

Company Number: 00818389

Charity Number: 312010

YEHUDI MENUHIN SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)
GOVERNORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

YEHUDI MENUHIN SCHOOL LIMITED
FOR THE YEAR ENDED 31 AUGUST 2015

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YEHUDI MENUHIN SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)
GOVERNORS, OFFICERS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015

GOVERNORS AND DIRECTORS

Current Governors of the School who are Trustees of the Charity and Directors of the Company and who served during the year (except as noted) are:

- * Mr Richard Morris (Chairman)
- * Mr Noël Annesley
- * Mr John Everett
- Prof Sebastian Forbes
- * Mr Andrew Hunter Johnston
- * Mr Oscar Max Lewisohn
- The Hon. Mrs Zamira Menuhin Benthall
- * Mr John Pagella
- Mr Stuart Mitchell
- Mrs Alice Phillips
- * Mr Geoffrey Richards
- Mrs Vanessa Richards
- Dr John Scadding
- Ms Veronica Wadley
- * Mr Peter Willan (Vice Chairman)

* members of the Finance and General Purposes Committee

Governors are elected at the Annual General Meeting, serve for a term of four years and may be re-elected for a further two terms

REGISTERED OFFICE	Millfield Stoke D'Abernon Cobham Surrey KT11 3QQ
COMPANY NUMBER	00818389
CHARITY NUMBER	312010
PRESIDENT	Mr Daniel Barenboim KBE
VICE PRESIDENTS	Mrs Barbara R D Fisher OBE Sir Alan Traill GBE QSO
GOVERNORS EMERITUS	Mr Daniel Hodson Mrs Anne Simor
PRESIDENT OF ANNIVERSARY APPEAL	Ms Tasmin Little OBE

YEHUDI MENUHIN SCHOOL LIMITED
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GOVERNORS, OFFICERS AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

MUSICAL PATRONS	Mr Steven Isserlis CBE Ms Tasmin Little OBE Sir András Schiff Mr Heinrich Schiff
HEADMASTER	Dr Richard Hillier PhD MA (CANTAB)
DIRECTOR OF MUSIC	Mr Malcolm Singer MA (CANTAB)
DIRECTOR OF STUDIES	Mr Richard Tanner MA (OXON)
BURSAR	Mr Simon Browning BA FCMA
AUDITORS	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
BANKERS	Lloyds Bank plc 39 Threadneedle Street London EC2R 8AU
INSURANCE BROKERS	Marsh Rockwood House 9-17 Perrymount Road Haywards Heath West Sussex RH16 3DU Gallagher Heath 133 Houndsditch London EC3A 7AH
INVESTMENT MANAGERS	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU

YEHUDI MENUHIN SCHOOL LIMITED
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Governors of the School who are also Trustees of the Charity and Directors of the Company have pleasure in presenting their report and financial statements for the year ended 31 August 2015. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP 2005).

OBJECTS OF THE CHARITY

The Objects of the charity are to provide and advance a general education and specialised education and training of the highest order in music and the performing arts by means of a boarding and day School in the United Kingdom, where children from any part of the world with talents for music and the performing arts may be educated. The Objects include generally fostering music and the arts and general education of children by the provision of courses at the School throughout the year.

PUBLIC BENEFIT

The Governors confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the general and sub-sector guidance issued by the Charity Commission on public benefit. The charitable purpose of the School within the meaning of the Act is enshrined within its Objects, as stated above.

The Governors ensure that this charitable purpose is carried out for the public benefit by working to make sure wherever possible that such specialist education and training is available to many of those who are sufficiently talented and would benefit from the activities of the School, irrespective of financial circumstances.

Public benefit is not just provided to the pupils at the School. The section in this Report headed 'Community Activity and Outreach' (page 7) summarises many other projects and events carried out within the local community, nationally and internationally, in accordance with the Objects of the School, e.g. opportunities for children to learn and perform music, pupils' concerts at care and nursing homes, assistance to local music teachers and opportunities for amateur musicians of all ages to perform in the School's Menuhin Hall.

THE MUSIC AND DANCE SCHEME

The Department for Education, through the Music and Dance Scheme, helped support 58 of the 79 pupils (74%), including seven pupils in the 3rd year of the Sixth Form, in the amount of £1,986,928 (2014: £2,007,045). Pupils who have the appropriate residence qualification in the UK are eligible for a funded place through this Scheme, with parents making a means-tested contribution. The Governors are very grateful to the UK Government's Department for Education for their financial support, without which the School could not continue to operate as it does.

BURSARIES AND GRANTS AWARDED

For those who are unable to pay the full fees or are ineligible to receive support from the Department for Education, the Governors seek to ensure that attendance at the School is possible with the help of bursaries. The School provided bursaries of £335,550 in the year to 11 pupils (equivalent to 9.8% of the School fee income) (2014: ££271,499, 16 pupils, 8.8%). The value of scholarships, grants, prizes and other awards made to the School's pupils in the year was £22,101 (2014: £25,284).

DONATIONS AND LEGACIES

Funds for bursaries and other charitable purposes come from generous gifts from individuals, charitable trusts and fundraising events. Where a Bursary is made from restricted funds, it is subject to the particular conditions imposed by the original donor. The total of donations and legacies received in the year was £625,701 (2014: £395,308). This sum included £76,589 gift aid from YMS Enterprises.

Bursary income included donations from The Friends of the Yehudi Menuhin School, Oak Foundation, Sackler Trust, Peter Cundill Foundation, Schroder Foundation, and The HK Leventis Foundation. The total of bursary income received was £160,357 (2014: £35,523).

**YEHUDI MENUHIN SCHOOL LIMITED
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015**

The School is also grateful to Soditic Discount & Trade Ltd for their continued support for School projects.

The Anniversary Appeal income of £430,063 (2014: £233,951) included generous grants for the Bursary Endowment Fund and the Music Studios project from Trustees of Sir Siegmund Warburg, Sutasoma Trust, Blavatnik Family Foundation, Mr & Mrs Roman & sponsorship monies for Mr Stuart Mitchell's walking to the South Pole

The School benefitted from legacies from the estates of Miss June Addison Smith, Mrs Jean Whitely, Mrs Monica Brown, Mrs Shelia Streek and Mrs Beryl Mackay.

The School is indebted to all these organisations and individuals for their continuing support.

AIMS

Within the Objects, the School's aims are:

- To provide a first-class education both through strong musical and general education and through developing wider artistic and social skills in all its pupils.
- To provide an environment where each pupil can develop and fulfil his or her long-term potential, (whether in music as most will choose, or otherwise), to build self-confidence and performance skills and to foster a desire to contribute to the wider community.
- To support community activity and outreach.
- To provide first class teaching and other staff.
- To provide first-class facilities for music and general education and pupils' pastoral care and welfare.
- To secure funding of pupil fees where applicable from the Department for Education.
- To raise funds from donations, legacies, sponsorship and from activities undertaken by its trading subsidiary, YMS Enterprises.
- To provide bursaries to support those unable to pay the full fees or ineligible to receive sufficient support from the Department for Education.
- To sustain and invest in the long-term future of the School and its values and ethos as first established by the late Lord Menuhin, the world-renowned musician.

PRINCIPAL ACTIVITY

The School provides a specialist education to boys and girls aged 8 to 19 years with a specific and exceptional talent for music and facility on a stringed instrument (violin, viola, cello, double bass, guitar and harp) or piano. The School accepts both boarding and day pupils, although the majority of pupils are boarders. Selection for a place at the School is based solely on musical potential as assessed during the School's careful audition process, and the School aims to offer places regardless of the financial circumstances of the applicant.

It is inevitable that the provision of world-class education and training in music is costly given the very low number of pupils who can be taught at some lessons by each teacher, with many lessons being one to one or even with two or three teachers working with one pupil. The Governors recognise the great efforts made by many parents in meeting these costs and the vital importance of funding by the UK Government's Music and Dance Scheme and donors.

OBJECTIVES FOR THE YEAR ENDED 31 AUGUST 2015

- To maintain pupil numbers and ensure that funded places, supported by the Department for Education or from the School's own Bursary funds, are offered to as many suitable applicants as possible.
- To provide a first-class music and academic education, maintaining the high success rates at GCSE and A Level, offering a wide and varied experience of music teaching and music making.
- To provide concert opportunities to ensure that pupils develop excellent performance skills.
- To develop the pupils further by encouraging participation in non-academic activities such as sport, drama and the Duke of Edinburgh Award scheme.

**YEHUDI MENUHIN SCHOOL LIMITED
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015**

OBJECTIVES FOR THE YEAR ENDED 31 AUGUST 2015 (continued)

- To continue the Outreach Programme to enable as wide a section of the community as possible to benefit from the work of the School, including through the development and application of digital media.
- To maintain and improve the School's facilities, particularly the boarding areas.
- To raise funds for the future benefit of the school and pupils through general fundraising and through trading activities of YMS Enterprises (concerts, lectures and residential lettings).

REVIEW OF ACTIVITIES AND PERFORMANCE FOR THE YEAR

The Governors are pleased to report that under the leadership of the Headmaster, Dr Richard Hillier, the School performed at the highest level in every area during the last year. The School continued to attract exceptionally talented pupils and at the end of the year there were 79 (2014: 75) pupils in total of whom 9 (2014: 8) were day pupils.

On the academic front, the School improved upon its already excellent standards. At A level 100% of grades obtained were at A*-B (2014: 74%), the highest rate ever achieved by the School, with 71% being at A*-A (2014: 57%). At GCSE too there was a 100% pass rate at grades A*-C (2014: 98%), with a record 50% at A* (2014: 27%) and 98% at A*-B (2014: 88%). At Key Stage 2 sixteen of the eighteen grades achieved were at Level 5, with just two at Level 4. Foremost amongst the prize winners in the UK Intermediate Maths Challenge was Qing Qing Ponek (14) who was awarded a gold certificate.

At the end of the academic year eight senior students graduated, five of whom went on to further studies in the UK – one at the Guildhall School of Music and Drama and four at the Royal College of Music (one of whom, double bass player Philip Nelson, gained the prestigious scholarship awarded by the Associated Board of the Royal Schools of Music). Of the remaining three students, one is studying at the Hochschule für Musik, Theater und Medien in Hannover, one at the Mozarteum in Salzburg, and one at the National University of Singapore.

Students continue to be offered a varied range of activities and educational visits, including trips to the Imperial War Museum, the Science Museum, the Royal Festival Hall and Garsington Opera at the Wormsley Estate, as well as benefiting from talks by such as Sir Erich Reich on the Kindertransport and governor Stuart Mitchell on his trek to the South Pole.

During the past year six pupils completed their Duke of Edinburgh Bronze Award, whilst eleven are half-way towards their Silver Award. The School Play, performed in the Spring Term, was *Sam*, a version of Samuel Pepys' diaries, adapted and directed by Housemaster and Head of English Simon Larter-Evans. All pupils participated in a varied programme of swimming, tennis, dance, badminton and football (not least the annual match against The Purcell School), whilst three pupils also competed in the Marlow 5-mile road race.

The School was honoured to participate, with pupils from a Belgian school, in the Memorial Garden exchange project to commemorate the outbreak of the First World War. YMS students Sao Soulez Larivière (16) and Leonardo Jaffe Barbosa (16) composed a piece of music (a setting of words written by one of their Belgian counterparts) which was performed at the official opening of the Flanders Field Memorial Garden in London, attended by HM The Queen and members of the British and Belgian royal families.

As part of their education pupils took part in many prestigious musical competitions, as well as giving a number of concerts both inside and outside the School. First-prize winners include Aida Lahlou (15), in the Concours International de Piano Son Altesse Royale la Princesse Lalla Meryem in Rabat, Damir Durmanovic (16), in the Junior Intercollegiate Competition of the Beethoven Piano Society of Europe, Songha Choi (16), in the XXII International Competition 'Andrea Postacchini', Cosima Soulez Larivière (18), in the 22nd International Johannes Brahms Competition in Pörschach am Wörthersee (Austria). Cosima had earlier been placed second in the 22nd Jeunesses International Competition 'Dinu Lipatti' in Bucharest.

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FOR THE YEAR ENDED 31 AUGUST 2015

REVIEW OF ACTIVITIES AND PERFORMANCE FOR THE YEAR (continued)

Other prize winners include Katie Morgan (14) who gained a 'mention of honour' in the International Piano Competition for Young Musicians in Enschede and Dorothea Schupelius (18) who was awarded a series of concert opportunities with major orchestras after her participation in the Starkenburg Musikfestival in Heppenheim.

Of the School's recent alumni, Tetsuomi Nagata (2005), with the Benyounes Quartet, won second prize at the Orlando String Quartet Competition in Holland, Melissa Gore (2006) first prize at the International 'Schubert and the Modern' Competition in Graz, Irene Enzlin (2011), with her chamber group, first prize at the Salieri-Zinetti International Chamber Music Competition in Verona, Jamal Aliyev (2013) first prize in both the Royal College of Music's Concerto Competition and the Bromsgrove International Competition, and Leo Plashinov-Johnson (2014) second prize at the 'Young Virtuosos' International Competition in Bulgaria. External musical engagements over the last twelve months have included concerts in Istanbul, Henley-on-Thames, the annual Scottish tour to New Lanark, Edinburgh and Blair Atholl, Champs Hill in Sussex, for Oxted and Limpsfield Music Society, Clare Hall in Cambridge, the Swiss Ambassador's Residence in London, the biennial tour to the International Menuhin Festival in Gstaad, Switzerland, and the Wigmore Hall. Four of the senior guitarists also attended the 23rd International Guitar Symposium in Iserlohn, Germany, where they were chosen to perform in the final concert. Students have in addition performed as soloists in various venues, including Mika Petrovic (10) at the Royal Opera House in a gala performance of the play *Mozart & Son*, Leonardo Jaffe Barbosa (17) in New York's Carnegie Hall, and Kevin Loh (17) with the Singapore Symphony Orchestra in Singapore.

The School continued its celebration of its 50th anniversary with concerts in The Menuhin Hall by recent alumni Michael Petrov and Ben Baker (both 2009), the Linos Piano Trio, which includes Prach Boondiskulchok (2004) and Vladimir Waltham (2007), guitar duo Laura Snowden (2008) and Tom Ellis (2007), and Valeriy Sokolov and Pau Codina (both 2006). Founder's Day 2015 was marked by a Memorial Concert for Robert Masters, former Director of Music at the School, featuring more alumni: Ming-Feng Hsin (1978), Rosemary Warren-Green (1973), Leland Chen (1982), CarlaMaria Rodrigues (1982) and Niall Brown (1979). Other 'Celebrity' Concerts were given by Emma Johnson (with John Lenehan), Lawrence Power (with Simon Crawford-Phillips), and Idil Biret, who also gave a masterclass to students, as did Professor Weidong Tong from Beijing's Central Conservatory of Music and Robert Levin from Harvard University, whilst Robert Boothby, of the viol group Fretwork, led workshops with pupils of all ages.

The Menuhin Hall also hosted numerous Showcase concerts, which provide regular performance opportunities for the School's pupils, culminating in the six Summer Festival concerts (in which every single pupil gave a solo performance) and the two Orchestral 'Picnic' Concerts. The Hall is also available for hire by outside organisations and young musicians from other Schools in the area as a venue for concerts, recordings and lectures.

During the year the Music House roof extension was successfully completed which gave seven additional rooms in the roof space. The school also purchased Millfield Lodge a private house situated next to the playing field.

COMMUNITY ACTIVITIES AND OUTREACH

Under the School's charitable objects and supported by a small grant from the Surrey Music Hub, the Outreach Department has continued to improve the links between the School and the wider community. The following projects were supported directly by Surrey Music Hub:

Composition Workshop for Surrey Secondary Schools

One of the School's composition teachers worked with pupils from seven Surrey maintained schools to support their A-level composition work. They attended an initial introductory workshop in the autumn, followed by tutorials on the work in progress at a clinic in the spring. The completed pieces were then recorded and submitted for examination. The School's pupils played an integral part in all the workshops, helping to demonstrate aspects of writing for strings

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015**

REVIEW OF ACTIVITIES AND PERFORMANCE FOR THE YEAR (continued)

at the introductory session and clinic, and performing the final compositions at the recording session.

Surrey Primary School Concerts

Outreach has continued to develop links with local state primary schools, taking the younger YMS pupils out to give concerts to children of a similar age group. In 2014-15 concerts were given at Westfield School, Woking, The Marist School, Woking, St. Paul's R.C. School, Thames Ditton, Eastwick Infants School, Bookham, St Andrew's School, Cobham, Powell Corderoy School, Dorking, and Wallace Fields School, Epsom, performing to around 1290 children.

The School also took part in the following additional outreach activities:

Concert at Milton Court (Guildhall School of Music & Drama)

Free tickets were offered to pupils from state schools within London to attend a concert given by the Menuhin School Orchestra with alumna Alina Ibragimova. Just over 100 pupils took up the offer.

Chance to Play

One of the School's assistant violin teachers, accompanied by two A3 (third-year sixth) pupils, visited Cobham Free School to give violin classes on a weekly basis to pupils from Years 1 - 5 who had had little or no previous opportunity to benefit from instrumental lessons. The children took part in a successful workshop in The Menuhin Hall during the summer term and also had a chance to perform to other primary schools at two concerts in the Menuhin Hall in July.

Additionally, some children (supported by YMS pupils) were selected to perform at a reception held by the Secretary of State for Education at Lancaster House (St James's) for the Headteachers of Free Schools from all over the country. The Prime Minister attended this event.

Care Homes Concerts

The younger pupils gave concerts at local care and nursing homes in June, including Cedar Court (Cranleigh), Greenacres Residential Home (Banstead), West Hall (West Byfleet), Seeability (Leatherhead) and Nightingale House (Clapham).

Schools Concert at The Menuhin Hall

The Menuhin Hall once again provided the venue for two summer concerts for Surrey primary schools in July. A programme of music, selected to reflect the age range of the audience, included a performance by The Chance to Play pupils demonstrating all that the participants have achieved this year.

Surrey County Council Concert

The pupils joined with the Surrey Youth Choir and soloists from the Josephine Baker Trust to perform at a charity concert put on by the Chairman of Surrey County Council on 18th March

YMS Enterprises continued to offer facilities for concerts, lectures and residential courses, hosting several holiday courses providing education and training for musicians, both young and old, resulting in £76,589 Gift Aid (2014: £60,061) to support the School.

**YEHUDI MENUHIN SCHOOL LIMITED
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015**

FUTURE DEVELOPMENTS

The Governors and Leadership Team of the School consider the development of the School as a crucial objective. This encompasses continuing to improve the standard of education offered, improvement to the facilities for current and future pupils for teaching, learning and living, and ensuring that financial support is available for gifted and talented pupils to attend the School.

In order to achieve these objectives, there are several priorities for the Development Office for 2015 and beyond. These include:-

- building a new team of experienced practitioners to progress activities further. A new Director of Development, an 'External Relations & Events Co-ordinator' and a 'Development Assistant' have been recently appointed to deliver these changes
- developing a comprehensive stewardship programme to thank and acknowledge the contribution of all current donors to the School
- Introducing consistent ways to recognize givers at all levels across the School, as well as encourage new donors to support
- introducing planned internal and external communication strategies to raise awareness of the achievements of the School, its staff and students and the impressive concert programme in the Anniversary year and beyond
- increasing the numbers of events by which the School can engage and build relationships with potential supporters
- building a planned programme for securing major gifts using 'Moves Management', a model much in evidence in well-established charities and educational establishments with effective fundraising offices.
- creating a significant, unrestricted 'Futures Fund' to support the School's key strategic priorities. This will be supported primarily, but not exclusively, by legacy income. The School has an opportunity to create a more structured and planned programme of awareness-raising, thanking and involvement of those who pledge gifts in their Wills

Activities in 2015/16 will also focus on maximizing the opportunities presented in an almost unique Anniversary year. These include celebrating the achievements of Lord Menuhin, as well as those of the School and its staff and students - past and present. The Anniversary year will enable participants to look to the future of the School and understand how they can participate.

50th Anniversary Appeal: The School has made good progress towards its goal of raising £6.5 million for building new music studios as well as the endowment for bursaries. A number of significant donations have been received from Charitable Trusts and individuals.

During the year total funds of £430,063 were received together with legacies of £548,894. Total Appeal Funds now amount to £2,540,426 (2014: £1,561,469).

New Music Studios: During the past year tenders were sent out for the construction work of both the Music Studios and Harris House extension and in June the Governors awarded the contract to Sunninghill Construction. Work commenced on site in August on both projects with a proposed completion date of July 2016 in time for the celebration of Yehudi Menuhin's centenary gala events.

Boarding Facilities: The construction of new Music Studios will release areas to provide additional boarding facilities such as common room, kitchen and laundry facilities for the girl boarders in the adjacent boarding areas. Refurbishment will be undertaken as space and funding becomes available.

YEHUDI MENUHIN SCHOOL LIMITED
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

Outreach: In the past the School was generously supported by funding from the Music and Dance Scheme to develop its outreach work. This funding ceased in 2012, since when the School has received a small annual grant from the Surrey Music Hub to carry out some, but not all, of its outreach activities. Outreach is rightly recognized as important to the future development of the School and securing additional funding remains a high priority.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The School's results indicate a satisfactory financial performance for the year with a surplus of £1,480,780 (2014: £574,960). This surplus includes funds raised by the 50th Anniversary Appeal and a significant legacy. The total incoming resources increased by £908,197 to £5,138,524 (2014: £4,230,327). The Governors are grateful for Gift Aid of £76,589 from trading activities in YMS Enterprises (2014: £60,061). Total resources expended increased by £2,377 to £3,657,744 (2014: £3,655,367).

Total balance sheet funds of £19,976,173 are described in detail in note 10 to the accounts – the majority of these funds are for the buildings of the School itself, the instruments that are required for teaching and learning and the bursary funds to support pupils to attend the School. Endowment funds amounting to £5,896,625 the income from them is used to fund some of the bursaries. A further £888,822 are restricted funds which can only be used for the specific purposes determined by the donors, and £2,254,855 has been designated for specific purposes by the Governors – to provide bursary support for pupils who would otherwise be unable to attend the School, to purchase instruments as required, to improve the fabric of the school's buildings and to undertake preliminary work on the new Music Studios. A further £10,330,573 has been designated as the Fixed Asset Fund, as it represents the School's funds tied up in tangible fixed assets, namely the Schools buildings and musical instruments, and so cannot be released without undermining the School's work. This leaves £605,298 as the School's free reserves and the Governors are of the opinion that these are sufficient to meet the School's obligations and commitments and to finance its current activities.

RESERVES POLICY

As defined by the Charity Commission, free reserves are those funds available to provide adequate working capital for the School to ensure it can meet its operational expenditure obligations as they fall due. The School's General Reserve Policy is to aim to hold approximately four month's expenditure excluding depreciation, which amounts to approximately £1,000,000 as free reserves in a cash or liquid form. The reserves fluctuate during the School year and are at their lowest at the school year end (31 August).

INVESTMENT POWERS, POLICY AND PERFORMANCE

These are governed by the Memorandum and Articles which permit the funds to be invested in any security, other investment or property situated anywhere in the world. The Governors have delegated the management of the investments to Sarasin & Partners LLP. The general medium to long-term aim of the Governors is to maintain real capital growth while producing an income of 3.4% *per annum* or more in order to fund bursaries, awards and prizes for students at the School from a portfolio of investments, both equities and fixed interest securities, property fund and cash deposits. The total return of the Alpha CIF for endowments for the year 30th June 2015 was 7.8% compared to its benchmark of 5.93%.

**YEHUDI MENUHIN SCHOOL LIMITED
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015**

FINANCIAL REVIEW AND RESULTS FOR THE YEAR (continued)

LEGAL STATUS

The Yehudi Menuhin School Limited, a company limited by guarantee (company number 00818389) and a registered charity (charity number 312010), was founded in 1963. The liability of Members in the event of the Company being wound up is limited to a sum not exceeding £1 each.

The accounts include the results of The Friends of The Yehudi Menuhin School (registered charity number 312010-2) which is shown separately in note 2 – other income and note 5.

A wholly owned non-charitable subsidiary, YMS Enterprises, was established and incorporated on 17 December 2008 as a company limited by guarantee (company number 06775727). The trading performance is not consolidated with the School's financial statements but is shown in note 15 to the financial statements.

GOVERNANCE

Responsibility for the overall management and organisation of the School rests with the Governors, who meet at least on a termly basis. They are supported in carrying out their responsibilities by several committees and sub-committees. The Finance and General Purposes Committee meets a few weeks before each of the termly meetings of the Council of Governors. It is supported by sub-committees responsible for the overview of Risk Management, Audit and Remuneration. The Education Committee meets twice yearly, and a Nominations Committee meets to oversee the selection and appointment of new trustees when required. The Board of YMS Enterprises oversees the School's trading activities.

The Appeal Committee was established to oversee a planned fundraising appeal to coincide with the 50th Anniversary of the School's founding. This Committee meets every two months.

The task of running the School on a day to day basis is the responsibility of the Headmaster and he is fully supported by the members of the Leadership Team.

RECRUITMENT AND TRAINING OF GOVERNORS

The Governors are appointed at the Annual General Meeting of the Council of Governors on the basis of advice from the Nominations Committee. A skills register of all Governors is maintained and regularly reviewed to ensure that the Council has the necessary breadth, scope and expertise to support the School. New Governors are provided with induction material, and all Governors are informed of relevant training courses offered by various professional bodies (ISBA, AGBIS etc.) and encouraged to attend.

RISK MANAGEMENT

The Governors continue to keep the School's activities under review and monitor performance, with particular regard to any major risks which may arise. The Governors' Risk Management Sub-Committee assesses and categorises the risks which the School is, or may become, exposed to in order to ensure that there are satisfactory systems established to manage those risks. A review of risks and the risk register is a regular item on the agenda of all Committee and Council meetings in order to ensure that the process is constantly reviewed and updated.

The main risk to the future of the School remains the withdrawal or material reduction of the funding for the places supported by the Department for Education.

YEHUDI MENUHIN SCHOOL LIMITED
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in business.

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as each of the Governors of the charitable company at the date of approval of this report is aware

- there is no relevant audit information of which the charitable company's auditor is unaware.
- the Governors have taken all reasonable steps that they should have taken as a Governor in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

Kingston Smith LLP have expressed their willingness to continue as auditors for the next financial year.

This report was approved by the Council of Governors at its meeting on
and signed on its behalf by:

03/12/15


Mr Richard Morris
Chairman of Governors

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE YEHUDI MENUHIN SCHOOL LIMITED

We have audited the financial statements of The Yehudi Menuhin School Limited for the year ended 31 August 2015 which comprise the Statement of Financial Activities incorporating the Summary Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governors and Auditors

As explained more fully in the Governors' Responsibilities Statement, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its 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 properly prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act

In our opinion the information given in the Governors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBERS OF
THE YEHUDI MENUHIN SCHOOL LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remunerations specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors 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 Governors Report and from preparing a Strategic Report.

V.S. — J.K. LCP

Neil Finlayson, Senior Statutory Auditor
For and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

14/12/2015

YEHUDI MENUHIN SCHOOL LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	Unrestricted Funds School's Operation £	Other Activities £	Endowment Funds £	Restricted Funds £	2015 £	2014 £
INCOMING RESOURCES							
Charitable activities							
Fees receivable		3,109,542	-	-	-	3,109,542	3,072,097
Bursaries income		-	-	-	160,357	160,357	35,523
Grants received		-	-	-	11,500	11,500	50,798
Other activities to generate funds							
Menuhin Hall income		-	136,732	-	-	136,732	129,431
Concert, festivals & events		-	28,719	-	-	28,719	6,302
Anniversary Appeal		66,592	-	351,206	12,265	430,063	233,951
Donations and legacies	2a	465,932	-	-	159,769	625,701	395,308
Other income	2b	64,269	72,024	-	-	136,293	64,503
Investment income		202,639	-	-	43,503	246,142	242,414
Exceptional Item - donated instruments	6	253,475	-	-	-	253,475	-
Total Incoming Resources		<u>4,162,449</u>	<u>237,475</u>	<u>351,206</u>	<u>387,394</u>	<u>5,138,524</u>	<u>4,230,327</u>
RESOURCES EXPENDED							
Cost of generating Funds							
Fundraising and publicity		135,686	-	-	-	135,686	155,725
Finance and other costs		1,563	-	-	-	1,563	1,100
Investment management fees		(10,176)	-	-	-	(10,176)	(7,928)
Menuhin Hall expenses		-	165,842	-	-	165,842	139,519
Other expenses		-	47,954	-	-	47,954	-
Charitable expenditure							
School operating costs and grant making		3,220,543	22,101	-	59,199	3,301,843	3,351,941
Governance costs		15,032	-	-	-	15,032	15,010
Total Resources Expended	5	<u>3,362,648</u>	<u>235,897</u>	<u>-</u>	<u>59,199</u>	<u>3,657,744</u>	<u>3,655,367</u>
Net incoming resources for the year	3	799,801	1,578	351,206	328,195	1,480,780	574,960

The notes on pages 17 to 31 form part of these financial statements

YEHUDI MENUHIN SCHOOL LIMITED
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
(Incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 AUGUST 2015

	Unrestricted Funds School's Operation & Other Activities £	Endowment Funds £	Restricted Funds £	2015 £	2014 £
Net incoming resources	801,379	351,206	328,195	1,480,780	574,960
Transfer between funds	-	-	-	-	-
Other recognised gains and losses					
Gains/(losses) on investments					
Realised (notes 7 and 10)	1,296	-	-	1,296	(733)
Net income/(expenditure) for the year	802,675	351,206	328,195	1,482,076	574,227
Unrealised investment (losses)/gains (notes 7 and 10)	(16,880)	(64,200)	-	(81,080)	369,507
Net Movement in Funds	785,795	287,006	328,195	1,400,996	943,734
Fund Balances at 1 September 2014	12,404,931	5,609,619	560,627	18,575,177	17,631,443
Fund Balances at 31 August 2015	13,190,726	5,896,625	888,822	19,976,173	18,575,177

The notes on pages 17 to 31 form part of these financial statements

YEHUDI MENUHIN SCHOOL LIMITED
BALANCE SHEET
AS AT 31 AUGUST 2015

		2015	2014
	Notes	£	£
FIXED ASSETS			
Tangible assets	6	10,522,849	8,262,536
Investments	7	<u>7,730,375</u>	<u>7,395,294</u>
		18,253,224	15,657,830
CURRENT ASSETS			
Stocks		3,081	3,106
Debtors	8	496,636	297,050
Cash at bank and in hand		<u>1,824,723</u>	<u>2,953,701</u>
		2,324,440	3,253,857
CREDITORS: amounts falling due within one year	9	<u>601,491</u>	<u>336,510</u>
NET CURRENT ASSETS		1,722,949	2,917,347
NET ASSETS		19,976,173	18,575,177
FUNDS			
Permanent Endowment Funds	10a	1,441,157	1,102,570
Expendable Endowment Funds	10a	<u>4,455,468</u>	<u>4,507,049</u>
Total Endowment Funds		5,896,625	5,609,619
Restricted Funds	10b	888,822	560,627
Designated Bursary and Other Funds	10c	2,254,855	3,334,761
Fixed Asset Funds	10d	10,330,573	8,065,987
General Reserve	10e	<u>605,298</u>	<u>1,004,183</u>
		13,190,726	12,404,931
TOTAL FUNDS	11	19,976,173	18,575,177

Approved and authorised for issue by the governors on 3rd December 2015
and signed on their behalf by:

Richard Morris

Mr Richard Morris, Chairman of Governors

John Everett

Mr John Everett, Chairman of Finance & General
Purposes Committee

Company Number 00818389

The notes on pages 17 to 31 form part of these financial statements

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements are prepared under the historical cost convention, except that investment assets are carried at market value, and in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities (the Charities SORP 2005) and the Companies Act 2006.

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is entitled to small company exemptions.

YMS Enterprises Limited, a company limited by guarantee, was incorporated on 17 December 2008 as a wholly owned subsidiary of the School. The charitable company is not required to prepare group financial statements as the subsidiary undertaking is considered to be not material to the group: therefore the financial statements present information about the individual charitable company and not of its group. The results of YMS Enterprises Limited and the net assets position at the balance sheet date are set out in note 15.

After making enquiries, the governors have a reasonable expectation that the school has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities.

b) Fees receivable and similar income

Fees receivable comprise tuition fees including means tested contributions to fees paid by parents, grants towards fees from the Department for Education through the Music and Dance Scheme, and net scholarships and bursaries funded from restricted and other funds.

c) Bursary Funds

The School receives some of its income primarily for the provision of scholarships, bursaries and prizes. These amounts are held within restricted funds.

d) Donations and Legacies

Donations receivable for the general purpose of the Charity are credited to 'unrestricted funds'. Donations for purposes restricted by the wishes of the donor are taken to 'restricted funds' where these wishes are legally binding on the Governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as 'endowments' – permanent or expendable according to the nature of the restriction.

Legacies are recognised when there is adequate certainty and reliability of receipt and their value can be accurately measured.

e) Resources expended

Expenditure is classified under the two principal categories of Charitable Expenditure and Costs of Generating Funds rather than the type of expense, in order to provide more useful information to users of the financial statements.

Charitable Expenditure comprises direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with use of the resources.

Support costs comprise staff costs together with related overheads of the Charity. Governance costs are those incurred in connection with the administration of the Charity and compliance with constitutional and statutory requirements.

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (CONTINUED)

f) Value Added Tax

The School is not registered for value added tax. All expenditure is therefore included under the expense headings to which it relates inclusive of any value added tax.

g) Taxation

The School is a registered Charity and is exempt from taxation on income arising from and expended on its charitable activities.

h) Pension Costs

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS17, therefore, the scheme is accounted for as a defined contribution scheme.

Certain non-teaching staff are also members of other defined contribution schemes. All non-teaching staff are entitled to join a group personal pension scheme. The current scheme (The Pensions Trust Growth Plan Series 4) is not deemed a "qualifying scheme" for the purpose of auto enrolment. For all other non-teaching staff they have been auto enrolled into the NEST (National Employment Savings Trust) scheme.

i) Stocks

Stocks are valued at the lower of cost and net realisable value at the balance sheet date.

j) Tangible fixed assets and depreciation

Freehold buildings are carried in the balance sheet at their cost less depreciation as the Governors consider it is not appropriate to apply a current value to such property. The cost of new buildings is added to fixed assets as it is incurred. Only purchases of assets over £5,000 are included as fixed assets.

String instruments are recognised in the accounts at either, where purchased, at their original cost, where donated after 2002, at a valuation at the date of donation, and where donated before 2002, at their valuation in 2002.

Depreciation is provided on the cost or valuation of assets, over the estimated useful life of the assets. The rates of depreciation are as follows:

Freehold Buildings	- 2% on cost
Furniture and Equipment	- written off in year of acquisition
Motor Vehicles	- 25% reducing balance
Instruments – Pianos and Keyboards	- over ten years
IT Software	- over three years
Assets held under finance lease	- over the term of the lease.

String instruments are not depreciated as the quality of the instruments held is such that their likely useful life is in excess of 50 years. Also, land is not depreciated and freehold buildings are only depreciated once brought into use.

k) Translation of Foreign Currencies

Transactions in foreign currencies are converted into sterling at the rates ruling on the dates of the transactions. Assets and liabilities at the year end which are denominated in foreign currency are translated at the rates ruling at the balance sheet date.

l) Investments

Investments are included in the financial statements at market value, with any surplus or deficit on revaluation being shown as unrealised gains or losses on the face of the Statement of Financial Activities.

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (CONTINUED)

m) Governments Grants Receivable

Government grants received in respect of pupils' fees are included within income in the year to which they relate.

n) Leased and Hire Purchase Assets

Where the charity has entered into finance leases, the obligations to the lessor are shown as part of borrowings and the rights in the corresponding assets are treated in the same way as owned fixed assets. Leases are regarded as finance leases where their terms transfer to the lessee substantially all the benefits and burdens of ownership other than the right to a legal title.

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred.

o) Funds

Permanent Endowment – These are funds where the Governors are required to hold capital, as represented by the investments, and are not entitled to spend it. Income arising from these funds is included within restricted funds in accordance with the donors' wishes.

Expendable Endowment – These are capital funds where the Governors are entitled to disburse the capital as well as income arising from the invested funds.

Restricted – these are monies which have legal restrictions on their use where donors have specified the funds can only be spent on certain of the charity's activities.

Unrestricted – General funds are available for use at the discretion of the Governors in furtherance of the charity's general objectives. Designated funds are set aside out of general funds by the Governors, for particular purposes.

p) Cash

The School currently has significant cash holdings as funds are required to hand for building projects which are planned to commence early in 2015.

2. INCOME	2015	2014
	£	£
a) Donations and Legacies		
Legacies	548,894	313,493
Gift Aid YMS Enterprises	76,589	60,061
Other donations	218	21,754
	<u>625,701</u>	<u>395,308</u>
b) Other Income		
Audition fees	2,868	2,790
Sundry Income	15,796	4,940
Yehudi Menuhin School Enterprises Facility Fee	31,201	29,953
Income Examination Fees	8,279	8,325
Income Chance to Play	6,125	7,895
Friends of Yehudi Menuhin School	72,024	-
Income Concert Sponsorship	-	10,000
Income Deposits in lieu of notice	-	600
	<u>136,293</u>	<u>64,503</u>

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

2. INCOME (CONTINUED)	2015 £	2014 £
c) Investment Income		
Rent receivable	4,200	-
Listed investments - UK	234,400	235,325
Bank Interest	7,542	7,089
	<u>246,142</u>	<u>242,414</u>

3. NET INCOMING RESOURCES	2015 £	2014 £
Net incoming resources are stated after charging:		
Auditors' remuneration:		
For audit	14,600	13,600
Other services	7,756	25,399
Depreciation – owned assets	<u>260,324</u>	<u>233,276</u>

4. STAFF COSTS

	2015 £	2014 £
Wages and salaries	1,711,836	1,655,700
Social security costs	116,593	113,704
Pension costs	149,889	159,604
	<u>1,978,318</u>	<u>1,929,008</u>

The number of employees (including full time equivalent numbers for part time employees) in the year was 40 (2014 – 39) of which 19 (2014 – 20) were teaching staff.

Neither the Governors nor persons connected with them received any remuneration from the School. This year, one Governor (2014: two) claimed reimbursement of expenses from the School for travel to Committee meetings of £247 in total (2014: £179).

The number of employees whose emoluments exceeded £60,000 was as follows:

	2015 No.	2014 No.
£60,001 - £70,000	2	2
£70,001 - £80,000	1	1
	<u>3</u>	<u>3</u>

Two of the above individuals are also members of the Teachers' Pension defined benefit scheme.

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

5. ANALYSIS OF TOTAL RESOURCES EXPENDED	Staff Costs	Other	Depreciation	Total
2015	£	£	£	£
Cost of Generating Funds				
Fund-raising & publicity	111,019	24,667	-	135,686
Finance and other costs	-	1,563	-	1,563
Investment management fees	-	(10,176)	-	(10,176)
Menuhin Hall expenses	64,633	99,515	1,694	165,842
	175,652	115,569	1,694	292,915
Charitable Expenditure				
Teaching	1,314,672	90,220	40,568	1,445,460
Welfare and catering	164,527	177,336	1,389	343,252
Premises	86,232	380,483	216,673	683,388
School support costs	237,235	234,857	-	472,092
School's operating costs	1,802,666	882,896	258,630	2,944,192
Grants awards & prizes	-	22,101	-	22,101
Bursaries	-	335,550	-	335,550
School operating costs and grant making	1,802,666	1,240,547	258,630	3,301,843
Governance costs	-	15,032	-	15,032
Friends of the Yehudi Menuhin School	-	47,954	-	47,954
	1,978,318	1,419,102	260,324	3,657,744
2014				
Cost of Generating Funds				
Fund-raising & publicity	116,776	38,949	-	155,725
Finance and other costs	-	1,100	-	1,100
Investment management fees	-	(7,928)	-	(7,928)
Menuhin Hall expenses	61,484	76,341	1,694	139,519
	178,260	108,462	1,694	288,416
Charitable Expenditure				
Teaching	1,271,938	118,719	18,542	1,409,199
Welfare and catering	125,779	311,027	1,852	438,658
Premises	67,220	397,942	211,188	676,350
School support costs	285,811	245,140	-	530,951
School's operating costs	1,750,748	1,072,828	231,582	3,055,158
Grants awards & prizes	-	25,284	-	25,284
Bursaries	-	271,499	-	271,499
School operating costs and grant making	1,750,748	1,369,611	231,582	3,351,941
Governance costs	-	15,010	-	15,010
	1,929,008	1,493,083	233,276	3,655,367

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

6. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Musical instruments £	Furniture and academic equipment £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 September 2014	9,042,413	1,381,655	603,335	39,850	11,067,253
Additions	2,241,609	253,475	25,553	-	2,520,637
Disposal	-	-	-	-	-
At 31 August 2015	<u>11,284,022</u>	<u>1,635,130</u>	<u>628,888</u>	<u>39,850</u>	<u>13,587,890</u>
DEPRECIATION					
At 1 September 2014	1,834,410	367,307	568,706	34,294	2,804,717
Charge for the year	174,267	40,568	44,100	1,389	260,324
Disposals	-	-	-	-	-
31 August 2015	<u>2,008,677</u>	<u>407,875</u>	<u>612,806</u>	<u>35,683</u>	<u>3,065,041</u>
NET BOOK VALUE					
At 31 August 2015	<u>9,275,345</u>	<u>1,227,255</u>	<u>16,082</u>	<u>4,167</u>	<u>10,522,849</u>
<i>At 31 August 2014</i>	<i><u>7,208,003</u></i>	<i><u>1,014,348</u></i>	<i><u>34,629</u></i>	<i><u>5,556</u></i>	<i><u>8,262,536</u></i>

Exceptional item – donated instruments

During the year it was identified that the school owned a number of stringed instruments which had not previously been reflected on the Balance Sheet, as a valuation at the time of donation had not been undertaken. The School believes that these assets were donated to the school over a number of years, and it is the desire of the Governors to reflect these instruments in the financial statements to ensure consistency with the accounting treatment of similar instruments already reflected in the financial statements.

Owing to the passage of time since these instruments were donated, it is not possible to prepare a reliable estimate of the valuation of the instruments at the date of donation. However, a valuation was undertaken in 2002 by a specialist violin maker and dealer, and the Governors believe that this provides a proven approximation of their value and therefore an acceptable basis on which to include these instruments in the financial statements.

Accordingly, an adjustment of £253,475 has been made to the current year financial statements to include these instruments in the Balance Sheet, and recognise a donation in the SOFA.

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

7. INVESTMENTS	2015	2014
All investments are held within the UK	£	£
Market value at 1 September 2014	7,007,738	6,418,803
Acquisitions at cost	431,993	325,663
Disposals at open market value	(101,703)	(106,234)
Unrealised (losses)/gains	(81,080)	369,507
Market value at 31 August 2015	<u>7,256,948</u>	<u>7,007,738</u>
Historic cost at 31 August 2015	<u>6,093,364</u>	<u>5,744,965</u>
Investments representing 5% or more of the total portfolio are as follows:	Market Value	Market Value
Alpha CIF For Endowments (Income Units)	7,256,948	7,007,740
Investment Properties	2015	2014
Valuation at 1 September 2014	£	£
	310,792	310,792
Valuation at 31 August 2015	<u>310,792</u>	<u>310,792</u>
Summary of investments	2015	2014
	£	£
Cash held for re-investment	162,635	76,764
Investment property	310,792	310,792
Investments	7,256,948	7,007,738
	<u>7,730,375</u>	<u>7,395,294</u>
8. DEBTORS: amounts falling due within one year	2015	2014
	£	£
Amounts due from subsidiary undertaking	107,017	96,314
Fees and recharges receivable	334,095	138,150
Prepayments & accrued income	55,524	62,586
	<u>496,636</u>	<u>297,050</u>
9. CREDITORS: amounts falling due within one year	2015	2014
	£	£
Trade creditors	99,395	94,984
Fees received in advance	33,791	96,168
Fee deposits held	44,961	43,250
Social security and other taxes	32,266	37,612
Accruals and deferred income	386,375	61,436
Other creditors	4,703	3,060
	<u>601,491</u>	<u>336,510</u>

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

10a ENDOWMENT FUNDS

	Balances Brought Forward £	Incoming Resources £	Resources Expended £	Investment (Losses)/ Gains £	Balances Carried Forward £
Permanent Endowments	1,102,570	351,206	-	(12,619)	1,441,157
Expendable Endowments	4,507,049	-	-	(51,581)	4,455,468
	<u>5,609,619</u>	<u>351,206</u>	<u>-</u>	<u>(64,200)</u>	<u>5,896,625</u>

Permanent endowment funds are those where the Governors are required to hold the capital and are not entitled to convert it to income. Income arising from these funds is included within restricted funds and is spent in line with the wishes of the donor.

Expendable endowment funds are those where the Governors have the power to convert the fund or part thereof to income. The Governors have designated the income arising from the investment of the fund to support student bursaries.

10b RESTRICTED FUNDS

	Balances Brought Forward £	Incoming Resources £	Resources Expended £	Investment Gains £	Balances Carried Forward £
Bursary Funds	347,009	363,621	(43,506)	-	667,124
Other Restricted Funds	213,618	23,773	(15,693)	-	221,698
	<u>560,627</u>	<u>387,394</u>	<u>(59,199)</u>	<u>-</u>	<u>888,822</u>

Restricted Bursary Funds: These funds arise from legacies, grants and donations made for the specific purpose of providing bursaries to students; the recipients and amounts of bursaries are determined by the Headmaster and Governors

Restricted Other Funds: These funds arise from grants and donations made for specific purposes other than bursaries. These funds comprise the Outreach Project and the Music Studios (restricted) Fund.

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

10c DESIGNATED FUNDS

	Balance brought forward	Incoming resources	Resources expended	Investment Gains/(losses)	Transfers	Balance carried forward
	£	£	£	£	£	£
Designated Funds						
Student Aid	-	19,413	(8,887)	-	-	10,526
Wallace Curzon	-	-	(3,050)	-	-	(3,050)
White House Art Fund	776	-	-	-	-	776
The Bursary Fund	1,568,819	145,419	(145,419)	1,296	-	1,570,115
The Building Fabric Fund	800,000	-	-	-	(800,000)	-
The Instrument Fund	220,000	-	-	-	-	220,000
The Music Studio Fund	745,166	39,815	(112,554)	-	(215,939)	456,488
	3,334,761	204,647	(269,910)	1,296	(1,015,939)	2,254,855

Designated Funds: These funds are unrestricted funds which the governors have earmarked for a particular project or use without committing the funds legally.

Student Aid: These funds have principally derived from the efforts of students, i.e. concerts and recitals, and are designated to be used for the benefit of students, rather than the School generally.

Wallace Curzon: The Wallace Curzon fund represents monies set aside for the purposes of making awards to pupils.

White House Art Fund: This includes monies earmarked by the Governors for buying works of Art for displaying in the White House.

The Bursary Fund: The funds comprise legacies from Miss Audrey Joyce Burford, Ms Phyllis Elena Eagars, Professor Beatrice Hermelin, Dr Margaret Forbes Jamieson, and Mrs Elizabeth Laverick. The income earned on the funds is, at the discretion of the Governors, being held in a separate fund to be applied for public benefit through means tested bursaries.

Building Fabric Fund: These funds were expended on the Music House roof repairs which included remodelling the space to give 7 further boarding rooms.

The Instrument Fund: The Governors recognise that the school's pianos have a life of approximately 10 to 12 years and the School must plan to replace the two Menuhin Hall pianos within the next five years at a cost of approximately £120,000 each. In 2012 they established a designated fund towards the replacement of these instruments.

The Music Studios Fund: These funds have been designated by Governors towards the construction of new music studios and practice rooms.

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

10d FIXED ASSET FUNDS

	Balance brought forward	Incoming resources	Resources expended	Investment Gains/(losses)	Transfers	Balance carried forward
	£	£	£	£	£	£
Fixed Asset Funds	8,065,987	-	-	-	2,264,586	10,330,573

Fixed Asset Funds: The fixed asset funds represents money held in the tangible fixed assets used by the School.

10e GENERAL RESERVE

	Balance brought forward	Incoming resources	Resources expended	Investment Gains/(losses)	Transfers	Balance carried forward
	£	£	£	£	£	£
General Reserve	1,004,183	4,195,277	(3,328,635)	(16,880)	(1,248,647)	605,298

General Reserve: These are income funds freely available to spend on the charity's activities. The School's Reserve Policy is to aim to hold approximately four months expenditure excluding depreciation, which amounts to approximately £1,000,000, as free reserves in a cash or liquid form. The reserves fluctuate during the school year and are at their lowest at the school year end (31 August).

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Permanent Endowment £	Expendable Endowment £	Restricted Funds £	Unrestricted Funds £	Total £
Tangible Fixed Assets	-	-	-	10,522,849	10,522,849
Investments	1,441,157	4,455,468	667,124	1,166,626	7,730,375
Net Current Assets	-	-	221,698	1,501,251	1,722,949
Total Net Assets	1,441,157	4,455,468	888,822	13,190,726	19,976,173

12. PENSION COMMITMENTS

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £95,466 (2014: £91,011).

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2012 and was published in June 2014. This report confirmed that the employer contribution rate for the TPS will increase from 14.1% to 16.4% although, recognising that teaching establishments work on an academic and not financial year, the Government has deferred the implementation of this increase to 1 September 2015. Employers will in addition from 1 September 2015 pay a scheme administration levy of 0.08% of the employers' salary costs which will increase the total employer payment rate from 16.4% to 16.48%.

The next revision to the employer contribution rate is not expected to take effect until 1 April 2019. This will follow on from the next actuarial valuation which is due at 31 March 2016. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

The School also offers a defined contribution scheme for non-teaching staff through the Growth Plan (the Plan) offered by The Pensions Trust (currently Series 4). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

The superannuation charge represents the School's contributions to the scheme of £46,195 (2014: £68,593).

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

12. PENSION COMMITMENTS (CONTINUED)

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

The School paid contributions at the rate of 13.5% during the accounting period. Members paid contributions at the rate of 6% during the accounting period.

As at the balance sheet date there were nine active members of the Plan. The School has closed the Plan to new entrants.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The valuation results at 30 September 2011 were completed in 2012 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £928 million. The valuation therefore, revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

12. PENSION COMMITMENTS (CONTINUED)

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% p.a.
Rate of return pre retirement	4.9
Rate of return post retirement:	
Active/Deferred	4.2
Pensioners	4.2
Bonuses on accrued benefits	0.0
Inflation: Retail Prices Index (RPI)	2.9
Inflation: Consumer Prices Index (CPI)	2.4

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

The Scheme Actuary is currently finalising the 2014 valuation and results will be communicated in due course. At 30 September 2013, the market value of the Plan's assets was £772 million and the Plan's Technical Provisions (i.e. past service liabilities) was £927 million. The update, therefore, revealed a shortfall of assets compared with the value of liabilities of £155 million, equivalent to a funding level of 83%.

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012, as is required by legislation.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. Therefore, the amounts of debt can be volatile over time.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). Due to a change in the definition of money purchase contained in the Pensions Act 2011 the calculation basis that applies to the Growth Plan will be amended to include Series 3 liabilities in the calculation of an employer's debt on withdrawal.

The Growth Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore, jointly and severally liable for the deficit in the Growth Plan.

13. SHARE CAPITAL

The company does not have any share capital and is limited by guarantee.

The liability of the 14 members is limited to £1.00 each.

14. CAPITAL COMMITMENTS

Capital expenditure contracted at 31 August 2015 amounted to £3,436,363 in respect of the construction contract of the Music Studios and Harris House extension and £145,788 of related professional fees. (2014: £920,000). Authorised but not contracted for £903,000 (2014: nil).

YEHUDI MENUHIN SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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15. SUBSIDIARY UNDERTAKING

YMS Enterprises is a wholly owned subsidiary undertaking registered in England and Wales, which was incorporated as a company limited by guarantee on 17 December 2008. The principal activities of the company are to offer public and private concerts, summer schools and associated services and general merchandising. The total net profit is gifted to the School. A summary of the results of the subsidiary is shown below.

The financial statements of YMS Enterprises for the year to 31 August 2015 which are not consolidated with the School's financial statements, showed the following position:

BALANCE SHEET

	31 August 2015	<i>31 August 2014</i>
	£	£
CURRENT ASSETS		
Cash at bank and in hand	97,741	63,695
Debtors	33,893	47,025
CREDITORS: amounts falling due within one year	(131,634)	<i>(110,720)</i>
TOTAL NET ASSETS	-	-
RESERVES		
Profit and loss account	-	-
PROFIT AND LOSS ACCOUNT		
Turnover	247,356	208,963
Operating costs	(137,362)	<i>(113,720)</i>
GROSS PROFIT	109,994	95,243
Administrative expenses	(33,405)	<i>(35,182)</i>
PROFIT ON ORDINARY ACTIVITIES	76,589	60,061
Payment under gift aid	(76,589)	<i>(60,061)</i>
RETAINED PROFIT	-	-

16. RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemption which is conferred by financial reporting standard no.8, 'related party disclosures', that allows it not to disclose intra group transactions where its subsidiary is wholly owned.