

**THE YEHUDI MENUHIN SCHOOL LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**GOVERNORS' REPORT AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

<b>Contents</b>	<b>Page</b>
Governors, Officers and Advisers	1 – 2
Report of the Governors	3 – 12
Auditors' Report	13 - 15
Statement of Financial Activities	16
Balance Sheet	17
Cash Flow Statement	18
Notes to the Financial Statements	19 - 36

## 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:

- \* David Buckley (Chairman, appointed 1 August 2019)
- \* Richard Morris (Chairman, resigned 31 July 2019)
- \* Geoffrey Richards (Vice Chairman)  
Dominic Benthall
- \* Lord Blackwell  
Kate Costeloe (appointed 19 March 2019)
- \* Jonathan Deakin
- \* John Everett
- \* Andrew Hunter Johnston
- \* Oscar Lewisohn (resigned 31 July 2019)  
Anna Joseph  
Stuart Mitchell (resigned 17 October 2019)
- \* John Pagella  
Alice Phillips  
Vanessa Richards  
Dr John Scadding OBE (resigned 27 November 2019)  
Veronica Wadley  
Jonathan Willcocks

\* Members of the Finance and General Purposes Committee

Governors serve for a term of four years and may be re-elected for a further two terms.

### REGISTERED OFFICE

Millfield  
Cobham Road  
Stoke D'Abernon  
Cobham  
Surrey  
KT11 3QQ

01932 584795

admin@menuhinschool.co.uk

[www.menuhinschool.co.uk](http://www.menuhinschool.co.uk)

### COMPANY NUMBER

00818389

### CHARITY NUMBER

312010

### PRESIDENT

Daniel Barenboim KBE

### VICE PRESIDENTS

Barbara R D Fisher OBE  
Sir Alan Traill GBE QSO  
The Hon. Mrs Zamira Menuhin Benthall

### GOVERNORS EMERITUS

Daniel Hodson  
Anne Simor

### MUSICAL PATRONS

Steven Isserlis CBE  
Tasmin Little OBE  
Sir András Schiff

<b>HEAD</b>	Richard Tanner MA (interim) Appointed 24 June 2019 Kate Clanchy MA MBA (Resigned 10 June 2019)
<b>DIRECTOR OF MUSIC</b>	Oscar Colomina I Bosch PhD MMus BMus
<b>DIRECTOR OF STUDIES</b>	David Bruce (Appointed 1 September 2018)
<b>DEVELOPMENT DIRECTOR</b>	Alix de Mauny (Appointed 9 October 2018)
<b>FINANCE DIRECTOR</b>	Simon Browning BA (Hons) FCMA (Resigned October 2018) Shelley Twitchin MMus PGDip ACCA (Appointed 9 October 2018) Jacqueline Whittingham BScEcon MScFin (Interim from 22 July 2019)
<b>AUDITORS</b>	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
<b>BANKERS</b>	Lloyds Bank plc 39 Threadneedle Street London EC2R 8AU
<b>INSURANCE BROKERS</b>	Marsh Capital House 1-5 Perrymount Road Haywards Heath West Sussex RH16 3SY  Arthur J. Gallagher The Walbrook Building 25 Walbrook London EC4N 8AW  Aston Lark Limited Ibex House 42-47 Minories London EC3N 1DY
<b>INVESTMENT MANAGERS</b>	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU

## GOVERNORS' REPORT (INCORPORATING A STRATEGIC REPORT)

The Governors present their annual report and financial statements for the year ended 31 August 2019.

The Governors of the School who are also Trustees of the Charity and Directors of the company have pleasure in presenting their strategic report and financial statements for the year ended 31 August 2019. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the 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 (the FRS 102 Charities SORP).

### 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 (principal study: violin, viola, cello, double bass, guitar) 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 on musical potential and fit with the School's ethos and educational model, as assessed during the School's rigorous audition process. 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 high teacher: pupil ratio, with many lessons being one to one or even with two 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 to the School.

### 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 Development Committee and the Finance and General Purposes (F&GP) Committee meet a few weeks before each of the termly meetings of the Council of Governors. The F&GP Committee is supported by sub-committees responsible for the overview of Risk Management, Investments, 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 Limited oversees the School's trading activities.

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

Remuneration of the Leadership Team is set according to market rates, the level of skills and experience required to deliver the roles, and affordability. The Remuneration Committee review the salaries for the Leadership Team and Head.

### RECRUITMENT AND TRAINING OF GOVERNORS

Governors are appointed at Council Meetings or by written resolution 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 (AGBIS, ISBA etc.) and encouraged to attend.

Mr Richard Morris retired as the Chairman of Governors at the end of the year. The Governors are grateful for the substantial contribution he has made to the school both as a Governor and as Chairman.

## LEADERSHIP

There were further changes to the Leadership Team this year. Richard Tanner retired in August 2018 after 11 years as Director of Studies. He was succeeded by David Bruce, formerly Head of Maths and Assistant Housemaster at The Royal Ballet School. Alix de Mauny was appointed as Development Director, Joanne Field as Head of Pastoral Care and Shelley Twitchin as Bursar. In June 2019, Richard Tanner was appointed as Interim Head, following Kate Clanchy's departure for personal reasons.

## 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 below.

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. In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

Public benefit is not just provided to the pupils at the School. The section in this Report headed 'Community engagement and outreach' 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. More than 1,500 local primary school pupils, whose access to music education is limited, benefited from the School's outreach activities, as well as residents from six local care homes.

## STRATEGIC REPORT: OBJECTIVES, ACHIEVEMENTS AND DEVELOPMENT

The Objects of the charity are to provide and advance a general 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 exceptional musical talent 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.

## OBJECTIVES

The School's objectives are:

- To provide a world-class musical education
- To provide a solid all-round academic, artistic, physical and moral education
- To provide an environment where each pupil can develop musically, academically and socially, so that they are confident and able to follow their chosen path when they leave school
- To encourage pupils to contribute to school life and to the wider community, through volunteering and outreach
- To provide first-class staff
- To provide excellent facilities for music and general education and for pupils' pastoral care and welfare
- To provide access to the school to talented pupils through the Department for Education's Music and Dance Scheme, which covers school fees on a means-tested basis
- To provide bursaries to support those unable to pay the full fees who are ineligible for MDS funding or for whom no place is available due to the overall limit on MDS places
- To provide additional financial support through the school's Student Hardship Fund, on a means-tested basis, to allow pupils to take advantage of additional opportunities such as masterclasses, summer courses and competitions

- To raise funds through philanthropic donations and sponsorship and from activities undertaken by the school's trading subsidiary, YMS Enterprises Limited, in support of our charitable objects
- To invest in the long-term future of the school.

## ACHIEVEMENTS

### *A first-class all-round education, with music at its heart*

The Governors are delighted to report that the School continued to perform at the highest level in every area over the last year.

### *Musical highlights*



A highlight of the musical year was the tour of Spain undertaken by the Senior Orchestra in October 2018. 33 pupils gave a total of five concerts in four different venues culminating in performances at the Juan March Foundation in Madrid which were recorded and later made available on the first *Orchestral Highlights CD*. The orchestra also performed at the Banstead Arts Festival and completed the year with a concert at the Menuhin Festival Gstaad.

The showcase concerts in the Menuhin Hall were as popular as ever with the general public – so much so that an extra concert was fitted into the programme; this was an event to mark the centenary of Hans Keller who had taught at the school, and comprised a lecture & demonstration followed by a concert of chamber works. One quartet then went on to perform at a similar event at Clare Hall in Cambridge. The Founder's Day concert was given by alumnus Emmanuel Despax, who played the two piano concerti by Chopin with a quintet of students; additionally, they gave a live performance of one of the movements on BBC Radio 3's *In Tune* programme.

Pupils performed in a variety of venues both familiar and new to the school, including Arundel Cathedral, Winchester College, the Grosvenor Chapel in Mayfair, Gloucester Music Society, Surrey County Council and Effingham Golf Club, thereby reaching new audiences. The annual tour to the North in May (six pupils) was well received, as was the annual leavers' concert at the Wigmore Hall. Additionally pupils performed at the Foundling Museum, Painshill Park and the Wimbledon Festival. We explored new avenues with the first

outside performance for the chamber choir, under the direction of David Condry, which gave a lunchtime recital at Kingston Parish Church in March.

Among the musicians who gave masterclasses during the year were alumnae Alina Ibragimova and Nicola Benedetti; a number of celebrities also gave of their time by teaching in addition to their concerts. These included the Endellion quartet, Jose Mendez (piano), Artur Pizarro (piano) and Anthony Marwood (violin). The school also welcomed Paulo Pegoraro, Jonathan Leathwood and Pavel Steidl (guitar), Barbara Doll (violin) and Paul Ellison (double bass).

Once again, there were notable successes at various competitions. In March Emili Kakiuchi, Kyota Kakiuchi and Seoyul Kim won 1st, 2nd and 3rd prizes respectively at the Grumiaux Competition in Belgium, and in August Yume Tomita and Mariam Obolashvili won 1st prize in their age categories at the Ilona Feher Competition in Hungary, with Benedetta Fiechter coming second to Mariam. Yume also won 2nd prize



at the Postacchini competition in Italy, and her older sister Coco won the gold medal at the Vienna International Music Competition in January. Claire Wang won the Chopin Prize at the Anton Rubinstein competition in May and 2nd prize at the Vivaldi competition in August. Will Duerden won the Adjudicator's Prize in the Gregynog Young Musician Competition and 1st prize in the Haslemere String Festival. A number of pupils entered competitions which are web-based, and Ezo Sarici and Daniil Margulis both won 1st prize in their respective categories.

A number of pupils gave individual or duo performances either organised by themselves or at the invitation of other organisations. In this latter category Can Arisoy performed Beethoven's Emperor Concerto with Dorking Chamber Orchestra, SongHa Choi performed Prokofiev's Violin Concerto no.1 with an orchestra in Vilnius and Tianyou Ma joined alumnus Max Calver for Brahms' Double Concerto at Cadogan Square.

Can joined with SongHa Choi to arrange recitals at Slyfield and Clapham Omnibus. Gorka Plada Giron gave a recital for the U3A in Horsley and also accompanied Max Calver in a series of recitals organised by YCAT. Duru Erdogan and Stefanija Nickolich were invited to perform at the Piano Duo Festival in Amsterdam in October, and Duru and Gorka both attended a Duo Sonata Symposium in Holland in November.

### ***Leavers' destinations***

Graduating pupils left to continue their studies at the conservatoires and universities of their choice: The Royal College of Music (2), Guildhall School of Music & Drama, Conservatorium van Amsterdam, Curtis Institute (USA) Hochschule für Musik Hanns Eisler (Berlin), and Conservatori Superior de Música del Liceu (Spain). One pupil took a gap year.

### ***Academic achievements***

On the academic front, pupils continued to perform exceptionally well. In June 2019, pupils achieved a record 43% A\* grades at A level (2018 33%), with 62% A\*-A, 81% A\*-C and 100% A\*-E. At GCSE, pupils achieved 40% A\* (2018 36%), 54% A\*-A and 90% A\*-C. In line with many other independent schools, our Year 6 students did not sit National SAT tests this year. However, they performed very well in our internal end of year tests and they are a strong cohort.



**Extra-curricular activities**



In the UK Maths Challenge, pupils were awarded Silver and Bronze certificates. The Duke of Edinburgh Award Scheme continued to be popular, with pupils signed up for Gold, Silver and Bronze categories. There were a number of expeditions to various parts of the UK including the South Downs, the New Forest, Snowdonia and the Lake District. A number of students received their Bronze and Silver award certificates at a presentation evening at The Ashcombe School in Dorking in October. The Brackenbury Art Show was presented in the Kentner Room and attracted a large audience during the Summer Festival. It was judged by Martin Brackenbury, son of the first Headmaster of the School, and 29 awards were made. A number of trips were organised to enrich the History, English, Science and Maths curricula, and the year ended with an 'activities day' which included a trip to Chessington Zoo, a trip to an 'escape room' and an overseas trip to Bruges.

**Community engagement and Outreach**

Outreach is central to our ethos, and we are constantly developing our community engagement programme to ensure that the School serves the broader community to the best of its abilities. We visited several primary schools to perform to over 1000 pupils throughout the county. YMS pupils also gave two interactive concerts at The Menuhin Hall at the end of June reaching a further 5-600 primary school aged children.

*"I cannot tell you how enthralled they were by the whole experience. It was a wonderful opportunity from which all who went – staff and children alike – have really benefitted. In particular hearing your students play was astounding. They are buzzing with emotion and abundant joy over the whole visit."*

Susan Chrysanthou, Headteacher, Furzefield Primary School.



Our musicians also visited six care homes in 2019, including the Princess Alice Hospice in Esher, bringing live classical music to people who would not otherwise be able to attend concerts. Other performances in the local community included several at St Mary's Church Stoke d'Abernon as well as short performances for the Residents Associations of Cobham and Stoke d'Abernon.

Our project for GCSE and A-level composers has also been hugely successful over the last two years. Through this project, we provide support and advice on composing to pupils from other local schools. An introductory lecture (c. 90 pupils came to the first lecture in 2018) was followed by a detailed workshop at the school for all those wishing to take part. Our Outreach Officer then visited the participating schools every fortnight to give one-to-one advice on techniques of composition and musical notation. The project culminated in recording sessions at the end of March, where our pupils performed the young composers' pieces. The composers were then able to submit these recordings as part of their GCSE and A-level music exams.

### ***International relations***

In September, we hosted some 40 young musicians from the Geiko Institute in Tokyo. The whole day was given over to activities – both musical and other – in which the pupils from both schools worked together, and the day culminated in a concert in which each of our visitors played a part.

Throughout the year, we invited representatives from our pupils' Embassies and High Commissions to attend concerts at the School, to highlight the international reach of YMS and underline Yehudi Menuhin's outward-looking vision. We were delighted to welcome the Dutch Ambassador as well as diplomatic representatives from China, Taiwan, Serbia, Turkey, South Korea and the US, all of whom met their respective pupils.

### ***Excellent facilities***

In 2018/19, the development of the site continued with the refurbishment of Millfield Lodge into a two-bedroom staff flat and additional accommodation for three visiting teachers.

### ***Securing funding of pupils' fees from the department for education***

The school seeks to offer a significant number of places each year through the Department for Education's Music and Dance Scheme (MDS), which supports pupils who could not otherwise afford the fees. In 2018-19, the School secured 61 places (2017-18: 61 places) from MDS, which were utilised to the fullest extent possible during the academic year. The MDS funding resulted in a total of £2,108,733.93 (2017-18 £2,052,792) being paid directly to the School from Government.

### ***Raising funds for bursaries and student aid***

As for many charities, raising voluntary funds from trusts, foundations and individuals is a vital source of income for the School, enabling us to fulfil our charitable objectives as effectively as possible. We are grateful for the support given by all our donors.

The School believes that fundraising should be an open, honest and respectful process. We aim to build and maintain solid partnerships with our supporters and donors, based on mutual understanding and shared values. In developing our approach to fundraising we have taken account of the Code of Fundraising Practice issued by the Fundraising Regulator, and have voluntarily paid the Fundraising Levy. We abide by the Fundraising Promise, as outlined in the Code of Practice, and have internal procedures in place to protect vulnerable people and other members of the public from behaviour which is an unreasonable intrusion on a person's privacy or is unreasonably persistent, or places undue pressure on a person to give money or other property. The School operates with an internal fundraising team and did not outsource its fundraising activities to external parties during the financial year.

The School's Privacy Policy, published on our website, clearly states what personal data the School will hold in relation to supporters and how this data will be used. The School's Fundraising Complaints Procedure, published on our website, clearly outlines how to make a complaint about our fundraising activities. The School has received no complaints about its fundraising activities either during the financial year or subsequently.

In keeping with the School's mission of 'enabling children with potentially outstanding musical talent to attend the School, irrespective of their income, background, creed or country of origin,' the School offers additional

places to students who fall outside the residency criteria for MDS, or for whom there is no place available. After applying uniform means-testing, the School looks to its vital bursaries to make up the shortfall in fees, allowing promising students from all backgrounds to access the School's world-class music and academic education. The School also raises funds to provide means-tested small grants to students to take advantage of external opportunities, such as courses, masterclasses and competitions, which would significantly enhance their musical or personal development. The School is grateful in particular to the Humphrey Richardson Taylor Charitable Trust, the Radcliffe Trust and others who prefer to remain anonymous for their contributions towards the School's Student Hardship Fund (previously known as Student Aid).

The School has a linked charity, The Friends of Yehudi Menuhin School, who undertake their own fundraising activities for the School, and who generously donated £40,000 (2017-18: £45,000) in 2018-19, primarily for bursaries.

The School has been fortunate to continue to benefit from regular donations to the Bursary Fund from individual donors, trusts and foundations. Important contributions include those from the Oak Foundation (providing 5-year support with a significant annual gift of £100,000 until July 2019); the Leverhulme Trust (donating £200,000 over three years until September 2018); the Audrey Wilson Charitable Settlement, Mr Ronald and the Hon Mrs Rita McAulay, Nanette Peggie, Jocelin Harris, the Dorset Foundation – in memory of Harry M Weinrebe, the Henri Moerel Foundation, the Charles Michael Holloway Trust, the Behrens Foundation and many others.

In June, the School launched a new regular giving programme, The Menuhin Circle, to encourage multi-year gifts ranging between £1,000 and £5,000 per year in support of the School's Annual Fund. Take up of the scheme was encouraging and we aim to recruit a total of 50 members over the next five years, in order to generate a more predictable source of unrestricted income. The School also held the first 1963 Society dinner, to thank those supporters who have indicated that they will leave a gift to the School in their will and in order to encourage more Friends and other supporters to leave gifts to the School. The 1963 Society now has 24 members.

The School is deeply grateful for the significant contributions from its Governors, one of whom made two substantial gifts during the year to the School in support of core areas, including staff salaries.

#### ***A diverse range of income and funding sources***

The School operates with an internal fundraising team and does not outsource its fundraising activities to external parties. The School has invested in a full-time fundraising team of three people in order to reach its ambitious fundraising targets. A core pillar of the School's fundraising strategy is to encourage multi-year commitments wherever possible, thus increasing the predictability of this critical income stream.

In 2019/20 the School's main fundraising priorities will be:

- "In Year" Bursaries and further building up the School's Bursary Endowment Fund to allow the School to attract and retain the best pupils irrespective of their financial means
- The School's Annual Fund, an unrestricted fund to support areas of strategic priority
- The School's Student Hardship Fund, which provides additional small grants to students to take part in external opportunities (e.g. masterclasses) that will significantly enhance their musical or personal development
- International Fundraising
- Raising funds for specific items of capital expenditure

#### **DEVELOPMENT: INVESTING IN THE LONG-TERM FUTURE OF THE SCHOOL**

The Governors and Leadership Team consider the development of the School as a crucial objective in order to maintain its reputation as a world leader in music education, providing the highest quality of instrumental and keyboard training combined with a first class academic curriculum under one roof. 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 pupils to attend the School.

To achieve those ends, the School has identified a need for strong international relationships; high-quality, modern facilities for its students, educators and staff; designated funds for instruments; and a diverse range of income and funding sources.

### ***Strong international relationships***

In August, the School announced the setting up of its first international music school, to be located in Qingdao, China. YMS will work with the Qingdao Urban Construction Group to bring its unique model for music education to the Far East. The opening is planned for 2022-23.

YMS will contribute The Yehudi Menuhin School name and expertise in setting up and running a specialist music school within a holistic academic environment. Key appointments, including the Head, Director of Music and Bursar, will be controlled by YMS to ensure that Yehudi Menuhin's vision and ethos will run through every area of the new institution. There will be opportunities for teacher and pupil exchange, which will benefit both current and future pupils, and UK staff will visit regularly to carry out inspections to make certain that the new school is adhering to the ideals of its British parent school.

A city of 10 million people, Qingdao is ideally located between Beijing and Shanghai, just across the water from both South Korea and Japan, thus enabling The Yehudi Menuhin School China to attract the highest level of talent from the region. It has a flourishing economy both as a port city and as a tourist destination and is fast developing its cultural activities, with robust support from government departments and major private institutions such as the Qingdao Urban Construction Group (QUCG). QUCG's long-standing Chairman, Kong Shaowu, is a former musician and architect.

### ***High quality facilities***

The School has reached the end of the initial design phase for a new Academic Block. The incoming Chairman will work with the new Leadership Team to review and articulate a long-term strategic plan for the School, including options for improving the school's facilities and infrastructure.

### ***Funds for instruments***

The School continues to designate a portion of its funds for instruments, ensuring that its remarkable store of valuable violins, violas, cellos and associated bows are appropriately maintained and cared for, and that the store is updated with additional instruments as need arises. The School allocates a sum of money each year specifically for upgrading pianos.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

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 routine item on the agenda of all Committee and Council meetings in order to ensure that the process is regularly reviewed and updated.

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

## **FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

### **INCOME AND EXPENDITURE**

The School saw a significant increase in donations and legacy income in year, from £834,277 in 2017-18 to £1,244,338, reflecting a particularly significant legacy from a long-term supporter of the School. The loss for the year of £411,598 (2017-18: Profit £9,955) includes significant expenditure on facilities maintenance.

The total income increased by 13.9% to £4,684,923 (2017-18: £4,114,932) as a result of the increase in donations and legacies. The Governors are grateful for the £34,647 from trading activities in YMS Enterprises Limited (2017-18: £44,341) that is paid to The Yehudi Menuhin School Limited in the form of a Gift Aid donation. Total expenditure increased by 24.1% to £5,096,521 (2017-18: £4,104,977).

Total balance sheet funds of £22,494,687 are described in detail in note 14 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 £7,238,586 are capital in nature and the income is used both for core expenditure and to fund bursaries. A further £843,777 are restricted funds which can only be used for the specific purposes determined by the donors. Of this amount £700,976 is for the purposes of providing bursaries to support pupils who would otherwise be unable to attend the School.

#### FIXED ASSETS - INVESTMENTS

The investments 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 aim of the Governors is to maintain real capital growth while producing an income of 3.4% per annum or more from a portfolio of investments, both equities and fixed interest securities, property fund and cash deposits.

At year end the School held investments valued at £8,327,475 (2018 £8,043,990). The fund valuation includes an unrealised gain in the year of £256,262 (2018 £144,173).

#### RESERVES POLICY

The School holds £1,898,309 in Permanent Endowments and £5,340,277 in Expendable Endowments. The Governors are required to hold the capital in the permanent endowment and therefore are unable to convert it to income. However, income from the fund is included in Restricted Funds (Note 14b) and used for bursaries. Governors have the authority to convert the expendable endowment into income to support School activities. The income arising from this fund is included in the General Reserve. Details can be found in Note 14a to the accounts.

The Restricted Fund amounts to £843,777 (2017-18: £1,084,478) Details are in Note 14b to these Accounts.

In line with Charity Commission guidance that a Charity should maintain adequate reserves to ensure its ability to deliver its charitable objectives, the School holds unrestricted reserves for a number of purposes which are set out in Note 14c to 14e to the financial statements. Unrestricted 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 months' expenditure excluding depreciation, which amounts to an estimate of £1,222,000 as free reserves in a cash or liquid form. The General Reserves fluctuate during the School year and are at their lowest at the school year end, 31 August. At 31 August 2019 the general reserve was £433,191 (2017-18: £360,341). The General Reserve has been depleted due to the expenditure on essential facilities maintenance. Now that those works are complete, the Governors aim to replenish the General Reserve from normal operational income and donations.

#### PENSIONS

The School employees are members of one of two pension schemes: The Teachers' Pension Scheme and The People's Pension.

#### LEGAL STATUS

The Yehudi Menuhin School Limited, a company limited by guarantee (company number 00818389) and a registered charity (charity number 312010), was incorporated in 1964. The liability of Members in the event of the Company being wound up is limited to a sum not exceeding £1 each. The School was created in 1963 as a Charitable Trust.

The accounts include the results of The Friends of The Yehudi Menuhin School (registered charity number 312010-2).

A wholly owned non-charitable subsidiary, YMS Enterprises Limited, 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 as it is immaterial to the group, but is shown in note 21 to the financial statements.

A further non-charitable subsidiary, YMS China Limited was established in December 2018.

## AUDITORS

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

## GOVERNORS' RESPONSIBILITIES STATEMENT

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 regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the profit or loss of the charitable company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting 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 company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

## STATEMENT OF DISCLOSURE TO AUDITORS

So far as each person who was a Governor at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the Governors individually have taken all the necessary steps that they ought to have taken as Governors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the Council of Governors at its meeting on 3 December 2019 and signed on its behalf on 25<sup>th</sup> February 2020 by:



**David Buckley**  
Chairman of Governors

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE YEHUDI MENUHIN SCHOOL LIMITED**

### **Opinion**

We have audited the financial statements of Yehudi Menuhin School ('the company') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2018 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 prepared in accordance with the requirements of the Companies Act 2006.

### **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 financial statements 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 financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 financial statements 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 trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the trustees' annual report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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 trustees' 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 Trustees' Annual Report and from preparing a Strategic Report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page [x], the trustees (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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit.
- Evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Neil Finlayson*

Date *6/3/2020*

Neil Finlayson (Senior Statutory Auditor)  
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 2019**

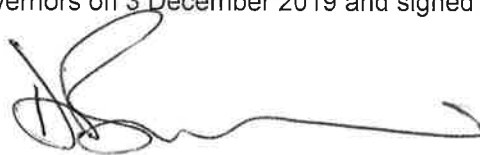
	Notes	School's Operation & other Activities	Endowment Funds	Restricted Funds	2019	2018 Restated
		£	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and legacies	2	745,508	10,000	488,830	<b>1,244,338</b>	834,277
Charitable activities	3	2,951,726	-	-	<b>2,951,726</b>	2,795,577
Other trading activities	4	141,295	-	-	<b>141,295</b>	142,572
Investments	5	172,903	-	84,180	<b>257,083</b>	252,072
Other	6	90,481	-	-	<b>90,481</b>	90,434
<b>Total Income</b>		<u>4,101,913</u>	<u>10,000</u>	<u>573,010</u>	<u><b>4,684,923</b></u>	<u>4,114,932</u>
<b>EXPENDITURE ON:</b>						
Raising funds	7	182,360	-	-	<b>182,360</b>	113,318
Trading Expenditure	7	187,183	-	-	<b>187,183</b>	185,428
Charitable activities	7	4,590,463	-	82,068	<b>4,672,531</b>	3,750,203
Other expenditure	7	54,447	-	-	<b>54,447</b>	56,028
<b>Total Expenditure</b>	7	<u>5,014,453</u>	<u>-</u>	<u>82,068</u>	<u><b>5,096,521</b></u>	<u>4,104,977</u>
Net gains/(losses) on investments	10	320	255,942	-	<b>256,262</b>	144,173
Other gains/(losses)	14a	-	-	-	-	-
<b>NET INCOME/ (EXPENDITURE)</b>		(912,540)	265,942	490,942	<b>(155,336)</b>	154,128
Transfers between funds	14b	687,473	-	(687,473)	-	-
<b>NET MOVEMENT IN FUNDS</b>		(224,747)	265,942	(196,531)	<b>(155,336)</b>	154,128
Reconciliation of funds:						
Total funds brought forward		14,637,071	6,972,644	1,040,308	<b>22,650,023</b>	22,495,895
<b>TOTAL FUNDS CARRIED FORWARD</b>	15	<u>14,412,324</u>	<u>7,238,586</u>	<u>843,777</u>	<u><b>22,494,687</b></u>	<u>22,650,023</u>

The notes on pages 19 to 36 form part of these financial statements

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

		2019		2018	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	9		<b>13,873,076</b>		14,009,283
Investments	10		<b>8,327,475</b>		8,043,990
			<b>22,200,551</b>		22,053,273
<b>CURRENT ASSETS</b>					
Stocks		<b>3,120</b>			3,034
Debtors	11	<b>283,026</b>			201,561
Cash at bank and in hand		<b>582,367</b>			877,597
		<b>868,513</b>			1,082,192
<b>CREDITORS:</b> amounts falling due within one year	12	<b>(574,377)</b>			(485,442)
<b>NET CURRENT ASSETS</b>			<b>294,136</b>		596,750
<b>NET ASSETS</b>			<b>22,494,687</b>		22,650,023
<b>FUNDS</b>					
Permanent Endowment Funds	14a	<b>1,898,309</b>			1,802,780
Expendable Endowment Funds	14a	<b>5,340,277</b>			5,169,864
Total Endowment Funds			<b>7,238,586</b>		6,972,644
Restricted Funds	14b		<b>843,777</b>		1,040,308
Designated Funds	14c	<b>106,056</b>			267,447
Fixed Asset Funds	14d	<b>13,873,077</b>			14,009,283
General Reserve	14e	<b>433,191</b>			360,341
			<b>14,412,324</b>		14,637,071
<b>TOTAL FUNDS</b>	15		<b>22,494,687</b>		22,650,023

Approved and authorised for issue by the Governors on 3 December 2019 and signed on their behalf on 25<sup>th</sup> February 2020 by:



**Mr David Buckley**, Chairman of Governors



**Mr John Everett**, Chairman of Finance & General Purposes Committee

**The notes on pages 19 to 36 form part of these financial statements**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	2019	2018
	£	£
<b>NET INCOME FOR THE REPORTING PERIOD</b>	<b>(155,335)</b>	<b>154,128</b>
<b>Adjustments for:</b>		
Dividends and interest income	(257,083)	(252,072)
Depreciation and impairment of tangible fixed assets	469,005	440,183
Unrealised (gains) on listed investments	(256,262)	(144,173)
<b>Movements in working capital:</b>		
Increase in stocks	(84)	(699)
Decrease/(Increase) in debtors	(81,465)	781,078
(Decrease)/Increase in creditors	88,935	(1,119,561)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(192,289)</b>	<b>(141,116)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(332,799)	(429,836)
Proceeds from sale of investments	255,100	246,910
Purchase of investments	(36,000)	(127,800)
Interest received from investments	1,981	5,162
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(111,718)</b>	<b>(305,563)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE PERIOD</b>	<b>(304,007)</b>	<b>(446,679)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>891,761</b>	<b>1,338,440</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>587,754</b>	<b>891,761</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Cash at bank and on hand	582,367	877,597
Investments	5,387	14,164
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>587,754</b>	<b>891,761</b>

The notes on pages 19 to 36 form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

---

### 1. ACCOUNTING POLICIES

The Yehudi Menuhin School Limited is a charitable company limited by guarantee and registered in England and Wales. The address of the registered office is Millfield, Cobham Road, Stoke D'Abernon, Surrey, KT11 3QQ.

#### a) Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The School and its subsidiary are a public benefit group for the purposes of FRS 102 and therefore the School also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SOP), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the School. Monetary amounts in these financial statements are rounded to the nearest pound.

YMS Enterprises Limited, a company limited by guarantee, was incorporated on 17 December 2008 as a wholly owned subsidiary of the School. The School has not prepared 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 21.

#### b) Going Concern Basis

The Governors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the School to continue as a going concern. The Governors have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Governors have considered the School's forecasts and projections and have taken account of pressures on income. After making enquiries the Governors have concluded that there is a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. The School therefore continues to adopt the going concern basis in preparing its financial statements.

#### c) Fees receivable and similar income

Fees receivable comprise tuition fees including fees paid by parents, grants towards fees from the Department for Education through the Music and Dance Scheme and the parental contributions.

#### d) Governments Grants Receivable

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

#### e) 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.

#### f) 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.

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019**

---

### **1. ACCOUNTING POLICIES (CONTINUED)**

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

#### **g) Resources expended**

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

Expenditure on Raising Funds includes the costs incurred in generating voluntary income, for example, donations and legacies. Charitable Activities comprise 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. Governance costs include the costs now being apportioned to charitable activities incurred for compliance with constitutional and statutory requirements.

#### **h) 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.

#### **i) Taxation**

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

#### **j) 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 FRS102, therefore, the scheme is accounted for as a defined contribution scheme.

All non-teaching staff are entitled to join a group personal pension scheme. The current scheme for the purpose of auto enrolment is The People's Pension a money purchase Scheme.

#### **k) 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 their original cost where this information is known, at an estimated valuation in 2002 where they were donated prior to 2002, or at an estimated valuation at the date of donation if this is after 2002.

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.

#### **l) Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

---

### 1. ACCOUNTING POLICIES (CONTINUED)

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:

Assets under construction	- nil
Freehold Buildings	- 2% on cost
Furniture and Equipment	- 25% on cost
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.

Land is not depreciated and freehold buildings are only depreciated once brought into use.

#### m) Investments

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

Investment property is included in the financial statements at fair value, with any surplus or deficit on revaluation included as an unrealised gain or loss.

#### n) Stocks

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

#### o) 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.

#### p) Leases

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

#### q) 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 School's activities.

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

#### r) Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimate are considered by the Governors to have the most significant effect on amounts recognised in the financial statements.

---

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**1. ACCOUNTING POLICIES (CONTINUED)**

**i. Instrument valuation**

String instruments are included in the accounts at original cost or an estimated value if donated prior to 2002 or an estimated value at date of donation after 2002. The values are sensitive to the condition of the instrument and external market factors.

**ii. Depreciation**

The annual depreciation charge for property, plant and equipment is sensitive to change in useful economic life and residual values of assets. These are reassessed annually.

**iii. Valuation of investments**

The value of investments reflects the movement of the stock and other markets and can therefore decrease as well as increase. The value of the investment property is dependent on factors affecting house prices in the United Kingdom and local market fluctuations.

**s) Financial instruments**

**i. Cash and cash equivalents**

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

**ii. Basic financial instruments**

The charity only holds basic financial instruments as defined by FRS 102. Financial instruments receivable or payable within one year of the reporting date are carried at their at transaction price and subsequently at amortised cost.

<b>2. INCOME FROM DONATIONS AND LEGACIES</b>	<b>2019</b>	<i>2018</i>
	<b>£</b>	<b>£</b>
<b>Donations and Legacies</b>		
Unrestricted funds	745,508	112,754
Restricted funds	488,830	712,943
Endowed funds	10,000	8,580
<b>Total Donations and Legacies</b>	<b><u>1,244,338</u></b>	<b><u>834,277</u></b>

<b>3. INCOME FROM CHARITABLE ACTIVITIES</b>	<b>2019</b>	<i>2018</i>
	<b>£</b>	<b>£</b>
<b>School Fees</b>		
Unrestricted funds		
Gross fees	3,666,550	3,334,614
Less bursaries	<u>(714,824)</u>	<u>(539,037)</u>
<b>Total Charitable Activities</b>	<b><u>2,951,726</u></b>	<b><u>2,795,577</u></b>



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

<b>4. INCOME FROM OTHER TRADING ACTIVITIES</b>	<b>2019</b>	<i>2018</i>
		<i>Restated</i>
<b>Trading Income</b>	£	£
Unrestricted funds	<u><b>141,295</b></u>	<u>142,572</u>
 <b>5. INCOME FROM INVESTMENTS</b>		
	<b>2019</b>	<i>2018</i>
		<i>Restated</i>
<b>Dividends and interest receivable</b>	£	£
Unrestricted funds	172,903	170,869
Restricted funds	<u>84,180</u>	<u>81,203</u>
<b>Total investment income</b>	<u><b>257,083</b></u>	<u>252,072</u>
 <b>6. OTHER INCOME</b>		
	<b>2019</b>	<i>2018</i>
		<i>Restated</i>
	£	£
Unrestricted funds		
Friends of the Yehudi Menuhin School	47,277	47,852
Other Income	<u>43,204</u>	<u>42,582</u>
	<u><b>90,481</b></u>	<u>90,434</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

7. ANALYSIS OF EXPENDITURE	2019	2018
	£	£
<b>Expenditure on raising funds</b>		
Unrestricted funds		
Fundraising Costs:		
Direct employee costs	144,856	104,579
Other direct costs	<u>37,504</u>	<u>8,739</u>
	182,360	113,318
Trading Expenditure Costs:		
Direct employee costs	84,010	80,157
Other direct costs	<u>103,173</u>	<u>105,271</u>
	<u>187,183</u>	<u>185,428</u>
<b>Total expenditure on Raising Funds</b>	<b>369,543</b>	298,746
<b>Expenditure on Charitable Activities</b>		
Direct employee costs allocated to:		
Teaching	1,882,229	1,566,382
Welfare	212,272	192,387
Premises	76,965	63,280
School Support	361,968	257,977
Other direct costs allocated to:		
Teaching	302,094	206,815
Welfare	207,790	184,082
Premises	958,167	968,489
School Support	628,621	290,578
Support and governance costs allocated to:		
Teaching	<u>42,425</u>	<u>20,103</u>
<b>Total expenditure on Charitable Activities</b>	<b><u>4,672,531</u></b>	<b><u>3,750,203</u></b>
<b>Other Expenditure</b>		
School Support	<u>54,447</u>	<u>56,028</u>
<b>Total Expenditure</b>	<b><u>5,096,521</u></b>	<b><u>4,104,977</u></b>

The School incurred expenditure paid to the School's auditor of £18,500 (2018: £16,100) for auditor's remuneration, and £3,365 (2018: £nil) for non-audit services.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**8. EMPLOYEES AND TRUSTEES**

**a) Analysis of total employees costs**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Salaries and wages	1,855,380	1,550,231
Social security costs	173,239	143,449
Pension costs:		
Defined benefit schemes	147,463	129,136
Occupational schemes	100,493	78,699
	<u>2,276,575</u>	<u>1,901,515</u>
Self-employed and agency staff	485,725	363,256
	<u><b>2,762,300</b></u>	<u><b>2,264,771</b></u>

**b) Employee Costs**

The total number of employees whose remuneration in the year, excluding pension contributions paid directly by the School, exceeded £60,000 were:

	<b>2019</b>	<b>2018</b>
£60,000-£70,000	-	4
£70,001-£80,000	3	-
£160,001-£170,000	1	-
	<u><b>4</b></u>	<u><b>4</b></u>

**The School contributed £27,802 (2018 £33,398) to defined benefit schemes and £17,166 (2018 £nil) to defined contribution schemes.**

**c) Average monthly number of employees (full-time equivalent)**

	<b>2019</b>	<b>2018</b>
Teaching staff	22	19
Non-teaching staff	22	20
	<u><b>44</b></u>	<u><b>39</b></u>

- d)** No Governor (2018: No governors) was reimbursed travel expenses totalling £nil (2018: £nil). Trustees' Indemnity insurance cost £140 (2018: £140). No Governors received remuneration in the year (2018: £nil). Donations were also received from 9 Governors during the year totalling £54,402.

Key management personnel include the Governors (who are not remunerated) and the Leadership team. The total number of key management personnel receiving pay and benefits is 6 (2018: 5). The total remuneration including pension contributions, employers National Insurance and benefits totalled £595,842 (2018: £471,184).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**9. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Musical instruments £	Furniture and academic equipment £	Motor vehicles £	Fixtures and Fittings £	Total £
<b>COST OR VALUATION</b>						
At 1 September 2018	15,172,782	2,003,418	815,610	45,950	222,462	<b>18,260,222</b>
Additions	194,607	-	32,788	-	105,403	<b>332,799</b>
<b>At 31 August 2019</b>	<b>15,367,389</b>	<b>2,003,418</b>	<b>848,398</b>	<b>45,950</b>	<b>327,865</b>	<b>18,593,020</b>
<b>DEPRECIATION</b>						
At 1 September 2018	2,815,788	573,574	775,710	41,375	44,492	<b>4,250,939</b>
Charge for the year	302,563	67,853	32,702	1,525	64,362	<b>469,005</b>
<b>At 31 August 2019</b>	<b>3,118,351</b>	<b>641,427</b>	<b>808,412</b>	<b>42,900</b>	<b>108,854</b>	<b>4,719,944</b>
<b>NET BOOK VALUE</b>						
<b>At 31 August 2019</b>	<b>12,249,038</b>	<b>1,361,991</b>	<b>39,986</b>	<b>3,050</b>	<b>219,011</b>	<b>13,873,076</b>
<i>At 31 August 2018</i>	<i>12,356,994</i>	<i>1,429,844</i>	<i>39,900</i>	<i>4,575</i>	<i>177,970</i>	<i>14,009,283</i>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

<b>10. INVESTMENTS</b>	<b>2019</b>	<b>2018</b>
All investments are held within the UK	£	£
Market value at 1 September 2018	7,679,826	7,407,853
Acquisitions at cost	36,000	127,800
Disposals at open market value	(-)	(-)
Unrealised gains	<u>256,262</u>	<u>144,173</u>
<b>Market value at 31 August 2019</b>	<b><u>7,972,088</u></b>	<b><u>7,679,826</u></b>
<b>Historic cost at 31 August 2019</b>	<b><u>5,526,023</u></b>	<b><u>5,490,023</u></b>
	<b>2019</b>	<b>2018</b>
<b>Investment Properties</b>	£	£
Valuation at 1 September 2018 and 31 August 2019	<u>350,000</u>	<u>350,000</u>
	<b>2019</b>	<b>2018</b>
<b>Summary of investments</b>	£	£
Cash held for re-investment	5,387	14,164
Investments	7,972,088	7,679,826
Investment property	350,000	350,000
	<u>8,327,475</u>	<u>8,043,990</u>

Included in Investments are financial assets carried at fair value of £7,972,088 (2018: £7,679,826). Investment Properties were valued at as at 31 August 2019 on the basis of market value. The governors do not consider there has been any material change since then.

<b>11. DEBTORS: amounts falling due within one year</b>	<b>2019</b>	<b>2018</b>
	£	£
Fee debtors (net of doubtful debts provision)	107,909	9,249
Amounts owed by subsidiaries	36,523	31,949
Prepayments	36,090	65,217
Accrued income	<u>102,504</u>	<u>95,146</u>
	<b><u>283,026</u></b>	<b><u>201,561</u></b>

Included in debtors are financial assets valued at amortised cost of £246,397 (2018 £136,344). This includes fee debtors, amounts owed by subsidiary and accrued income.

Fee debtors includes the final instalment of the MDS funding owed from the prior year. This balancing figure varies depending on the change in circumstances of the pupils over the course of the year. In 2018 funding due was at a very low level, while in 2019 the claim eligibility level increased over the course of the year.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

<b>12. CREDITORS: amounts falling due within one year</b>	<b>2019</b>	<b>2018</b>
	£	£
Trade creditors	86,800	90,783
Other creditors	94,627	81,577
Taxation and social security	50,559	38,414
Deferred fee income	131,113	179,044
Accruals	211,278	95,624
	<u><b>574,377</b></u>	<u><b>485,442</b></u>

Included in creditors are financial liabilities valued at amortised cost of £392,705 (2018: £267,984). These include trade creditors, other creditors and accruals.

**Deferred Fee Income and Ticket Sales**

	<b>2019</b>	<b>2018</b>
	£	£
Deferred fee income at 1 September 2018	179,044	1,039,843
Fees released to the income statement	(179,044)	(1,039,843)
Deferred fee income for Autumn Term 2019	83,189	133,983
Deferred income ticket sales	47,974	45,061
	<u><b>131,113</b></u>	<u><b>179,044</b></u>

**13. PENSION COMMITMENTS**

**The Teachers' Pension Scheme**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £147,463 (2018: £129,136) and at the year-end £0 (2018 - £0) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). 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 by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

**The People's Pension**

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The charge to the statement of financial activities in respect of the defined contribution scheme was £100,493 (2018 £78,699).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**14a ENDOWMENT FUNDS**

	<b>Balance 01.09.18 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Net Investment Gains £</b>	<b>Transfers £</b>	<b>Balance 31.8.19 £</b>
<b>Permanent Endowments</b>	1,802,780	10,000	-	85,529	-	<b>1,898,309</b>
<b>Expendable Endowments</b>	5,169,864	-	-	170,413	-	<b>5,340,277</b>
	<b>6,972,644</b>	<b>10,000</b>	<b>-</b>	<b>255,942</b>	<b>-</b>	<b>7,238,586</b>

	<b>Balance 01.09.17 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Net Investment Gains £</b>	<b>Transfers £</b>	<b>Balance 31.8.18 £</b>
<b>Permanent Endowments</b>	1,746,329	8,580	-	47,871	-	<b>1,802,780</b>
<b>Expendable Endowments</b>	5,073,562	-	-	96,302	-	<b>5,169,864</b>
	<b>6,819,891</b>	<b>8,580</b>	<b>-</b>	<b>144,173</b>	<b>-</b>	<b>6,972,644</b>

**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.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**14b RESTRICTED FUNDS**

	<b>Balance 01.09.18</b>	<b>Income</b>	<b>Expenditure</b>	<b>Investment Gains</b>	<b>Transfers</b>	<b>Balance 31.08.19</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Bursary Funds</b>	911,843	503,957	-	-	(714,824)	<b>700,976</b>
<b>Other Restricted Funds</b>	128,465	69,053	(82,068)	-	27,351	<b>142,801</b>
	<u>1,040,308</u>	<u>573,010</u>	<u>(82,068)</u>	<u>-</u>	<u>687,473</u>	<b><u>843,777</u></b>
	<b>Balance 01.09.17</b>	<b>Income As Restated</b>	<b>Expenditure As Restated</b>	<b>Investment Losses</b>	<b>Transfers</b>	<b>Balance 31.08.18 As Restated</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Bursary Funds</b>	750,738	700,142	-	-	(539,037)	911,843
<b>Other Restricted Funds</b>	120,036	94,004	(85,577)	-	-	128,465
	<u>870,774</u>	<u>794,146</u>	<u>(85,577)</u>	<u>-</u>	<u>(539,037)</u>	<b><u>1,040,308</u></b>

**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 Head and Governors

**Other Restricted Funds:** These funds arise from grants and donations made for specific purposes other than bursaries. These funds arise from grants and donations made for the specific purpose of Outreach projects.

**Student Aid:** These funds have principally derived from the efforts of students, i.e. concerts and recitals, and donations for student aid.

**Transfer of Funds:** The transfer of funds from the restricted Bursary Funds to the unrestricted General Reserve represents the bursaries provided to students in the year.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**14c DESIGNATED FUNDS**

	<b>Balance 01.09.18</b>	<b>Income</b>	<b>Expenditure</b>	<b>Investment Gains</b>	<b>Transfers</b>	<b>Balance 31.08.19</b>
	£	£	£	£	£	£
<b>Designated Funds</b>						
White House Art Fund	776	-	-	-	-	<b>776</b>
Wallace Curzon	2,500	2,500	-	-	-	<b>5,000</b>
The Instrument Fund	220,000	-	-	-	(220,000)	-
Designated Bursary Fund	-	99,960	-	320	-	<b>100,280</b>
Student Aid	44,171	-	-	-	(44,171)	-
	<b>267,447</b>	<b>102,460</b>	<b>(-)</b>	<b>320</b>	<b>(264,171)</b>	<b>106,056</b>

	<b>Balance 01.09.17</b>	<b>Income As Restated</b>	<b>Expenditure As Restated</b>	<b>Investment Losses</b>	<b>Transfers</b>	<b>Balance 31.08.18</b>
	£	£	£	£	£	£
<b>Designated Funds</b>						
White House Art Fund	776	-	-	-	-	<b>776</b>
Wallace Curzon	-	2,500	-	-	-	<b>2,500</b>
The Instrument Fund	220,000	-	-	-	-	<b>220,000</b>
Student Aid	-	61,004	(16,833)	-	-	<b>44,171</b>
	<b>220,776</b>	<b>63,504</b>	<b>(16,833)</b>	<b>-</b>	<b>-</b>	<b>267,447</b>

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

**Wallace Curzon:** Income of £2,500 is received on an annual basis from Wallace Curzon. These funds are usually given to students in their final year when they leave the School.

**Designated Bursary Fund:** This is legacy income received in year which has no restrictions placed upon it, hence it has been designated. This is to be used for bursaries as and when the need arises.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**14d FIXED ASSET FUNDS**

	Balance 01.09.18 £	Income £	Expenditure £	Investment Gains £	Transfers £	Balance 31.08.19 £
Fixed Asset Funds	14,009,283	-	-	-	(136,206)	<b>13,873,077</b>

	Balance 01.09.17 £	Income £	Expenditure £	Investment Gains £	Transfers £	Balance 31.08.18 £
Fixed Asset Funds	14,019,630	-	-	-	(10,347)	14,009,283

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

**14e GENERAL RESERVE**

	Balance 01.09.18 £	Income £	Expenditure £	Transfers £	Balance 31.08.19 £
General Reserve	360,341	3,999,453	(5,014,453)	1,087,850	<b>433,191</b>

	Restated Balance £	Income £	Expenditure £	Transfers £	Restated Balance 31.08.18 £
General Reserve	564,824	3,309,706	(4,063,574)	549,385	360,341

**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 £1,222,000, 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).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

<b>2019</b>	<b>Permanent Endowment £</b>	<b>Expendable Endowment £</b>	<b>Restricted Funds £</b>	<b>Unrestricted Funds £</b>	<b>Total £</b>
Tangible Fixed Assets	-	-	-	13,873,076	<b>13,873,076</b>
Investments	1,898,309	5,340,277	700,976	387,913	<b>8,327,475</b>
Net Current Assets	-	-	142,801	151,335	<b>294,136</b>
<b>Total Net Assets</b>	<b>1,898,309</b>	<b>5,340,277</b>	<b>843,777</b>	<b>14,412,324</b>	<b>22,494,687</b>

<b>2018</b>	<b>Permanent Endowment £</b>	<b>Expendable Endowment £</b>	<b>Restricted Funds £</b>	<b>Unrestricted Funds £</b>	<b>Restated Total £</b>
Tangible Fixed Assets	-	-	-	14,009,283	<b>14,009,283</b>
Investments	1,802,780	5,169,864	911,843	159,502	<b>8,043,990</b>
Net Current Assets	-	-	128,465	468,286	<b>596,751</b>
<b>Total Net Assets</b>	<b>1,802,780</b>	<b>5,169,864</b>	<b>1,040,308</b>	<b>14,637,071</b>	<b>22,650,023</b>

**16. SHARE CAPITAL**

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

The liability of the 16 members is limited to £1.00 each.

**17. OPERATING LEASES**

As at 31 August 2019 the School's future minimum operating lease payments are as follows:

	<b>31 August 2019 £</b>	<i>31 August 2018 £</i>
Other:		
Not later than one year	9,546	11,158
Later than one year and not later than 5 years	14,401	32,609
	<u>23,947</u>	<u>43,768</u>

**18. STATUS**

The School is a registered charity and, therefore, is not liable for income tax or corporation tax in income derived from its charitable activities as it falls within the various exemptions available to registered charities.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**19. CONTRIBUTION TO ASSETS OF THE SCHOOL**

Every Governor undertakes to contribute to the assets of the School, in the event of the same being wound up while a member, or within one year after ceasing to be a member. This is for payment of the debts and liabilities of the School contracted before ceasing to be a member and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required not exceeding one pound sterling per member.

**20. CAPITAL COMMITMENTS**

Capital expenditure contracted at 31 August 2019 amounted to £nil (2018: £125,200). Capital expenditure authorised but not contracted amounted to £nil (2018: £nil).

**21. SUBSIDIARY UNDERTAKING**

YMS Enterprises Limited (company registration number 06775727; registered address Yehudi Menuhin School, Millfield, Stoke D'Abernon, Cobham, KT11 3QQ) 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 Limited for the year to 31 August 2019 which are not consolidated with the School's financial statements, showed the following position:

**BALANCE SHEET**

	<b>31 August 2019</b>	<i>31 August 2018</i>
	£	£
<b>CURRENT ASSETS</b>		
Cash at bank and in hand	53,226	66,707
Debtors	22,811	17,235
<b>CREDITORS: amounts falling due within one year</b>	<u>(42,240)</u>	<u>(49,295)</u>
<b>TOTAL NET ASSETS</b>	<u>33,797</u>	<u>34,647</u>
<b>RESERVES</b>		
Profit and loss account	<u>33,797</u>	<u>34,647</u>
<b>PROFIT AND LOSS ACCOUNT</b>		
Turnover	183,066	184,398
Operating costs	<u>(117,090)</u>	<u>(118,574)</u>
<b>GROSS PROFIT</b>	65,976	65,824
Administrative expenses	<u>(32,179)</u>	<u>(31,177)</u>
<b>PROFIT ON ORDINARY ACTIVITIES</b>	33,797	34,647
Retained profit brought forward	34,647	44,341
Amount distributed to YMS under Gift Aid	<u>(34,647)</u>	<u>(44,341)</u>
<b>RETAINED PROFIT</b>	<u>33,797</u>	<u>34,647</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**YMS China**

YMS China Limited (company registration number 11712861; registered address Yehudi Menuhin School, Millfield, Stoke D'Abernon, Cobham, KT11 3QQ) is a wholly owned subsidiary undertaking registered in England and Wales, which was incorporated as a company limited by guarantee on 5 December 2018. The principal activities of the company are to offer cultural education on the ethos and methodology principles of Yehudi Menuhin in running educational establishments. 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 China Limited for the period 5 December 2018 to 31 August 2019 which are not consolidated with the School's financial statements, showed the following position:

Income £50,000

Operating Costs £66,392

Deficit (£16,392)

**BALANCE SHEET:**

Creditor - Intercompany account (£16,392)

Reserves (£16,392)

**22. RELATED PARTY TRANSACTIONS**

During the year, YMS Enterprises Limited had transactions totalling £189,838 (2018 £204,848) with the School. At 31 August 2019, £20,131 (2018 £31,949) was owed by YMS Enterprises Limited.

At 31 August 2019, £16,392 (2018: £nil) was owed by YMS China Limited.