The Yehudi Menuhin School Limited

(A Company Limited by Guarantee)

Incorporated in England and Wales No. 00818389
Registered Charity No. 312010

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

For the year ended

31 August 2020

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The Yehudi Menuhin School Limited

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The Yehudi Menuhin School Limited

REPORT OF THE GOVERNORS
for the year ended 31 August 2020

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 and up to the date of this report were as follows:

- * David Buckley (Chairman)
- * Geoffrey Richards (Vice Chairman)
- Dominic Benthall
- * Lord Blackwell
- Kate Costeloe
- * Jonathan Deakin
- * John Everett
- * Andrew Hunter Johnston
- * Anna Joseph (resigned 1 December 2020)
- Stuart Mitchell (resigned 17 October 2019)
- * John Pagella
- Alice Phillips
- Vanessa Richards
- Baroness Fleet CBE
- 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 864739 admin@menuhinschool.co.uk www.menuhinschool.co.uk
COMPANY NUMBER	00818389
CHARITY NUMBER	312010
PRESIDENT EMERITUS	Daniel Barenboim KBE
CO-PRESIDENT	Tasmin Little OBE
VICE PRESIDENTS	Barbara R D Fisher OBE The Hon. Mrs Zamira Menuhin Benthall
GOVERNORS EMERITUS	Daniel Hodson Anne Simor
MUSICAL PATRONS	Steven Isserlis CBE Sir András Schiff
ADVISORS	Oscar Lewisohn Stuart Mitchell Richard Morris

The Yehudi Menuhin School Limited

REPORT OF THE GOVERNORS
for the year ended 31 August 2020

HEAD	Benjamin Gudgeon (Appointed 1 April 2020) Richard Tanner MA (interim) (Resigned 30 June 2020)
DIRECTOR OF MUSIC	Ashley Wass (Appointed 1 April 2020) Oscar Colomina I Bosch PhD MMus BMus (Resigned 31 March 2020)
BURSAR	Shelley Twitchin MMus PGDip FCCA (Maternity Leave from 22 July 2019) Jacqueline Whittingham BScEcon MScFin (Interim from 22 July 2019)
DIRECTOR OF STUDIES	David Bruce
DEVELOPMENT DIRECTOR	Alix de Mauny
HEAD OF PASTORAL CARE	Joanne Field
AUDITORS	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
BANKERS	Lloyds Bank plc 39 Threadneedle Street London EC2R 8AU
INSURANCE BROKERS	Marsh Capital House 1-5 Perrymount Road Haywards Heath West Sussex RH16 3SY Aston Lark Limited Ibex House 42-47 Minories London EC3N 1DY
INVESTMENT MANAGERS	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 2020.

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 2020. 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).

REFERENCE AND ADMINISTRATIVE INFORMATION

The Yehudi Menuhin School was originally founded in 1963 by celebrated violinist Yehudi Menuhin as a charitable trust. The Yehudi Menuhin School Ltd, a company limited by guarantee (company number 00818389) and a registered charity (charity number 312010) was incorporated in September 1964. The liability of its Members in the event of the Company being wound up is limited to a sum of £1 each. The School is governed by its Memorandum and Articles of Association, updated in 2015.

GROUP STRUCTURE AND RELATIONSHIPS

The accounts include the results of The Friends of The Yehudi Menuhin School (registered charity number 312010-2). It raised funds from its members to donate to the school, and is governed by its Board.

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 company oversees the School's trading activities, and is governed by its Board. A further non-charitable subsidiary, YMS China Limited was established in December 2018 to promote the principles and ethos of the Yehudi Menuhin School in China by providing advisory services and granting rights. It oversees the School's activities in China, and is governed by its Board.

The subsidiaries results are not consolidated with the School's financial statements as they are immaterial to the group. The results for the year are shown in note 23 in the financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING BODY

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 Governors when required.

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 reviews 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.

LEADERSHIP

There were further changes to the Leadership Team this year. Richard Tanner, who had served the school as Interim Head since June 2019, handed over to Ben Gudgeon as Headmaster on April 1 2020. Ashley Wass also joined the school on April 1 2020 as Director of Music, succeeding Oscar Colomina I Bosch. Jacquie Whittingham was appointed as Interim Bursar to provide maternity cover from July 2019.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

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.

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. From September until March 2020, around 300 primary school pupils, whose access to music education is limited, benefited from the School's outreach activities. This was a reduction on previous years due to the Coronavirus pandemic.

CHARITABLE OBJECTS

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 for 2019 – 2020 were:

- 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.

The School's achievement of its objectives is evidenced by pupil performance and learning outcomes. The School's commitment to access for talented pupils of all backgrounds is evidenced by consistent, ongoing, means tested financial support to 90% of pupils via MDS or school bursaries. The School's financial performance is evidenced by performance against budget, as well as percentage increases in decreases in both revenues and costs. These measures are shown in the Financial Review section of this report.

ACHIEVEMENTS AND PERFORMANCE

'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

Despite the impacts of Covid-19, the School maintained a high level of musical activity and has remained engaged with the wider community.

Although public concerts were cancelled or postponed for much of 2020, the School continued to produce virtual content which was shared with each external promoter who had intended to host pupils for performances. Examples of this were the Tour of the North in April 2020, the Wigmore Hall Leaver's Concert in June, and the festivals of Thaxted and Gower. For each of these events, all pupils who had been chosen to participate were asked to record pieces of music which were edited together to form cohesive concerts and then published online.

A notable collaboration took place with Grange Park Opera in June, when a number of students visited GPO to record performances for the *Found Season*. This received considerable national publicity and was broadcast on the GPO website as part of a highly prestigious series of events. Coco Tomita, one of the participants in this event, has recently returned to GPO for further performances, including Tchaikovsky's Violin Concerto.

Although the closure of the School meant we were unable to hold our regular Showcase concerts, archive footage from previous years was sent out on a weekly basis to friends and supporters of the School.

The annual Summer Festival was a great success, despite running as a virtual festival in 2020. Much expanded in concept from recent years, it featured daily interviews with renowned industry figures, from which the students learned a great deal, performances from staff and alumni, the presentation of two significant collaborative

compositions projects, *Sonic Postcards* and *Around the World in 80 Minutes*, and evening Showcase-style concerts, which were pre-recorded and broadcast as if live on the School's YouTube channel. A Virtual Exhibition Space, showcasing work from all areas of the School, complimented the musical events, while academic staff and students were encouraged to create their own supplementary content throughout the week.

Other notable events, prior to lockdown, included a successful concerts at Phyllis Court in Henley, the Soane Museum, the Atheneum Club, Painshill Park and the Wimbledon Festival.

A number of artists have visited the School to give masterclasses, including alumni Colin Carr and Alexander Chaushian, and the guitarist Tilman Höppstock.

Once again, there were a number of notable competition successes. Coco Tomita won the Strings section of the BBC Young Musician of the Year and was subsequently signed to an exclusive recording contract by Orchid Classics. Duru Erdogan was the winner of the Young Pianist of the North Competition, Viviane Pletkotkhine won the China-UK International Music Competition and Caterina Isaia won the Jan Vychtil Cello Competition.

BOARDING PROVISION

The school's boarding community and pastoral care support our pupils' musical, academic and social development. The School has two separate boarding houses, accommodating up to 34 boys, and up to 37 girls. We offer full or weekly boarding and presently 17 of our 85 pupils are day pupils.

Each house has a live-in Housemistress and Assistant Houseparent working full time, solely dedicated to the boarding role, and 4 other staff live on site, supporting the team and undertaking one or two evening shifts per week. There is always a Designated Safeguarding Lead or a deputy on site and a member of the Leadership team is available for any necessary support, including out of hours and at weekends.

The houses cultivate a family feel and the pupils often refer to school as their 'other home'. Younger pupils look up to the older ones as they would siblings, and older pupils frequently voice that they take pleasure in guiding the younger pupils both musically and morally. The community extends across the houses; there is no great divide between boys and girls.

One of the most important aspects of boarding is to ensure that there is enough 'down time' and that the pupils have protected time in which they can properly rest. Their days are long and physically tiring, and so time away from their instruments is vital. Weekends provide a good opportunity to relax and take part in extracurricular activities, if they would like to. This could be anything from baking or a craft activity, to playing football, walking in local areas of outstanding beauty, gardening and helping to clear and rejuvenate the pond and create a wooded path, visits to museums or local areas of interest, bowling or blackberry picking and crumble making, to name just a few. These trips and activities are free to attend and open to all ages, and a good mix of pupils regularly attend.

The boarding environment lends itself to staff being able to observe and support social development amongst the pupils. They learn the importance of listening to others, whilst being able to challenge and discuss differing opinions. They learn how to harmoniously share living space and they are encouraged to be kind and tolerant of each other's differences. The houses promote an all-inclusive ideology where everyone has equal worth and has the opportunity to speak their mind, without fear of reproach or judgement.

As the pupils move through the school, they are given more responsibility and opportunities to develop as responsible young adults. They may mentor a younger pupil, or help to host a Friends' reception, where they meet donors and visitors to the school. They are expected to speak with confidence at these events, and it forms an important part of their training in self-promotion and presence, crucial for future success at Conservatoire or the stage.

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, the Royal Academy of Music, the Universitat der Kunste in Vienna, the Trossingen Musikhochschule, the Hochschule für Musik Hanns Eisler (Berlin), and Conservatori Superior de Música del Liceu (Spain).

ACADEMIC ACHIEVEMENTS

On the academic front, pupils continued to perform exceptionally well. In June 2020, pupils achieved a record 50% A* grades at A level (2019 43%), with 81% A*-A, 92% A*-C and 100% A*-E. At GCSE, pupils achieved 44% 8/9 (A*) (2019 40%), 65% 9-7 (A*-A and 100% 9-4 (A*-C).

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 Silver and Bronze categories. There were a number of expeditions to various parts of the UK including the South Downs, the Surrey Hills and the New Forest. The Brackenbury Art Show was presented in a Virtual Learning Space and attracted a large online audience during the Virtual Summer Festival. It was judged by Martin Brackenbury, son of the first Headmaster of the School, and 18 awards were made. A number of trips were organised to enrich the History, English, Science and Maths curricula, but unfortunately the end of year 'activities day' was cancelled due to the Coronavirus Pandemic.

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. To support the expansion of the School's outreach activities we appoint dynamic and enthusiastic individuals to lead Outreach projects and drive forward the profile of initiative, diversifying our engagement, nurturing new contacts and placing Outreach at the heart of school life.

Although we were unable to visit local schools during the lockdown period, we have continued to actively pursue outreach projects over the past few months. To honour our Schools Concert, all 14 YMS student pianists collaborated to record Poulenc's *Babar the Elephant* and the narration was provided by Chris Jarvis, a popular presenter on the television channel, CBBC. This performance was not only shared with local schools, it was also broadcast on the national children's radio station, Little Radio.

For the first time ever, all five UK-based specialist music schools collaborated to create a virtual orchestra of nearly 100 children, performing a specially commissioned work by the classical / jazz composer, Gwilym Simcock. The video of this performance has been shared widely online and will shortly be broadcast on BBC Radio 3.

We visited several primary schools, reaching over 700 local school children, with a number of our younger students performing in concerts presented by YMS staff. Our composition workshops also travelled around the county and provided an invaluable introduction to and initial exploration of the art of composing.

Our large-scale outreach project for 2019-20 was *Dragons*, a cantata for primary school pupils written by former YMS Director of Music, Malcolm Singer. A concert was organised which involved approximately 250 pupils from primary schools around Horsham, accompanied by an orchestra drawn from the West Sussex String Academy with section leaders from YMS. We attended two workshop sessions in which 9 of our pupils helped younger players learn their parts, and there was an orchestral rehearsal at YMS for the complete orchestra, with a further 20 YMS pupils taking part. The concert performance took place in Horsham on 21 November 2019 with a total orchestra of 60; additionally some of our students were asked to play with the WSSA for one further orchestral piece. *The concert was sold-out.*

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 2019-20, the School secured 61 places (2018-19: 61 places) from MDS, which were utilised to the fullest extent possible during the academic year. The MDS funding resulted in a total of £2,260,260 (2018-19 £2,108,734) being paid directly to the School from Government.

PHILANTHROPIC SUPPORT- PROVIDING TALENTED YOUNG MUSICIANS WITH THE OPPORTUNITY OF A LIFETIME

The School is deeply grateful to those individuals and institutions whose financial support has been vital in allowing YMS to fulfil its charitable objectives and continue to deliver our founder's vision and mission.

BURSARIES; ENSURING ACCESS FOR ALL

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 financial support 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. With the support of two generous local donors, we ran a match-funding campaign that raised over £300,000 for bursaries in 2019/20, the largest amount raised to date from this kind of campaign. Many individuals, trusts and foundations contributed, and we wish to recognise in particular the Holder Family Scholarships, The Willow Charitable Trust, the Henri Moerel Foundation and a number of others whose contributions were significant, and who wish to remain anonymous.

STUDENT HARDSHIP FUND

Every year we raise funds to provide additional financial assistance to pupils to enable them to access additional opportunities, such as masterclasses and summer courses, which will enhance their musical or academic education and which they would not otherwise be in a position to attend. Since 90% of our pupils require some level of financial assistance to attend YMS, the demand for funds from our Student Hardship Fund is correspondingly high. We are grateful to the Humphrey Richardson Taylor Charitable Trust, and another foundation who wishes to remain anonymous, for their generous support to this Fund.

COVID HARDSHIP FUND

A number of our parents were adversely affected by the financial and economic fallout of the Covid-19 pandemic and were struggling to pay school fees in the 2019/20 Summer Term. Our supporters, and in particular the Friends of Yehudi Menuhin School, responded with great generosity to our appeal on behalf of struggling parents, which helped us to ensure that no pupil lost out on their education due to the pandemic.

INSTRUMENT FUND

We were delighted to receive a significant grant from a long-standing supporter of the School, The Wallace Curzon Charitable Trust, which allowed us to replace our ageing concert grand with a magnificent new Steinway, and purchase two additional practice pianos. We were also gifted a Bosendorfer Grand by a private individual.

THE MENUHIN CIRCLE: SUPPORTING OUR ANNUAL FUND

Membership of the Menuhin Circle grew over the year and we were delighted to host our first annual party and concert at the Sir John Soane's Museum in London. Members of the Circle commit to supporting the School's Annual Fund for a minimum of three years, which provides us with invaluable support for our core costs.

FRIENDS OF YEHUDI MENUHIN SCHOOL

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 (2018-19: £40,000) in 2019-20, towards our Bursary Fund and our COVID Hardship Fund. Our Friends also provide our pupils with a highly supportive audience at The Menuhin Hall and are a deeply appreciated part of the YMS 'family'.

FUTURE FUNDRAISING PRIORITIES

The ongoing global pandemic will inevitably make fundraising even more of a challenge, as individuals, trusts and companies reassess their ability to give. The School's need for philanthropic support will only continue to grow, however, to help us bridge the gap between parental fee income and the true operational costs of providing our uniquely tailored and exceptional holistic education. These costs have risen significantly in recent years, primarily due to the cost of maintaining a large and ageing estate, as well as ensuring increasingly complex regulatory compliance. The School has been deliberately small since it's founding, offering a bespoke education for each pupil. While this has obvious benefits for pupils, it results in an inability to exploit economies of scale. We recognise that our fees are already high, and further increases risk reducing access. Since more than 90% of our pupils require financial assistance to attend the school, even a substantial increase in fees for the small number of parents who pay most or all of the fees would not bridge the gap. While raising money for the provision of Bursaries will

remain a priority, we therefore also need to secure significant additional support for the School's core costs, if we are to continue to deliver an exceptional educational experience in a fitting and safe environment. An investment in the School is ultimately an investment in the next generation of musicians, to give them the skills, knowledge and confidence to share the joy of live music with audiences for decades to come.

OUR APPROACH TO FUNDRAISING:

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 any of 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, 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.

PLANS FOR FUTURE PERIODS

The Governors and Leadership Team have identified a number of areas to develop within the School to maintain its reputation as a world leader in music education, providing the highest quality of instrumental training combined with a first class academic curriculum under one roof. This encompasses continuing to improve the curriculum and standard of education offered to ensure pupils are well-equipped for a changing world and musical landscape; widening access to the School's expertise among the local community and on international fronts, and across an increased age range; improvements to teaching, learning and living facilities for current and future pupils as well as for staff; 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; investment in technology for teaching, learning, and business; and a diverse range of income and funding sources, capitalising on current assets and international brand reputation. These strategic goals will be phased over the next 3 – 5 years, with 2021 being a year of consolidation and planning.

In August 2019, 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.

The School also sees a need to expand its music teaching and practice facilities; to provide additional, upgraded accommodation for female boarders; and to increase its capacity for administrative and support staff. The School has aspirations to develop its existing site to meet these needs, by repurposing its buildings for future use.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

INCOME AND EXPENDITURE

The School saw another significant increase in donations and legacy income in year, from £1,244,338 in 2018-19 to £2,032,391. This includes £947,500 of legacies receivable in the year, £697,500 of which were restricted to bursaries. The surplus for the year before net gains on investments of £924,654 (2018-19: Loss £411,598).

The total income increased by 16.3% (2018-19: 13.9%) to £5,451,757 (2018-19: £4,684,923) as a result of the increase in donations and legacies. The Governors are grateful for the £51,428 from trading activities in YMS Enterprises Limited (2018-19: £34,647), and the £60,711 from activities in YMS China Limited that is paid to The Yehudi Menuhin School Limited in the form of a Gift Aid donation. Total expenditure decreased by 11.4% (2018-19: 24.1% increase) to £4,527,103 (2018-19: £5,096,521).

Total balance sheet funds of £23,870,564 are described in detail in note 17 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 £7,626,692 are capital in nature and the income is used both for core expenditure and to fund bursaries. A further £1,655,564 are restricted funds which can only be used for the specific purposes determined by the donors. Of this amount £1,322,463 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 £8,804,972 (2019 £8,327,475). The fund valuation includes an unrealised gain in the year of £451,223 (2019 £256,262).

PENSIONS

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

RESERVES POLICY AND GOING CONCERN

The School holds £2,034,534 in Permanent Endowments and £5,592,149 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 17) 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 17 to the accounts.

The Restricted Fund amounts to £1,655,564 (2018-19: £843,777) Details are in Note 17 to these Accounts.

In line with Charity Commission guidance that a Charity should maintain adequate reserves to ensure its abilty to deliver its charitable objectives, the School holds unrestricted reserves for a number of purposes which are set out in Note 17 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 2020 the general reserve was £1,057,267 (2018-19: £433,191).

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 risks to the future of the School are the reduction or withdrawal of the funding for the places supported by the Department for Education under the UK Government Music and Dance Scheme (MDS), the impact of Brexit on European pupil study in the UK and the wider arts landscape, and the impact to the School of the Covid-19 pandemic. The School keeps the risk of the withdrawal or reduction of MDS funding under constant review. The implications to the school of the Covid-19 pandemic include, inter alia: loss of revenue resulting from the inability of the school to support UK or overseas pupils with their musical or academic studies; loss of revenue resulting from the closure of the Menuhin Hall to public events; loss of philanthropic income; closure or part closure of the school, or a reduction in its teaching capacity resulting either from an unplanned outbreak of the virus or the inability of staff who are self- isolating to teach; and changes in government regulations resulting in outcomes for the school that are difficult to predict. To manage these risks, the Governors are regularly updated on the status of the School in respect of Covid-19, its risk management, and related matters.

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:

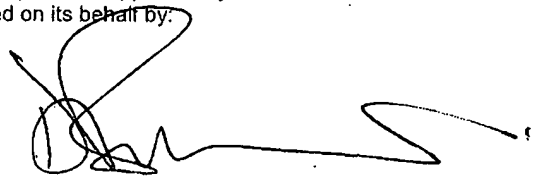
- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 1st December 2020 and signed on its behalf 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 2020 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 2020 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.

Moore Kingston Smith LLP

Date 4 February 2021

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

Devonshire House
60 Goswell Road
London
EC1M 7AD

The Yehudi Menuhin School Limited

STATEMENT OF FINANCIAL ACTIVITIES
(including the income and expenditure statement)
for the year ended 31 August 2020

	Notes	Unrestricted / Designated funds £	Restricted funds £	Endowment fund £	**Total 2020 £**	Total 2019 £
INCOME FROM:						
Charitable Activities						
School fees	2	3,065,980	-	-	**3,065,980**	2,951,726
Other income	3					
Other trading income		76,316	-	-	**76,316**	141,295
Other activities		14,553	-	-	**14,553**	90,481
Investments						
Investment Income	4	175,126	87,391	-	**262,517**	257,083
Voluntary sources						
Grants, donations and legacies	5	538,526	1,483,865	10,000	**2,032,391**	1,244,338
Total income and endowments		3,870,501	1,571,256	10,000	**5,451,757**	4,684,923
EXPENDITURE ON:						
Costs of raising funds	6					
Fundraising and development		204,096	4,500	-	**208,596**	182,360
Other trading costs		186,761	6,302	-	**193,063**	187,183
Other expenditure		4,638	-	-	**4,638**	54,447
Charitable activities						
Education	6	3,997,334	123,472	-	**4,120,806**	4,672,531
Total expenditure	6	4,392,829	134,274	-	**4,527,103**	5,096,521
Net operating income/(expenditure)		(522,328)	1,436,982	10,000	**924,654**	(411,598)
Net gains on investments		73,117	-	378,106	**451,223**	256,262
Net income/(expenditure)	10	(449,211)	1,436,982	388,106	**1,375,877**	(155,336)
Transfer between funds		625,195	(625,195)	-	-	-
Net movement in funds		175,984	811,787	388,106	**1,375,877**	(155,336)
Fund balances brought forward		14,412,324	843,777	7,238,586	**22,494,687**	22,650,023
Fund balances carried forward	17	14,588,308	1,655,564	7,626,692	**23,870,564**	22,494,687

The statement of financial activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The accompanying notes form part of these financial statements.

The Yehudi Menuhin School Limited

BALANCE SHEET

as at 31 August 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	11	**13,473,115**	13,873,076
Investments	12	**8,804,972**	8,327,475
		22,278,087	22,200,551
CURRENT ASSETS			
Stocks	13	**3,685**	3,120
Debtors	14	**1,128,623**	283,026
Cash at bank and in hand		**1,509,826**	582,367
		2,642,134	868,513
CREDITORS: Amounts falling due within one year	15	**(557,990)**	(574,377)
NET CURRENT LIABILITIES		**2,084,144**	294,136
TOTAL ASSETS LESS CURRENT LIABILITIES		**24,362,231**	22,494,687
CREDITORS: Amounts falling due after more than one year	16	**(491,667)**	-
NET ASSETS		**23,870,564**	22,494,687
FUNDS			
Restricted funds	17	**1,655,564**	843,777
Unrestricted funds – general	17	**1,057,267**	433,191
Unrestricted funds - designated	17	**57,924**	106,056
Fixed asset fund	17	**13,473,117**	13,873,077
Endowment fund	17	**7,626,692**	7,238,586
		23,870,564	22,494,687

Approved and authorised for issue by the Board of Governors on 1st December 2020 and signed on their behalf by:

David Buckley
Chairman of the Board of Governors

The accompanying notes form part of these financial statements.
Company Number: 00818389

The Yehudi Menuhin School Limited

CASHFLOW STATEMENT

for the year ended 31 August 2020

CASH FLOW STATEMENT	Notes	2020 £	2019 £
Net cash inflow/ (outflow) from operating activities	24	**270,357**	(192,289)
Cash flows from investing activities:			
Dividends received		**262,517**	257,081
Payments to acquire fixed assets		**(79,143)**	(332,799)
Payments to acquire investments		**(21,601)**	(36,000)
Net cash inflow /(outflow) from investing activities		**161,773**	(111,718)
Financing:			
Loans received		**500,000**	-
Net cash inflow from financing activities		**500,000**	-
Increase/(decrease) in cash		**932,130**	(304,007)
Cash and cash beginning of the reporting period		**587,754**	891,764
Cash and cash end of the reporting period			
Cash at bank and on hand		1,509,826	582,367
Investments		10,056	5,387
		1,519,882	587,754

The Yehudi Menuhin School Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

1 ACCOUNTING POLICIES

The Yehudi Menuhin School Limited is a charitable company limited by guarantee with registered number 00818389, registered in England and Wales. Its registered office is Millfield, Cobham Road, Stoke D'Abernon, Cobham, Surrey, KT11 3QQ.

a) BASIS OF PREPARATION

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 subsidiaries are a public benefit entity 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 SORP), 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.

The school has two wholly owned subsidiaries, YMS Enterprises and YMS China Limited. The school has taken advantage of the exemptions provided by section 405 of the Companies Act 2006 and has not prepared group financial statements as the subsidiary undertakings are 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 and YMS China Limited and the net assets position at the balance sheet date are set out in note 23.

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of investments and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

b) GOING CONCERN

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 Schools' forecasts and projections and have taken account of pressures on income, particularly in the light of the impact of the COVID-19 pandemic. 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 paid by parents, grants towards fees from the Department for Education through the Music and Dance Scheme and the parental contributions.

d) GOVERNMENT GRANTS RECEIVABLE

Government grants received in respect of pupils' fees and other grants 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

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.

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.

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.

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.

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, local market fluctuations and the impact of the Coronavirus pandemic.

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. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2 FEE INCOME

The School's activities are carried out within the UK.	**2020**	2019
The school's fee income comprised:	**£**	£
Gross fees	**3,712,177**	3,666,550
Less: Covid fee rebates	**(48,218)**	-
Less: Scholarships and bursaries	**(597,979)**	(714,824)
	3,065,980	2,951,726

3 OTHER INCOME

	2020	2019
	£	£
Trading income - Unrestricted funds	**90,869**	231,776
	90,869	231,776

4 INVESTMENT INCOME

	2020	2019
	£	£
Unrestricted funds		
Interest received	**896**	2,073
Dividend income	**174,230**	170,830
Restricted funds		
Interest received	**-**	-
Dividend income	**87,391**	84,180
	262,517	257,083

5 DONATIONS, GRANTS AND LEGACIES

	2020	2019
	£	£
Unrestricted funds	**538,526**	745,508
Restricted funds	**1,483,865**	488,830
Endowed funds	**10,000**	10,000
	2,032,391	1,244,338

Included within restricted funds is £104,461 (2019: £nil) relating to government grants for furlough payments.

6 EXPENDITURE

(a) **Costs of Raising Funds**

	Staff costs (note 7) £	Other £	Depreciation £	Total 2020 £
Direct fundraising costs	173,475	35,121	-	**208,596**
Direct trading expenditure costs	111,802	81,261	-	**193,063**
Other expenditure	-	4,638	-	**4,638**
Total Costs of Raising Funds	**285,277**	**121,020**	**-**	**406,297**

Charitable expenditure

	Staff costs (note 7) £	Other £	Depreciation £	Total 2020 £
Teaching	1,852,340	77,528	67,853	**1,997,721**
Welfare	302,818	126,573	1,525	**430,916**
Premises and Estates	118,501	353,718	409,724	**881,943**
Administration	426,971	361,858	-	**788,829**
Governance	-	21,397	-	**21,397**
Total Charitable Expenditure	2,700,630	941,074	479,102	**4,120,806**
Total Expended	2,985,907	1,062,094	479,102	**4,527,103**

2019

Costs of Raising Funds

	Staff costs (note 7) £	Other £	Depreciation £	Total 2019 £
Direct fundraising costs	144,856	37,504	-	182,360
Direct trading expenditure costs	84,010	103,173	-	187,183
Total Costs of Raising Funds	228,866	140,677	-	369,543

Charitable expenditure

	Staff costs (note 7) £	Other £	Depreciation £	Total 2019 £
Teaching	1,882,229	234,241	67,853	2,184,323
Welfare	212,272	206,265	1,525	420,062
Premises and Estates	76,965	558,540	399,627	1,035,132
Administration	361,968	628,621	-	990,589
Finance	-	54,447	-	54,447
Governance	-	42,425	-	42,425
Total Charitable Expenditure	2,533,434	1,724,539	469,005	4,726,978
Total Expended	2,762,300	1,865,216	469,005	5,096,521

(b) Other Governance Costs include:	2020 £	2019 £
Auditors' remuneration		
- Audit Fees	**21,397**	18,500

7 STAFF COSTS

	2020 £	2019 £
Wages and salaries	**1,982,221**	1,855,380
Social security costs	**212,948**	173,239
Other pension costs	**336,391**	247,956
Self-employed and agency staff	**454,347**	485,725
	2,985,907	2,762,300

The average monthly number of employees during the year was as follows:

	2020 No.	2019 No.
Teaching	**21**	22
Non-teaching staff	**28**	22
	49	44

The number of employees £60,000 in the year was as follows:	2020 No.	2019 No.
£60,000 - £70,000	**1**	-
£70,001 - £80,000	**2**	3
£160,001 - £170,000	**-**	1

Pension contributions for the year amounted to £34,654 (2019: £33,398) for the above employees.

8 GOVERNORS REMUNERATION AND BENEFITS

No Governors received renumeration for the year ended 31 August 2020 nor for the year ended 31 August 2019.

No Governor (2019: No govenor) was reimbursed travel expenses totalling £nil (2019: £nil). Trustees' Indemnity insurance cost £140 (2019: £140). Donations were also received from 13 Governors during the year totalling £20,015 (2019- £54,402 from 9 Governors).

Key management personnel include the Govenors (who are not remunerated) and the Leadership team. The total remuneration including pension contributions, employers National Insurance and benefits totalled £606,921 (2019: £595,842).

9 PENSIONS

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 £206,346 (2019: £147,463) and at the year end £0 (2019: £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.

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. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

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. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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 the consultation and the cost cap mechanism review are completed 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 £130,045 (2019: £100,493).

10 NET INCOME FOR THE YEAR

	2020	2019
	£	£
Net income is stated after charging:		
Depreciation of tangible fixed assets	**479,103**	467,481

11 TANGIBLE FIXED ASSETS

	Freehold Property	Musical Instruments	Fixtures & Fittings	Furniture and Academic Equipment	Motor Vehicles	Total
	£	£	£	£	£	£
Cost:						
At 1 September 2019	15,367,389	2,003,418	327,865	848,398	45,950	**18,593,020**
Additions	-	17,500	7,104	54,539	-	**79,143**
Disposals	-	-	-	-	(18,029)	**(18,029)**
At 31 August 2020	15,367,389	2,020,918	334,969	902,937	27,921	**18,654,134**
Depreciation:						
At 1 September 2019	3,118,351	641,428	108,854	808,412	42,900	**4,719,945**
Charge for year	302,563	67,853	66,994	40,168	1,525	**479,103**
Disposals	-	-	-	-	(18,029)	**(18,029)**
At 31 August 2020	3,420,914	709,281	175,848	848,580	26,396	**5,181,019**
Net book value:						
At 31 August 2020	11,946,475	1,311,637	159,121	54,357	1,525	**13,473,115**
At 1 September 2019	12,249,038	1,361,991	219,011	39,986	3,050	**13,873,076**

12 INVESTMENTS

	Investment Property £	Listed investments £	**2020 £**	2019 £
Valuation At 1 September 2019	**350,000**	**7,982,145**	**8,332,145**	**8,035,213**
Additions	**-**	**21,601**	**21,601**	**36,000**
Disposals	**-**	**-**	**-**	**-**
Gains/(Losses) arising from movements in valuations	**72,854**	**378,372**	**451,226**	**256,262**
Valuation At 31 August 2020	422,854	8,382,118	8,804,972	8,327,475
Historic cost at 31 August 2020	-	5,547,623	5,547,623	5,526,023
UK equities	-	8,372,062	8,372,062	7,972,088
Property	422,854	-	422,854	350,000
Cash	-	10,056	10,056	5,387
	422,854	8,382,118	8,804,972	8,327,475

Investment properties were valued as at 31 August 2020 on the basis of market value. This is the Governors' best estimate of the market value.

13 STOCK

	2020 £	2019 £
General Stock	3,685	3,120

14 DEBTORS

	2020 £	2019 £
Fee debtors	**118,527**	107,909
Other debtors	**9,867**	-
Prepayments and accrued income	**885,911**	138,594
Amount due from subsidiaries	**114,318**	36,523
	1,128,623	283,026

Included in Prepayments and accrued income in 2020 is £737,500 of accrued legacies (2019- £nil). In addition to legacies received and accrued in the year, the charity is a residual beneficiary of several legacies. The estimated value is in the region of £900,000. This has not been included in the Financial Statements as it cannot be measured reliably.

15 CREDITORS

Amounts falling due within one year:	2020 £	2019 £
Loans	8,333	-
Trade creditors	160,658	86,800
Taxation and social security costs	52,679	50,559
Fee Deposits	52,708	57,520
Deferred income and Fees in advance	139,710	131,113
Other creditors	30,946	37,107
Accruals	112,956	211,278
	557,990	574,377

Deferred income:	2020 £	2019 £
Deferred fee income at 1 September 2019	131,113	179,044
Fees released to the income statement	(131,113)	(179,044)
Deferred fee income for Autumn Term 2020	109,710	83,139
Deferred income ticket sales	-	47,974
Deferred income donated	30,000	-
Deferred fee income at 31 August 2020	139,710	131,113

16 CREDITORS DUE AFTER ONE YEAR

	2020 £	2019 £
Amounts falling due after more than one year:		
Bank loan	491,667	-
	491,667	-

	2020 £	2019 £
Movement on loans		
In one year or less	8,333	-
Between one and two years	100,000	-
Between two and five years	300,000	-
After five years	91,667	-
	500,000	-

The bank loan provided by the Charity by Lloyds Bank Plc is secured by first legal charge over the freehold land & building at Milfield Lodge. The loan is a CBIL for £500,000 with a six year term with an interest rate of 1.41% which is paid by the government in the first year.

The Yehudi Menuhin School Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

17 STATEMENT OF FUNDS

2020	At 1 September 2019 £	Income £	Expenditure £	Transfer Between Funds £	Gains/ (losses) £	At 31 August 2020 £
Unrestricted funds:						
General reserve	433,191	3,870,501	(3,913,276)	594,003	72,848	1,057,267
Designated fund:						
White House Art Fund	776	-	-	(776)	-	-
Wallace Curzon	5,000	-	(450)	-	-	4,550
Designated Bursary Fund	100,280	-	-	(47,175)	269	53,374
Total designated	106,056	-	(450)	(47,951)	269	57,924
Fixed Asset Funds	13,873,077	-	(479,103)	79,143	-	13,473,117
Restricted funds:						
Bursary Funds	700,976	1,165,672	-	(544,185)	-	1,322,463
Other Restricted Funds	142,801	405,584	(134,274)	(81,010)	-	333,101
Total restricted	843,777	1,571,256	(134,274)	(625,195)	-	1,655,564
Endowment funds:						
Permanent Endowments	1,898,309	10,000	-	-	126,234	2,034,543
Expendable Endowments	5,340,277	-	-	-	251,872	5,592,149
Total endowment	7,238,586	10,000	-	-	378,106	7,626,692
Total funds	22,494,687	5,451,757	(4,527,103)	-	451,223	23,870,564

17 STATEMENT OF FUNDS (CONTINUED)

2019	At 1 September 2018 £	Income £	Expenditure £	Transfer Between Funds £	Gains/ (losses) £	At 31 August 2019 £
Unrestricted funds:						
General reserve	360,341	3,999,453	(5,014,453)	1,087,850	-	433,191
Designated fund:						
White House Art Fund	776	-	-	-	-	776
Wallace Curzon	2,500	2,500	-	-	-	5,000
The Instrument Fund	220,000	-	-	(220,000)	-	-
Designated Bursary Fund	-	99,960	-	-	320	100,280
Student Aid	44,171	-	-	(44,171)	-	-
Total designated	267,447	102,460	-	(264,171)	320	106,056
Fixed Asset Funds	14,009,283	-	-	(136,206)	-	13,873,077
Restricted funds:						
Bursary Funds	911,843	503,957	-	(714,824)	-	700,976
Other Restricted Funds	128,465	69,053	(82,068)	27,351	-	142,801
Total restricted	1,040,308	573,010	(82,068)	(687,473)	-	843,777
Endowment funds:						
Permanently Endowments	1,802,780	10,000	-	-	85,529	1,898,309
Expendable Endowments	5,169,864	-	-	-	170,413	5,340,277
Total endowment	6,972,644	10,000	-	-	255,942	7,238,586
Total funds	22,650,023	4,684,923	(5,096,521)	-	256,262	22,494,687

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

Wallace Curson: These funds are usually given to students in their final year when they leave the School.

Designated Bursary Fund: This represents legacy income received. This is to be used for bursaries as and when the need arises.

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

Restricted Funds:

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.

Transfer of Funds: The transfer of funds from restricted Bursary Funds to the unrestricted General Reserve represents the bursaries provided to the students in the year. Transfer of funds from other restricted funds to unrestricted general reserve represents amount spent on specific restricted funds in previous years now allocated correctly against the relevant restricted fund.

Endowment Funds:

Permanent Endowment Funds are those where 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 to part thereof to income.

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

2020	Unrestricted funds £	Restricted Funds £	Permanent Endowment £	Expendable Endowment £	2020 Total £
Tangible fixed assets	13,473,115	-	-	-	**13,473,115**
Investments	553,317	624,963	2,034,543	5,592,149	**8,804,972**
Net Current Assets	1,053,543	1,030,601	-	-	**2,084,144**
Long term liabilities	(491,667)	-	-	-	**(491,667)**
Total net assets	14,588,308	1,655,564	2,034,543	5,592,149	**23,870,564**

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

19 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2020, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Due within one year	9,546	9,546
Due between two and five years	10,307	14,401
	19,853	23,947

20 RELATED PARTIES

During the year, YMS Enterprises had transactions totalling £145,198 (2019: £189,638) with the School. At 31 August 2020, £39,992 (2019: £20,131) was owed by YMS Enterprises. During the year, YMS China Limited had transactions totalling £147,444 (2019: £nil) with the School. At 31 August 2020, £74,326 (2019: £16,392) was owed by YMS China Limited.

21 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.

22 CAPITAL COMMITMENTS

Capital expenditure contracted at 31 August 2020 amounted to £144,000 (2019: £nil).

23 SUBSIDIARY UNDERTAKINGS

YMS ENTERPRISES

YMS Enterprises (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 for the year to 31 August 2020 which are not consolidated with the School's financial statements, showed the following position:

	31 August 2020	31 August 2019
BALANCE SHEET	£	£
Current Assets		
Cash at bank and in hand	36,647	53,226
Debtors	12,612	22,811
Creditors: amounts falling due within one year	(49,259)	(42,240)
TOTAL NET ASSETS	-	33,797
RESERVES		
Profit and loss account	-	33,797
PROFIT AND LOSS ACCOUNT		
Turnover	77,810	183,066
Operating costs	(46,319)	(117,090)
GROSS PROFIT	31,491	65,976
Administrative expenses	(13,860)	(32,179)
Profit in year	17,631	33,797
Retained profit brought forward	33,797	34,647
Amount distributed to YMS under Gift Aid	(51,428)	(34,647)
RETAINED PROFIT	-	33,797

23 SUBSIDIARY UNDERTAKINGS (CONTINUED)

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 is 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 The financial statements of YMS China Limited for the year to 31 August 2020 which are not consolidated with the School's financial statements, showed the following position:

	31 August 2020	31 August 2019
BALANCE SHEET	£	£
Current Assets		
Cash at bank and in hand	335,200	-
Debtors	-	-
Creditors: amounts falling due within one year	(335,200)	(16,392)
TOTAL NET ASSETS	-	(16,392)
RESERVES		
Profit and loss account	-	(16,392)
PROFIT AND LOSS ACCOUNT		
Turnover	250,000	50,000
Operating costs	(72,818)	(66,392)
GROSS PROFIT	177,182	(16,392)
Administrative expenses	(100,079)	-
Profit/(loss) in year	77,103	(16,392)
Retained (loss) brought forward	(16,392)	-
Amount distributed to YMS under Gift Aid	(60,711)	-
RETAINED PROFIT/(LOSS)	-	(16,392)

24 NOTES TO THE CASHFLOW STATEMENT

Reconciliation of operating result to net cash inflow from operating activities	2020 £	2019 £
Net movement in funds	**1,375,877**	(155,335)
Gains on investments	**(451,223)**	(256,262)
Depreciation	**479,102**	469,005
Dividends and interest received	**(262,517)**	(257,083)
Increase/(Decrease) in creditors	**(24,720)**	88,935
(Increase)/Decrease in debtors	**(845,597)**	(81,465)
(Increase)/Decrease in stocks	**(565)**	(84)
	270,357	(192,289)

Analysis of Changes in net debt

	At 1 September 2019	Cashflows	Other non-cash changes	At 31 August 2020
Cash and cash equivalents				
Cash- in hand	582,367	927,459	-	1,509,826
-investments	5,387	4,669	-	10,056
	587,754	932,128	-	1,519,882
Borrowings				
Debt due within one year	-	-	(8,333)	(8,333)
Debt due over one year	-	(500,000)	8,333	(491,667)
Total	587,754	432,128	-	1,019,882