



ST MARY'S MUSIC SCHOOL TRUST LIMITED
REPORT and ACCOUNTS
For the year ended 31 July 2021

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

Fiona Akers, appointed 10 November 2020
Joanne Buckley
James Cook, retired 14 December 2020
John Conway
Sarah Davidson
Katrina Heathcote
Alistair Hector
Jamie Munn
John Reid
Neil Short, retired 14 December 2020

Senior Staff

Headteacher Dr Kenneth Taylor

Bursar & Company Secretary Dr JoAnna Ruth Collings

Honorary President John Wallace CBE

Honorary Vice-Presidents Gavin Gemmell CBE
Evelyn Glennie DBE
Steven Isserlis CBE
Sir James MacMillan CBE
Jerzy Maksymiuk
Steven Osborne

ST MARY'S MUSIC SCHOOL TRUST LIMITED

REFERENCE and ADMINISTRATIVE INFORMATION (continued)

Bankers	Virgin Money 83 George Street Edinburgh EH3 9BY Bank of Scotland 75 George Street Edinburgh EH2 3EW
Auditor	Chiene + Tait LLP Chartered Accountants and Statutory Auditor 61 Dublin Street Edinburgh EH3 6NL
Solicitors	Brodies LLP 15 Atholl Crescent Edinburgh EH3 8HA
Investment Manager	Rathbone Investment Management Ltd 28 St Andrew Square Edinburgh EH2 1AF

ST MARY'S MUSIC SCHOOL TRUST LIMITED

STATEMENT FROM THE CHAIR

Like last year, the 2020-21 academic session has been dominated by the long shadow cast by the Covid-19 pandemic. However there have been many achievements to celebrate and we have continued to deliver on our mission of delivering a first class general and specialist music education to our group of uniquely talented pupils.

The summer of 2020 saw the end of the first lockdown and a partial easing of Covid-19 restrictions. Pupils returned to school in the autumn term but instrumental lessons still had to be conducted remotely over Zoom and strict anti-infection protocols observed within Coates Hall. The school roll, at 68, was less than our nominal capacity but this shortfall did ease the constraints of operating in a safe, socially distanced manner.

Term 2 saw the return of tight restrictions and the virtual closure of the school building required everything to be done remotely, from academic teaching and learning, to music lessons, to parents' evenings, to auditions, by now drawing on the considerable expertise built up during the lockdown of the previous year.

In the third term, with the roll out of vaccination gathering pace, Covid-19 restrictions were eased, the boarding house reopened and in-person lessons resumed. A major milestone was when our choristers could again be heard in St Mary's Episcopal Cathedral in a church service.

For the second year running the normal diet of public exams was suspended and grades were awarded on the basis of school assessments. Once again our leavers performed outstandingly, and the high grades achieved were well justified. Despite the unusual circumstances of their final terms with us, we hope that they feel well equipped as they take forward their studies, whether majoring in music or in other subjects, all having achieved their destination of first choice for higher education.

The circumstances of the pandemic continued to make exceptional demands on Dr Taylor and his staff team, to which they have risen magnificently. This is a small school and when the pandemic struck in the spring of 2020 the management and academic team, already working at full stretch, had to rework the entire delivery model including online lessons and socially distanced instrumental tuition. Strict new operating procedures were required in the boarding house and in the rest of the Coates Hall. Although we have had to deal with some Covid-19 cases in the school community, it is to the credit of staff and pupils alike that we have so far avoided any major outbreak but the pandemic is still far from over and the price of our gradual return to some form of normality is continuing vigilance.

All this has taken a toll on our finances as we have found ourselves in something of a double squeeze on both costs and revenues: the higher costs due to Covid-19 precautions and adaptations and the lower revenue due to a lower school roll. We have used the UK Government's Community Job Retention Scheme to fund staff on furlough but more significantly the Scottish Government has provided special financial support, in addition to the established Aided Places Scheme, for which we are most grateful. We also acknowledge with heartfelt thanks the contributions of our supporters, large and small. Once candidates have passed our rigorous admission criteria, and judged to have the ability to benefit fully from our specialist music education, the combination of Scottish Government and private support allows us to provide means-tested bursaries to all our pupils who need them. Foremost among those supporters remains Dunard Fund whose long term generosity to the school provides key support for our educational provision and for our Development Office.

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

Our strategic plans are focussed on relocating to the former Royal High School (RHS) building on Calton Hill. This will provide greatly improved facilities of the size and quality to which we aspire.

The RHS is owned by the City of Edinburgh Council (CEC) and following the rejection of plans for a hotel development on the site, the Council, in June 2021, invited interested parties to submit fresh proposals for a long-term, sustainable, future for the RHS building.

The Royal High School Preservation Trust has, since 2015, been active in promoting its vision for the site and has planning permission for developing it as a new home for St Mary's Music School. In response to the CEC's invitation the RHSPT put forward a strong bid. We were delighted when, on 7 October 2021, CEC approved RHSPT's proposal. This is a key milestone, marking the end of the long phase of getting the RHSPT accepted as the preferred redeveloper of the building. It also marks the start of a new and lengthy phase from refinement of the design, through selection of contractor to completion of the actual build, culminating in the school's move to its new home in some 5 years' time.

While the School remains front and central to the plans put forward by RHSPT, it is now proposed that the principal tenant in the redeveloped building will be a new body provisionally named the National Centre for Music (NCM) with the School as its sub-tenant. The NCM will have a broad remit promoting music education and participation generally, extending well beyond the specialist mission of St Mary's Music School and we welcome this structural proposal as making the best use of this nationally significant facility.

Earlier this year we identified three strands in our planning. The first was to support the RHSPT bid to CEC, now submitted and accepted. Work has now started on the second strand, which is the transition plan taking us through the next five years or so until we get entry to the new building; and the third is the business plan from that point onwards. Central to our planning is the need to ensure that current pupils, only the youngest of whom will see the move to Calton Hill, continue to benefit from a musical education and a broader school experience in Coates Hall which is second to none.

Finally, I must pay tribute to our retiring Trustee and Vice-Chair Graham Burnside. Regular rotation of board memberships and maximum terms of office are an essential part of good governance, but carry the downside of losing the experience and support of departing members. So it is with Graham, who has brought to bear his astute legal knowledge and steady hand in personnel matters, to the great benefit of the school, and we shall miss him. John Reid will kindly take his place as Vice-Chair. Meanwhile, with the essential support of our many friends and supporters: parents, pupils, staff, Board members, funders, we look forward with confidence to the next phase in the life of the school.

Jo Elliot
Chair

2021

The following is an edited version of the Headteacher's Speech at the (on-line) Prize-giving at the end of session 2020/21.

Education and National Issues

We appreciate the support shown to the school by Scottish Government and we are continually grateful for the Scottish Government provision for the Aided Places Scheme. We continue to link with the Choir Schools Association of Great Britain, the Scottish Council for Independent Schools and the UK Music and Dance Schools group of nine specialist schools. I represent the school in the Music Education Partnership Group. Many of our pupils have places in national ensembles such as the National Youth Orchestra of Great Britain, National Children's Orchestra, National Youth Orchestras of Scotland and sing in the National Youth Choir of Scotland. Although these ensembles have been disrupted due to Covid-19, work has been going on digitally.

Session Developments

The session started with a roll of 69 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. We remain committed to a long-term future at the former Royal High School.

Summary of School Year

Term 1

Before term even started Mr Cameron and Ms Buckmayer staged a highly successful digital Piano Summer School. Our exam results were amongst the very best the school has ever enjoyed, a reflection on both the academic ability and hard work that pupils and teachers were able to maintain during Lockdown 1.

We returned to a very different Coates Hall, one in which we needed to consider how best to stop the Covid-19 virus entering the school and how we could best follow the government guidelines designed to prevent the spread of the virus.

All singing and wind playing in schools was prohibited initially. We managed to have one then two rooms dedicated to boarders for wind practice, zoom lessons and eventually a bespoke arrangement allowed lessons and accompaniment through the wall between 110 and 109. All day pupils had to return home for zoom lessons in wind instruments and singing. I would like to pay tribute to Dr Collings, assisted by Mr Murray, in drawing up the various operating documents, risk assessments and to Miss Findlay and all in the School Office, for working to produce feasible rooming arrangements.

A Digital Open Day was developed by Ms Duncan with input from music staff and pupils alike and delivered on four separate occasions in Term 1. We had already some experience of running auditions remotely from Term 3 of 2019/20 and that process, accompanied by remote two day stays has continued.

Our usual Masterclass programme was replaced by Celebrity 6 and we enjoyed Angela Hewitt, Gautier Capucon, Rachel Podger, Lorenza Borrani, Tommy Smith, Lorna McGhee as well as a series of in-person concerts and masterclasses from Steven Osborne.

Mr Stubbings led a series of Boarders' Trips to St Cecelia's Hall and there were regular weekend events off-campus including walks in the local area. The term concluded with a Saturday Music Classes Showcase and a digital Christmas Concert including Mr Wilson's amazing piece for all pupils based on a famous Christmas Chorale.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

HEADTEACHER'S REPORT (continued)

Term 2

Term 2 became Lockdown 2. All classes were online, with the exception of the Primary Class who returned in mid-March. Despite the enforced move online, the school held a concerto competition, the innovative Side by Side Competition, SCO String and Wind Academies, and Celebrity 6 masterclasses with Sarah Willis, Steven Isserlis, Zoe Beyers, Martin Martineau and Tabea Zimmerman. We initiated a wonderful free opportunity for young singers called Zoom Tunes led by Libby Crabtree and broadcast the Spring Concert on 2 April.

Chamber music, orchestra and choir continued with a rich series of talks, lectures and activities designed to be educational, engaging but less demanding of pupils' time afterwards. The school is fortunate to have been able to call in many associated professional musicians to support these sessions. Another new venture involves a group of former and current pupils, the Provost and Dr Jourdan looking at developing ethical practice in specialist music education under two main headings Situating Western Music amongst Music of Other Cultures and Dismantling Hierarchies within the Western Classical Tradition.

Term 3

This final term presented a major challenge for staff and pupils to put together the evidence of assessed work which would support the awarding of school assessed grades for both SQA and Cambridge International. Ms Findlay worked tirelessly with staff and pupils to make this all run smoothly.

Celebrity Six enjoyed visits from Stephen Hough, Sir Antonio Pappano, Alina Ibragimova, Judith Weir, Arve Henriksen and Manuel Barrueco. A group of pianists and the String Ensemble filmed at Pianodrome as part of the recordings for the Summer Concert. We thank the Cathedral for giving us access and use of their building for the time we were in school this session.

Seven Hills Project

Throughout the year Dr Pearson has taken the Seven Hills Project forward, developing links with composers, looking at ways we could share the music making with young musicians beyond the school, and working with Mrs White, Ms Duncan and Head of School Eve Boulos to raise public awareness of the project that will lead us towards our 50th Anniversary Concert in June 2023.

Outreach and Saturday Music Classes

This year we have launched a number of digital initiatives in place of the in person workshops around Scotland we had planned, including 'How to be a better Flautist' with Lis Dooner, 'The F/Bb Horn Mysteries' with Rachel Brady and 'How to be a better Pianist' with Helena Buckmayer. Saturday Music Classes have been online for the whole session, producing two online concerts which sounded really excellent.

Departing Teachers

Alison Horsey (Latin and Classics) started teaching here in 1993, and has been a great ambassador for Classics, with an encyclopaedic knowledge and palpable enthusiasm. Her annual trips to Hadrian's Wall and the British Museum have been very successful, meticulously organised and delivered with great enthusiasm. We also say goodbye to Neil Dawson (English) who has been with us for this session while Susan Saunderson is on maternity leave.

Kenneth Taylor

2021

The Directors present their report and accounts for the year ended 31 July 2021.

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 Saturday Music Classes, attended by around 100 children from the pre-school year upwards, are an important part of our community activities. Alongside the well-established classes in violin, cello, recorder, singing and theory, tuition is now available in small groups for beginners in clarsach, clarineo, clarinet and guitar.

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

Aims of St Mary's Music School

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

Aims

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

DIRECTORS' REPORT (continued)

Aims of St Mary's Music School (continued)

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

Achievements and Performance

Principal activities of the year to 31 July 2021

The extract from the Headteacher's Speech at prize-giving at the end of session 2020/21 which forms part of this report gives a synopsis of the principal activities of the year to 31 July 2021.

Objectives for Session 2020/21

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

The working conditions necessitated by the Covid-19 pandemic meant that some of our usual activities relating to the objectives were compromised as the school focused on the core business of delivering specialist music education. Strategies to achieve the year's objectives included:

- Legacy giving promoted on website and concert programmes, new video in production
- 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 2020/21 session once again saw good performance in public examinations with a 100% pass rate overall. Again this year, all external examination results were based on teacher estimated grades due to the Covid-19 crisis. 88% 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.

Due to the pandemic, the school was forced to close its doors once again for the majority of Term 2, offering a purely digital education to our pupils. The school built on expertise gained during the first school closure in the previous academic session. The school received overwhelmingly positive feedback on the provision from pupils' families.

Review of achievements and activities (continued)

Outside school, our pupils routinely 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. Due to the pandemic, the activities of these organisations was limited.

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 Cathedral resumed choral worship in April 2021.

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

Significant Fundraising Activities

The School's fundraising and development programme aims to give its pupils the facilities which their musical talents deserve, to enhance their education and also benefit the wider community. While most pupils are supported by the Scottish Government through the Aided Places Scheme or by Cathedral bursaries, the School has no regular source of income for capital expenditure, either for buildings or for equipment, including musical instruments.

The School's Friends & Donors Scheme offers a development opportunity to help sustain the School. Regular financial gifts on a monthly or annual basis are received from an increasing number of participants.

A total of £526,940 in donations was received in the year ended 31 July 2021. 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.

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 2021 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 £24,686 (2020: surplus £28,411).

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 2021/22 academic year the scheme provides for up to 49 instrumentalists and 6 choristers, for eligible pupils. Remission on fees is based on a sliding scale linked to family income and is subject to annual means-testing.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

DIRECTORS' REPORT (continued)

Scottish Government Aided Places Scheme and School Bursaries (continued)

Around 10 pupils were supported by bursaries provided by the School through fundraising and funds generated by outreach activities.

In the academic year 2020/21 there were a total of 59 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 2020/21 amounted to £1,370,917.

The range of awards from both sources are:

Percentage of award	Number of pupils
1 – 40%	5 beneficiaries
41 – 60%	4 beneficiaries
61 – 80%	10 beneficiaries
81 – 100%	40 beneficiaries (of whom 8 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 2020/21 was £66,735 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 2021 amounted to £974,226. 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 3% from the next session.

Investment Policy

In the past, the Trust's investments have been held in the M & G Charifund. Following a review of the Trust's investment strategy, a competitive tender process was undertaken. An objective of the review was the mitigation of risk. Rathbone Investment Management were appointed with effect from 18 December 2020 and consequently, the M & G Charifund units were liquidated. In the period from 18 December 2020 to 31 July 2021 the portfolio's total return, net of fees, was 9.8% and ahead of the benchmark return of 9.1%.

At the start of 2020/21, investments had a value of £437,702 compared to the original cost of £484,595. At the year end this investment had appreciated by £31,067.

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

In 2021/22 School fees will be increased by 3% from 2020/21.

Key objectives for 2021/22 are:

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

Structure, governance and management

Governing Document

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

Recruitment and Training of Directors

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

Organisational management

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

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)	20,725	5,623	26,348
Key management personnel	1,250	188	1,438

Principal Risks and uncertainties

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

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

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

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

The School also has considered non-financial risks and as child protection and the health and safety of pupils and staff is paramount they consider any potential breach to be a principal risk. Covid-19 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

_____ 2021

Opinion

We have audited the accounts of St Mary's Music School Trust Limited (the 'charitable company') for the year ended 31 July 2021 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 2021, and of the incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the 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 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 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.

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

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

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. 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;
- review of legal correspondence or invoices; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, 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 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.

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



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

2021

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 2021

	Notes	Unrestricted General Reserves £	Endowment Reserves £	Restricted Reserves £	2021 Total £	2020 Total £
Income from:						
Charitable activities	3	1,850,400	-	-	1,850,400	1,952,557
CJRS/SSP Grant		57,926	-	-	57,926	60,512
Covid Grant		77,471	-	-	77,471	-
Donations & legacies	4	45,651	-	481,289	526,509	453,531
Other trading activities	5	25,679	-	-	25,679	40,486
Investment income	6	9,260	-	5,532	14,793	31,032
Total income		2,066,387	-	486,822	2,553,209	2,538,118
Expenditure on:						
Raising funds	11	-	-	81,524	81,524	78,875
Charitable activities	8	2,258,875	-	237,496	2,496,371	2,430,832
Total expenditure		2,258,875	-	319,020	2,577,895	2,509,707
Net (expenditure) / income before transfers between funds						
		(192,488)	-	167,802	(24,686)	28,411
Gross transfers between fund	18	68,006	-	(68,006)	-	-
Net (expenditure) / income before gain/loss on investments						
		(124,482)	-	99,796	(24,686)	28,411
Net gain/(loss) on investments		16,242	14,825	-	31,067	(119,257)
Net income for the year and net movement in funds						
		(108,240)	14,825	99,796	6,381	(90,846)
Reconciliation of funds						
Total funds brought forward	18	1,082,466	203,977	428,299	1,714,742	1,805,588
Total funds carried forward	18	974,226	218,802	528,095	1,721,123	1,714,742
		=====	=====	=====	=====	=====

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 36 form part of these accounts.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

BALANCE SHEET

As at 31 July 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	12		767,254		771,998
Investments	13		469,769		438,702
			-----		-----
			1,237,023		1,210,700
Current assets					
Debtors	14	64,186		102,446	
Cash at bank and in hand		683,030		627,376	
		-----		-----	
		747,216		729,822	
Creditors: Amounts falling due within one year	15	263,075		225,740	
		-----		-----	
Net current assets			484,141		504,082
			-----		-----
Total net assets			1,721,164		1,714,782
			=====		=====
The funds of the charity					
Members' subscriptions	17		41		40
Endowment funds	18		218,802		203,977
Restricted funds	18		528,095		428,299
Unrestricted general funds	18		974,226		1,082,466
			-----		-----
	25		1,721,164		1,714,782
			=====		=====

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 _____ 2021 and signed on its behalf by:-

..... Director

Jo Elliot

..... Director

John Reid

Company No. SC054504

The notes on pages 22 to 36 are an integral part of these accounts.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

CASH FLOW STATEMENT

For the year ended 31 July 2021

	Notes	2021	2020	
		£	£	
Cash flows from operating activities:				
Net cash provided by operating activities	20	96,878	82,447	
Cash flows from investing activities:				
Dividends, interest and rent from investments	14,793	31,032		
Purchase of property, plant and equipment	(56,018)	(14,802)		
Proceeds from sale of investments	468,006	-		
Purchase of investments	(466,671)	-		
Net cash (used in) / provided by investing activities		(39,890)	16,230	
Cash flows from financing activities:				
Members' subscriptions		1	-	
Change in cash and cash equivalents in the reporting period		56,989	98,677	
Cash and cash equivalents at the beginning of the reporting period		627,376	528,699	
Cash and cash equivalents at the end of the reporting period		684,365	627,376	
Cash and cash equivalents				
Cash held within investments		1,335	-	
Cash at bank and in hand		683,030	627,376	
		684,365	627,376	
Analysis of changes in net debt				
	At start of year	Cash-flows	Other non-cash changes	At end of year
	£	£	£	£
Cash and cash equivalents	627,376	56,989	-	684,365

The notes on pages 22 to 36 are an integral part of these accounts.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2021

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 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

In January 2021, Scottish schools were required to close again due to the global pandemic. The School remained closed for the majority of that term. In order to maintain a specialist music education for all pupils, some further 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 both during lockdown and over the full session.

The financial impact on the school was mitigated by reduced operational costs, income from the CJRS (Furlough scheme) and additional grants for Covid expenditure from the Scottish Government. Future budgets have taken account of on-going 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 2021

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 2021

1. Accounting policies

Financial instruments

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

Investments

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

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

Restricted reserves

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

Unrestricted reserves

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

Endowment reserves

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

2. Turnover (Income from Charitable and Trading activities)

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

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2021

3. Income from charitable activities (Unrestricted)	2021	2020
	£	£
School fees (gross)	1,912,313	2,072,485
Fee subsidy awarded by the School *	(82,276)	(89,246)
Remission awarded by the School *	(12,845)	(107,773)
	-----	-----
School fees (net)	1,817,192	1,875,466
	=====	=====
Contributed by:		
Scottish Government Aided Places Scheme	1,358,072	1,367,962
St Mary's Episcopal Cathedral for chorister fees	66,735	59,641
Parents	392,385	447,863
	-----	-----
School fees (net)	1,817,192	1,875,466
Outreach fees	21,269	45,312
Other school income	11,939	31,779
	-----	-----
Total	1,850,400	1,952,557
	=====	=====

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

4. Donations and legacies	Unrestricted	Restricted	2021	2020
	£	£	Total	Total
			£	£
Grants and donations	45,651	481,289	526,940	446,031
Legacies	-	-	-	7,500
	-----	-----	-----	-----
Total	45,651	481,289	526,940	453,531
	=====	=====	=====	=====
2020	61,863	391,668	453,531	
	=====	=====	=====	

5. Other trading activities (Unrestricted)	2021	2020
	£	£
Summer letting	-	13,697
Garage letting income	25,679	26,789
	-----	-----
Total	25,679	40,486
	=====	=====

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2021

6. Investment income	Unrestricted	Restricted	2021 Total	2020 Total
	£	£	£	£
On deposits	2,252	-	2,252	4,807
On listed investments	7,008	5,533	12,541	26,225
	-----	-----	-----	-----
Total	9,260	5,533	14,793	31,032
	=====	=====	=====	=====
2020	20,357	10,675	31,032	
	=====	=====	=====	

7. Net income for year	2021	2020
	£	£
This is stated after charging:		
Depreciation of tangible fixed assets	60,762	80,449
Auditors' remuneration - audit services	9,540	9,180
- non-audit services	7,410	7,954
	=====	=====

8. Charitable activities	Unrestricted	Restricted	2021 Total	2020 Total
	£	£	£	£
<u>School operating costs</u>				
Teaching	1,233,861	145,460	1,379,321	1,318,981
Premises (including depreciation)	312,797	5,365	318,162	312,659
Boarding	257,437	-	257,437	254,132
Support	443,994	86,496	530,490	531,852
Bank interest and charges	2,495	175	2,670	2,149
<u>Governance costs</u>				
Audit and accountancy fees	8,291	-	8,291	11,059
	-----	-----	-----	-----
Total	2,258,875	237,496	2,496,371	2,430,832
	=====	=====	=====	=====
2020	2,278,081	152,751	2,430,832	
	=====	=====	=====	

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2021

9. Support costs	Unrestricted	Restricted	2021 Total	2020 Total
	£	£	£	£
Administration staff	359,455	6,974	366,429	366,972
Publicity	2,071	64,794	66,865	88,395
Telephone, postage and subscriptions	18,268	472	18,740	13,884
Computer support and maintenance	38,099	14,040	52,139	38,723
Professional and legal fees	15,299	-	15,299	10,918
Other	10,802	216	11,018	12,960
	-----	-----	-----	-----
	443,994	86,496	530,490	531,852
	=====	=====	=====	=====

10. Staff costs and emoluments of employees	2021	2020
	£	£
Wages and salaries	1,664,266	1,576,566
Employer's national insurance	131,468	125,211
Pension costs	285,698	279,242
	-----	-----
	2,081,432	1,981,019
	=====	=====
	No.	No.
Average number of persons employed	110	117
Full time equivalent	45	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 £198,033 (2020: £190,347). The number of employees falling into the listed bands of total remuneration were:

	2021	2020
£70,001-£80,000	-	-
£80,001-£90,000	-	1
£90,001-£100,000	1	-
£100,001 - £110,000	1	1

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2021

11.Expenditure on raising funds	Unrestricted	Restricted	2021 Total	2020 Total
	£	£	£	£
Summer letting costs	-	-	-	2,125
Fundraising fees and expenses	-	81,524	81,524	76,750
	-----	-----	-----	-----
Total	-	81,524	81,524	78,875
	=====	=====	=====	=====
2020	2,125	76,750	78,875	
	=====	=====	=====	

12. Tangible fixed assets

	Property	Equipment	Musical Instruments	Total
	£	£	£	£
<u>Cost</u>				
At 1 August 2020	1,904,485	99,079	233,118	2,236,682
Additions	36,018	-	20,000	56,018
Disposals	-	-	-	-
	-----	-----	-----	-----
At 31 July 2021	1,940,503	99,079	253,118	2,292,700
	-----	-----	-----	-----
<u>Depreciation</u>				
At 1 August 2020	1,243,400	89,804	131,480	1,464,684
Charge for year	46,160	4,567	10,035	60,762
Disposals	-	-	-	-
	-----	-----	-----	-----
At 31 July 2021	1,289,560	94,371	141,515	1,525,446
	-----	-----	-----	-----
<u>Net book amounts</u>				
At 31 July 2021	650,943	4,708	111,603	767,254
	=====	=====	=====	=====
At 31 July 2020	661,085	9,275	101,638	771,998
	=====	=====	=====	=====

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 2021

13. Investments

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

	2021	2020
	£	£
UK listed investments at market value -		
- Endowment (restricted)	218,803	203,977
- Investment (unrestricted)	249,966	233,725
Investments in subsidiary at cost	1,000	1,000
	-----	-----
	469,769	438,702
	=====	=====
<u>Listed investments</u>		
Cost at 31 July 2020	484,595	484,595
Net unrealised (loss) / gain	(46,893)	72,364
	-----	-----
Market value at 31 July 2020	437,702	556,959
Purchases at cost	466,671	-
Disposal proceeds	(468,006)	-
Net realised and unrealised gain / (loss) for the year	31,067	(119,257)
	-----	-----
Market value at 31 July 2021	467,434	437,702
Cash held in portfolio	1,335	-
	-----	-----
	468,769	437,702
	=====	=====
Cost at 31 July 2021	439,891	484,595
	=====	=====
Net unrealised gain / (loss) included in market value	28,878	(46,893)
	=====	=====

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 2021

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

	2021	2020
	£	£
Outstanding school and letting fees	16,327	14,005
Other debtors and prepayments	47,859	88,441
	-----	-----
	64,186	102,446
	=====	=====

15. Creditors: amounts falling due within one year

	2021	2020
	£	£
Creditors and accruals	184,859	139,070
Income Tax and Social Security	30,118	28,622
Pension contributions	26,951	27,672
Income received in advance (note 16)	21,148	30,376
	-----	-----
	263,076	225,740
	=====	=====

16. Income received in advance

The movements on deferred income were as follows:

	At 31 July 2020	Deferred Income	Released to revenue in year	At 31 July 2021
	£	£	£	£
Income in advance	30,376	21,148	(30,376)	21,148
	=====	=====	=====	=====

Deferred income relates to fees which are received in advance.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2021

17. Share capital

The Company is constituted as a company limited by guarantee. As at 31 July 2021 there were 41 members of the Company (2020: 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 2020 £	Net Gains / (Losses) on Investments £	Balance at 31 July 2021 £
18. Reserves			
Endowment reserves			
<u>Prizes & Scholarships</u>			
Prize Fund	16,227	1,128	17,355
Directors' Recital Prize	955	66	1,021
GAS Nicholson Summer Course Bursary	8,575	596	9,171
<u>Bursaries (School Fees)</u>			
Ms Weightman Instrumental Scholarship	18,219	1,266	19,485
McCallum Piano Scholarship	30,382	2,169	32,551
John B Rankin Piano Scholarship	43,255	3,006	46,261
<u>Masterclass funding</u>			
Nigel Murray	86,364	6,594	92,958
	-----	-----	-----
Total Endowment Reserves	203,977	14,825	218,802
	=====	=====	=====

	Balance at 31 July 2019 £	Net Gains / (Losses) on Investments £	Balance at 31 July 2020 £
18. Reserves (continued) - Prior Year			
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
	=====	=====	=====

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 2021

18. Reserves (continued)	Balance at 31 July 2020 £	Dividends rec'd in the year £	Donations rec'd in the year £	* Transfers	Funds Expended £	Balance at 31 July 2021 £
Restricted Funds						
<u>Prizes & Scholarships</u>						
Prize Fund	1,208	487	873	-	(1,593)	975
Directors' Recital Prize	214	28	1,019	-	(1,706)	(445)
GAS Nicholson Bursary	585	258	-	-	-	843
Hope Scott Awards	1,000	-	-	-	-	1,000
<u>Bursaries (School Fees)</u>						
Bursary Fund*	172,987	546	82,875	(66,476)	-	189,932
McCallum Piano Schl'ship	3,372	859	-	(774)	-	3,457
John Rankin Piano Award	5,204	1,296	-	-	(100)	6,400
<u>Outreach bursaries</u>						
Saturday Music Classes	6,220	-	-	(756)	-	5,464
<u>Development</u>						
Expansion Fund	33,519	-	55,960	-	(44,893)	44,586
Dunard Fund	54,456	-	100,000	-	(96,382)	58,074
RHSPT	5,380	-	20,000	-	(15,762)	9,618
RHS Move Fund	-	-	41,000	-	-	41,000
<u>Teaching</u>						
Dunard Fund	47,612	-	50,000	-	(59,664)	37,948
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 Funds	1,340	-	250	-	(250)	1,340
Piano Fund (Steinway Grand)	68,950	-	-	-	(3,750)	65,200
Piano Fund (Steinway School)	13,063	-	11,875	-	(1,075)	23,863
Seven Hills Fund	2,000	-	16,777	5,000	(8,969)	14,808
Equipment Fund	1,600	-	3,000	-	(3,000)	1,600
Masterclass Fund	3,654	-	10,000	-	(9,151)	4,503
Nigel Murray Fund	1,435	2,059	-	-	-	3,494
Concerts/Projects Funds	-	-	15,160	-	(8,431)	6,729
Pianodrome Fund	-	-	5,000	-	-	5,000
Outreach Fund	-	-	50,000	(5,000)	(44,794)	206
Summer School Fund	2,000	-	-	-	(2,000)	-
Total Restricted Reserves	428,299	5,533	481,289	(68,006)	(319,020)	528,095

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

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.

The deficit on the Directors' Recital Prize will be met from income in the forthcoming year.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

For the year ended 31 July 2021

18. Reserves (continued)-Prior year	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 £
Restricted Funds						
<u>Prizes & Scholarships</u>						
Prize Fund	1,247	1,080	842	-	(1,961)	1,208
Directors' Recital Prize	391	63	856	-	(1,096)	214
GAS Nicholson Summer 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 Sch'ship	1,609	1,763	-	-	-	3,372
John B 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	45,059	-	100,000	-	(90,603)	54,456
Penpont	8,904	-	-	-	(8,904)	-
RHSPT	-	-	30,000	-	(24,620)	5,380
<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	71,250	-	2,500	-	(4,800)	68,950
Seven Hills Fund	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
Nigel Murray Fund	-	3,108	-	-	(1,673)	1,435
Outreach Fund (was SCO Academy 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

As at 31 July 2020

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

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

	Balance at 31 July 2020	Total income	Transfers	Net loss on investment	Total expenditure	Balance at 31 July 2021
Unrestricted						
General Reserves	1,198,701	2,135,775	93,492	(65,296)	(2,280,206)	1,082,466
(Prior Year)	=====	=====	=====	=====	=====	=====

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.

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

* Including members' subscriptions.

Analysis of net assets between reserves – Prior Year	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	373,773	-	356,049	729,822
Current liabilities	(225,740)	-	-	(225,740)
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Total net assets	1,082,506	203,977	428,299	1,714,782
	=====	=====	=====	=====

* Including members' subscriptions.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

As at 31 July 2021

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

	2021	2020
	£	£
Net surplus / (deficit) for the year	6,381	(90,846)
Realised (gains) on investments	(1,954)	-
Unrealised (gains) / losses on investments	(29,113)	119,257
Interest and investment income	(14,793)	(31,032)
Depreciation	60,762	80,449
Decrease in debtors	38,260	14,359
Increase / (decrease) in creditors	37,335	(9,740)
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Net cash provided by operating activities	96,878	82,447
	=====	=====

21. Taxation

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

22. Banking

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

23. Related party disclosures

Donations of £2,348 have been received from Directors during the year.

ST MARY'S MUSIC SCHOOL TRUST LIMITED

NOTES to the ACCOUNTS

As at 31 July 2021

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 in 2019 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 £199,780 and has been charged to the income and expenditure account. There are employee and employer contributions of £18,429 for July 2021 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 £85,918 and has been charged to the income and expenditure account. There are employee and employer contributions of £8,522 for July 2021 which were due to be paid to the scheme after the year end.

25. Reconciliation of capital and reserves

	2021	2020
	£	£
At 1 August 2020	1,714,782	1,805,628
Surplus / (Deficit) for the year	6,381	(90,846)
Members' subscriptions (net movement)	1	-
	-----	-----
At 31 July 2021	1,721,164	1,714,782
	=====	=====