1,231,714
Premises (including depreciation)	303,834	8,825	312,659	305,649
Boarding	254,132	-	254,132	260,388
Support	423,328	108,524	531,852	449,316
Bank interest and charges	2,124	25	2,149	2,597
<u>Governance costs</u>				
Audit and accountancy fees	11,059	-	11,059	8,960
	-----	-----	-----	-----
Total	2,278,081	152,751	2,430,832	2,258,624
	=====	=====	=====	=====
2019	2,167,572	91,052	2,258,624	
	=====	=====	=====	

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2020

9. Support costs	Unrestricted	Restricted	2020 Total	2019 Total
	£	£	£	£
Administration staff	358,068	8,904	366,972	342,258
Publicity	4,300	84,095	88,395	44,350
Telephone, postage and subscriptions	13,683	201	13,884	16,202
Computer support and maintenance	29,744	8,979	38,723	23,165
<u>Professional and legal fees</u>				
Ordinary	10,918	-	10,918	10,746
Development	-	-	-	-
Other	6,615	6,345	12,960	12,595
	-----	-----	-----	-----
	423,328	108,524	531,852	449,316
	=====	=====	=====	=====

10. Staff costs and emoluments of employees	2020	2019
	£	£
Wages and salaries	1,576,566	1,491,291
Employer's national insurance	125,211	114,293
Pension costs	279,242	206,447
	-----	-----
	1,981,019	1,812,031
	=====	=====
	No.	No.
Average number of persons employed	117	124
Full time equivalent	46	46
	=====	=====

Key management personnel are the Directors, the Headteacher and the Bursar. No Director received any remuneration and the total remuneration, including employer pension and national insurance contributions, paid to other key management personnel was £190,347 (2019: £175,741). The number of employees falling into the listed bands of total remuneration were:

	2020	2019
£70,001-£80,000	-	1
£80,001-£90,000	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 2020

11.Expenditure on raising funds	Unrestricted	Restricted	2020 Total	2019 Total
	£	£	£	£
Summer letting costs	2,125	-	2,125	10,698
Fundraising Consultant fees and expenses	-	76,750	76,750	83,338
	-----	-----	-----	-----
Total	2,125	76,750	78,875	94,036
	=====	=====	=====	=====
2019	10,698	83,338	94,036	
	=====	=====	=====	

12. Tangible fixed assets – Group and Company

	Property	Equipment	Musical Instruments	Total
	£	£	£	£
<u>Cost</u>				
At 1 August 2019	1,904,485	94,277	223,118	2,221,880
Additions	-	4,802	10,000	14,802
Disposals	-	-	-	-
	-----	-----	-----	-----
At 31 July 2020	1,904,485	99,079	233,118	2,236,682
	-----	-----	-----	-----
<u>Depreciation</u>				
At 1 August 2019	1,174,953	86,837	122,445	1,384,235
Charge for year	68,447	2,967	9,035	80,449
Disposals	-	-	-	-
	-----	-----	-----	-----
At 31 July 2020	1,243,400	89,804	131,480	1,464,684
	-----	-----	-----	-----
<u>Net book amounts</u>				
At 31 July 2020	661,085	9,275	101,638	771,998
	=====	=====	=====	=====
At 31 July 2019	729,532	7,440	100,673	837,645
	=====	=====	=====	=====

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 2020

13. Investments

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

	2020 £	2019 £
UK listed investments at market value -		
- Endowment (restricted)	203,977	257,938
- Investment (unrestricted)	233,725	299,021
Investments in subsidiary at cost	1,000	1,000
	-----	-----
	438,702	557,959
	=====	=====
<u>Listed investments</u>		
Cost at 31 July 2019	484,595	484,595
Net unrealised gain	72,364	82,621
	-----	-----
Market value at 31 July 2019	556,959	567,216
Purchases at cost	-	-
Net unrealised (loss)/gain for the year	(119,257)	(10,257)
	-----	-----
Market value at 31 July 2020	437,702	556,959
	=====	=====
Cost at 31 July 2020	484,595	484,595
	=====	=====
Net unrealised (loss)/ gain included in market value	(46,893)	82,621
	=====	=====

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

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 has been put to tender and will be managed by Rathbone Investment Management Ltd from October 2020 onwards.

Holdings in subsidiary undertaking

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

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

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2020

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

	2020	2019
	£	£
Outstanding school and letting fees	14,005	80,314
Other debtors and prepayments	89,441	14,701
Due from St Mary's Music School Enterprises Limited – group undertaking		
- Other	-	22,790
	-----	-----
	103,446	117,805
	=====	=====

15. Creditors: amounts falling due within one year

	2020	2019
	£	£
Creditors and accruals	139,070	113,896
Income Tax and Social Security	28,622	28,953
Pension contributions	27,672	23,875
Income received in advance (note 16)	30,376	69,756
Amounts due to group undertaking	1,000	-
	-----	-----
	226,740	236,480
	=====	=====

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2020

16. Income received in advance

The movements on deferred income were as follows:

	At 31 July 2019 £	Deferred Income £	Released to revenue in year £	At 31 July 2020 £
Income in advance	69,756 =====	30,376 =====	(69,756) =====	30,376 =====

Deferred income relates to fees which are received in advance.

17. Share capital

The Company is constituted as a company limited by guarantee. As at 31 July 2020 there were 40 members of the Company (2019: 40). 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 2019 £	Net Gains / (Losses) on Investments £	Balance at 31 July 2020 £
18. Reserves			
Endowment reserves			
<u>Prizes & Scholarships</u>			
Prize Fund	20,760	(4,533)	16,227
Directors' Recital Prize	1,222	(267)	955
GAS Nicholson Summer Course Bursary	10,970	(2,395)	8,575
<u>Bursaries (School Fees)</u>			
Ms Weightman Instrumental Scholarship	23,309	(5,090)	18,219
McCallum Piano Scholarship	38,600	(8,218)	30,382
John B Rankin Piano Scholarship	55,340	(12,085)	43,255
<u>Masterclass funding</u>			
Nigel Murray	107,737 -----	(21,373) -----	86,364 -----
Total Endowment Reserves	257,938 =====	(53,961) =====	203,977 =====

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2020

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

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

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2020

18. Reserves (continued)	Balance at 31 July 2019 £	Dividends rec'd in the year £	Donations rec'd in the year £	* Transfers	Funds Expended £	Balance at 31 July 2020 £
<u>Restricted Funds</u>						
<u>Prizes & Scholarships</u>						
Prize Fund	1,247	1,080	842	-	(1,961)	1,208
Directors' Recital Prize	391	63	856	-	(1,096)	214
<u>GAS Nicholson Summer</u>						
Course Bursary	15	570	-	-	-	585
Hope Scott Awards	-	-	1,000	-	-	1,000
<u>Bursaries (School Fees)</u>						
Bursary Fund*	158,461	1,213	105,688	(92,375)	-	172,987
McCallum Piano Schl'ship	1,609	1,763	-	-	-	3,372
John Rankin Piano Award	2,426	2,878	-	-	(100)	5,204
<u>Outreach bursaries</u>						
Saturday Music Classes	7,337	-	-	(1,117)	-	6,220
<u>Development</u>						
Expansion Fund	46,410	-	54,369	-	(67,260)	33,519
Dunard Fund	45,059	-	100,000	-	(90,603)	54,456
Penpont Trust	8,904	-	-	-	(8,904)	-
RHSPT	-	-	30,000	-	(24,620)	5,380
<u>Masterclass funding</u>						
Nigel Murray	-	3,108	-	-	(1,673)	1,435
<u>Teaching</u>						
Dunard Fund	-	-	50,000	-	(2,388)	47,612
Stevenston Trust	2,500	-	7,500	-	(7,500)	2,500
WPG Charitable Trust	-	-	4,000	-	(4,000)	-
McFarlane Voice Fund	-	-	6,000	-	(6,000)	-
<u>Other</u>						
Instrument Fund	1,340	-	-	-	-	1,340
Piano Fund (Steinway						
Grand)	71,250	-	2,500	-	(4,800)	68,950
Hope Scott for Seven Hills	2,000	-	-	-	-	2,000
Piano Fund (Steinway						
School)	-	-	13,313	-	(250)	13,063
Equipment Fund	-	-	1,600	-	-	1,600
Masterclass Fund	-	-	10,000	-	(6,346)	3,654
SCO Academy Pupil						
Leadership Fund	-	-	2,000	-	(2,000)	-
Summer School Fund	-	-	2,000	-	-	2,000
Total Restricted Reserves	348,949	10,675	391,668	(93,492)	(229,501)	428,299
	=====	=====	=====	=====	=====	=====

* Transfers to the general reserves from the Bursary Fund of £92,375 are being used towards the cost to the School of providing means-tested bursaries (see note 3). £1,117 is for means-tested Saturday Music Class bursaries.

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

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2020

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

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

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

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

As at 31 July 2020

18. Reserves (continued) Unrestricted	Balance at 31 July 2019	Total income	Transfers	Net loss on investment	Total expenditure	Balance at 31 July 2020
General Reserves	1,198,701	2,135,775	93,492	(65,296)	(2,280,206)	1,082,466
	=====	=====	=====	=====	=====	=====

Unrestricted reserves are available for the advancement of the charitable objects of the Company. Note 19 describes how £699,748 of unrestricted reserves are invested in the School's tangible fixed assets. Freely available unrestricted reserves are £382,718.

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

Unrestricted reserves are available for the advancement of the charitable objects of the Company. Note 19 describes how £766,394 of unrestricted reserves are invested in the School's tangible fixed assets. Freely available unrestricted reserves are £432,307.

19. Analysis of net assets between reserves	Unrestricted Reserves*	Endowment Reserves	Restricted Reserves	Total Reserves 2020
	£	£	£	£
Reserve Balances at 31 July 2020 are represented by:				
Tangible fixed assets	699,748	-	72,250	771,998
Investments	234,725	203,977	-	438,702
Current assets	374,773	-	356,049	730,822
Current liabilities	(226,740)	-	-	(226,740)
	-----	-----	-----	-----
Total net assets	1,082,506	203,977	428,299	1,714,782
	=====	=====	=====	=====

* Including members' subscriptions.

Analysis of net assets between reserves – Prior Year	Unrestricted Reserves*	Endowment Reserves	Restricted Reserves	Total Reserves 2019
	£	£	£	£
Reserve Balances at 31 July 2019 are represented by:				
Tangible fixed assets	766,394	-	71,251	837,645
Investments	300,021	257,938	-	557,959
Current assets	368,806	-	277,698	646,504
Currently liabilities	(236,480)	-	-	(236,480)
	-----	-----	-----	-----
Total net assets	1,198,741	257,938	348,949	1,805,628
	=====	=====	=====	=====

* Including members' subscriptions.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

As at 31 July 2020

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

	2020	2019
	£	£
Net (deficit)/surplus for the year	(90,846)	84,160
Unrealised losses on investments	119,257	10,257
Interest and investment income	(31,032)	(28,366)
Depreciation	80,449	79,531
Donated assets	-	-
Decrease/(Increase) in debtors	14,359	(33,120)
(Decrease)/Increase in creditors	(9,740)	10,726
	-----	-----
Net cash provided by operating activities	82,447	123,188
	=====	=====

21. Taxation

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

22. Banking

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

23. Related party disclosures

Donations of £2,556 have been received from Directors during the year.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

As at 31 July 2020

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.

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

The pension cost for the Staff who were members of these schemes during the year was £191,363 and has been charged to the income and expenditure account. There are employee and employer contributions of £17,859 for July 2020 which were due to be paid to the scheme after the year end.

The Company also contributes to a defined contribution scheme in respect of other Staff. The employee basic contribution rate is 7% while the employer contribution rate is 17.2%. The pension cost for the year was £87,879 and has been charged to the income and expenditure account. There are employee and employer contributions of £9,813 for July 2020 which were due to be paid to the scheme after the year end.

25. Reconciliation of capital and reserves

	2020	2019
	£	£
At 1 August 2019	1,805,628	1,721,466
(Deficit)/Surplus for the year	(90,846)	84,160
Members' subscriptions (net movement)	-	2
	-----	-----
At 31 July 2020	1,714,782	1,805,628
	=====	=====