

**THE JUNIOR SCHOOL
AT THE ROYAL NORTHERN COLLEGE OF MUSIC
ENDOWMENT TRUST**

Registered Charity Number 700664

Annual Report

31 August 2021

THE JUNIOR SCHOOL AT THE ROYAL NORTHERN COLLEGE OF MUSIC
ENDOWMENT TRUST

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THE JUNIOR SCHOOL AT THE ROYAL NORTHERN COLLEGE OF MUSIC
ENDOWMENT TRUST

LEGAL STATUS

The charity was formed as a trust under deed dated 31 August 1988.

Registered with the Charity Commission - Registration Number 700664.

ADDRESS

124, Oxford Road, Manchester M13 9RD

TRUSTEES

Martin Duckworth MDes

Nigel Hirst

Aileen Hoare

David Houlst

Alex Mayer

John Turner

Christine Wardle

Anna Wright

The Junior School at the Royal Northern College of Music has the right by deed to appoint and remove trustees. Providing there are more than three trustees a trustee may by deed retire.

SECRETARY to the TRUSTEES

Miss Karen Humphreys MBE GMusRNCM MusM(Perf)(Manchester) MPhil(Huddersfield) ARCM LRAM Dip.Couns.

FINANCE OFFICER

Paul Bevan FCCA

SECRETARY

Miss Abigail Flood

BANKERS

Royal Bank of Scotland

38 Mosley St

Manchester M61 0HW

AUDITOR

J Hardy FCCA

13 Wyndale Dr

Manchester M35 0PY

INVESTMENT ADVISERS

Castlefield

111 Piccadilly

Manchester

M1 2HY

SOLICITORS

Mills & Reeve

8th Floor

1 New York St

Manchester M1 4AD

THE JUNIOR SCHOOL AT THE ROYAL NORTHERN COLLEGE OF MUSIC
ENDOWMENT TRUST

TRUSTEES' REPORT

The Trustees present their report and the audited financial statements for the year ended 31 August 2021.

Legal and administrative information set out in page 1 forms part of this report. The financial statements comply with the current statutory requirements, the Trust Deed and the Statement of Recommended Practice – Accounting and Reporting by Charities.

THE AIMS AND HISTORY OF THE ENDOWMENT TRUST FUND

The Junior School at the Royal Northern College of Music merged with the Royal Northern College of Music on 1 September 2002. The Endowment Funds (value £6,039), Restricted Funds (value £55,522) and the Unrestricted Funds of the Junior School held as fixed assets (value £5,033) totaling £66,594 were transferred to the Endowment Trust. The trading activities together with the remaining Unrestricted Funds of the Junior School were transferred to the Royal Northern College of Music

The education of the general public in the study, appreciation and practice of music and the allied arts by endowing, furthering and supporting the objects and work of the Junior School at the Royal Northern College of Music (JRNCM) in such a manner as the Endowment Trustees shall in their absolute discretion think fit.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

GRANT MAKING POLICY

The JRNCM considers applications for bursaries from all students who have been offered a place to study at the College. All students are made aware of the existence of the fund and the application procedures at their audition. Applications for support are considered at a formal committee meeting.

The Trustees invite applications for assistance from the JRNCM in part to contribute towards the support of bursaries but also in support of other projects which, in their opinion, enhance the profile of the JRNCM.

There is no private benefit accruing either to the Trustees or the members of the College who submit applications for assistance.

REVIEW OF THE FINANCIAL STATEMENTS

The funds of the charity are analysed between endowment, restricted and unrestricted reserves.

Unrestricted income of £22,857 and expenditure of £7,166 has resulted in a surplus for the year of £15,691 which, together with net investment gain of £11,492, results in a surplus for the year of £27,183 and an accumulated surplus carried forward into 2021/2022 of £154,069.

Restricted income of £3,848 and expenditure of £3,150 has resulted in a surplus of £698 which, together with net investment gains of £7,187 results in a surplus for the year of £7,885 and an accumulated surplus carried forward into 2021/2022 of £69,134.

Endowment Fund net investment gains of £29,526 results in a surplus for the year and an accumulated surplus carried forward into 2021/2022 of £227,585.

THE JUNIOR SCHOOL AT THE ROYAL NORTHERN COLLEGE OF MUSIC
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TRUSTEES' REPORT

RESERVES POLICY

It is the policy of the trustees to seek to maintain undesignated unrestricted funds, which are the free reserves of the charity, at a level which equates to two years' income from investments and bank deposits. Undesignated unrestricted funds were maintained at levels in excess of this throughout the year. Cash reserves are being held at a higher level than usual due to the recent uncertainty in the markets following Brexit and now the Covid-19 pandemic.

FUTURE DEVELOPMENTS

The support from the Wolfson Foundation to the Junior RNCM amounts to £16,600 and the DfES grants, awarded to 40 students of the Junior RNCM, providing support of £141,270. An Access fund from the RNCM of up to £41,000 has been agreed to provide bursary support of up to £21,000 and the purchase of selected instruments up to £20,000 for the Junior RNCM.

AVAILABILITY AND ADEQUACY OF ASSETS OF EACH OF THE FUNDS

In the opinion of the trustees the assets of each fund are available and adequate to fulfil their obligations. There are no contingent liabilities or guarantees. See note 1 for an explanation of the types of fund maintained by the charity.

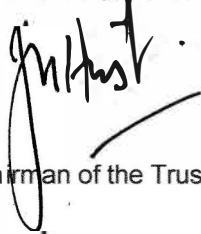
INVESTMENT POWERS

The Trustees have the same unrestricted powers of investing of trust monies as if they were the absolute beneficial owners of the money invested.

TRUSTEES

The trustees who served during the year are noted on page 1. No trustee had any interest in the charity.

By Order of the Trustees



Chairman of the Trustees

THE JUNIOR SCHOOL AT THE ROYAL NORTHERN COLLEGE OF MUSIC
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TRUSTEES' STATEMENT OF RESPONSIBILITIES

Under charity law, the trustees are responsible for preparing the Trustees' Annual Report and the financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132 of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Independent examiner's report to the trustees of The Junior School at the Royal Northern College of Music Endowment Trust. Charity No. 700664

I report on the accounts of the Trust for the year ended 31 August 2021, which are set out on pages 6 to 12.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Miss Julie Hardy (FCCA)
Association of Chartered Certified Accountants
13 Wyndale Drive
Failsworth
Manchester
M35 0PY

14 June 2022

THE JUNIOR SCHOOL AT THE ROYAL NORTHERN COLLEGE OF MUSIC
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STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
INCOMING RESOURCES						
Donations, legacies and grants		18,825	-	-	18,825	4,714
Investment income		2,100	3,848	-	5,948	7,139
Bank interest		7	-	-	7	110
Other income		1,925	-	-	1,925	3,875
TOTAL INCOMING RESOURCES		22,857	3,848	-	26,705	15,838
RESOURCES EXPENDED						
Direct charitable expenditure						
Grants payable	2	4,850	3,150	-	8,000	23,082
Other expenditure						
Management and administration	3	2,316	-	-	2,316	2,097
TOTAL RESOURCES EXPENDED		7,166	3,150	-	10,316	25,179
NET INCOMING RESOURCES FOR THE YEAR		15,691	698	-	16,389	(9,341)
OTHER RECOGNISED GAINS AND LOSSES						
Gains on revaluations and disposals of investments held for charity use:						
Profit on sale of investments		-	-	-	-	-
Less: previously accounted for as unrealised profit		-	-	-	-	-
Realised losses from investments		-	-	-	-	-
Unrealised (loss)/gain on investments		11,492	7,187	29,526	48,205	949
TOTAL INVESTMENT GAINS AND LOSSES		11,492	7,187	29,526	48,205	949
NET MOVEMENT IN FUNDS		27,183	7,885	29,526	64,594	(8,392)
TOTAL FUNDS brought forward		126,886	61,249	198,059	386,194	394,586
TOTAL FUNDS carried forward		154,069	69,134	227,585	450,788	386,194

All the above results derive from continuing operations

THE JUNIOR SCHOOL AT THE ROYAL NORTHERN COLLEGE OF MUSIC
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BALANCE SHEET AS AT 31 AUGUST 2021

	Note	£	2021 £	£	2020 £
FIXED ASSETS					
Musical Instruments	4		7,050		4,663
Investments at Market Value	5		371,566		323,361
			<u>378,616</u>		<u>328,024</u>
CURRENT ASSETS					
Debtors	6	2,009		1,949	
Cash at bank and in hand		70,413		57,221	
		<u>72,422</u>		<u>59,170</u>	
CURRENT LIABILITIES					
Creditors and accruals	7	250		1,000	
NET CURRENT ASSETS			<u>72,172</u>		<u>58,170</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>450,788</u>		<u>386,194</u>
FUNDS					
Endowment funds	8		227,585		198,059
Restricted funds	9		69,134		61,249
Unrestricted funds	10		154,069		126,886
			<u>450,788</u>		<u>386,194</u>

The financial statements were approved on 30 June 2022

Nigel Hirst



Anna Wright



THE JUNIOR SCHOOL AT THE ROYAL NORTHERN COLLEGE OF MUSIC
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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities', issued in March 2005, and the Charities Act 1993 and applicable accounting standards. The particular accounting policies adopted are described below.

Accounting Convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments.

Incoming Resources

All income is recognised in the statement of financial activities when the conditions for receipt have been met and there is reasonable assurance of receipt. Where a grant is received relating to a future accounting period, the statement of financial activities shows the gross amount received together with the changes in amount deferred to future accounting periods. The following accounting policies are applied to income:

Donations, legacies and grants

Donations, legacies and grants are accounted for when conditions for their receipt have been met. Material items receivable at the year end are included at an estimated value of the amount to be received.

Investment income

Investment income is accounted for when receivable and includes any related tax recoverable.

Direct Charitable Expenditure

Direct charitable expenditure includes all expenditure directly related to the objects of the charity and comprises the following:

Grants Payable

Grants payable are accounted for when the conditions for payment have been met.

Other Expenditure

Other expenditure is management and administration costs incurred in the management of the charity's assets, organisational administration, and compliance with constitutional and statutory requirements.

Musical Instruments

Musical instruments, except for strings, are depreciated at a rate of 10%.

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets.

Depreciation is not provided on string instruments since the estimated remaining useful economic life of the tangible fixed assets exceeds 50 years and any depreciation charge would be deemed immaterial. The carrying value of these assets are subject to an annual impairment review.

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2021

Fund Accounting

The charity maintains various types of funds as follows:

Endowment Funds

Endowment funds represent grants, donations and legacies received where the donor has stipulated that the income may be used for general purposes, but the capital must be retained.

Restricted Funds

Restricted funds represent grants, donations and legacies received which are allocated by the donor for specific purposes and income derived from permanent endowments given for specific purposes.

Unrestricted Funds

Unrestricted funds represent funds which are expendable at the discretion of the trustees in the furtherance of the objects of the charity.

Investments

Investments are stated at market value. Realised and unrealised gains and losses are shown separately in the appropriate section of the statement of financial activities.

2. GRANTS PAYABLE

	No.	2021	No.	2020
		£		£
Bursaries	14	7,850	15	21,570
Prizes	0	-	0	-
Other		150		1,512
		-----		-----
		8,000		23,082
		-----		-----

3. OTHER EXPENDITURE

	2021	2020
	£	£
Net incoming resources for the year are stated after charging:		
Auditors remuneration	250	250
Depreciation	408	233
Other expenditure	1,658	1,614
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	2,316	2,097
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THE JUNIOR SCHOOL AT THE ROYAL NORTHERN COLLEGE OF MUSIC
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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2021

4. MUSICAL INSTRUMENTS

	2021	2020
	£	£
Net book value at 1 September	4,663	3,616
Additions	2,795	1,280
Charge for the year	(408)	(233)
Net book value at 31 August	<u>7,050</u>	<u>4,663</u>

5. INVESTMENTS

	2021	2020
	£	£
Market value at 1 September	323,361	322,412
Unrealised gain	48,205	949
Market value at 31 August	<u>371,566</u>	<u>323,361</u>
Historical Cost at 31 August	<u>212,508</u>	<u>212,508</u>

6. DEBTORS

	2021	2020
	£	£
Other Debtors	<u>2,009</u>	<u>1,949</u>

7. CREDITORS AND ACCRUALS

	2021	2020
	£	£
Other Creditors	<u>250</u>	<u>1,000</u>

8. MOVEMENT IN ENDOWMENT FUNDS

Endowment funds comprise the following resources which have been made available and which the trustees are legally required to invest or retain for the purposes of the charity. All endowment funds are permanent as the trustees have no power to convert them into income and apply them as such.

	Balance B/fwd		Expenditure, Gains and Losses	Balance C/Fwd
	£	Income	£	£
Rose Goulding Fund	124,476	-	18,556	143,032
Junior School Fund	73,583	-	10,970	84,553
	<u>198,059</u>	<u>-</u>	<u>29,526</u>	<u>227,585</u>

THE JUNIOR SCHOOL AT THE ROYAL NORTHERN COLLEGE OF MUSIC
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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2021

9. MOVEMENT IN RESTRICTED FUNDS

Restricted funds comprise the following unexpended donations and grants given for specific purposes and income derived from permanent endowments given for specific purposes.

	Balance B/fwd	Income	Expenditure, Gains and Losses	Balance C/Fwd
	£	£	£	£
Rose Goulding Fund	5,918	372	(1,306)	4,984
Louise Lamegeon Fund	3,487	219	159	3,865
Helen Knott Fund	27,942	1,755	2,879	32,576
Shirley Blakey Fund	1,456	91	(79)	1,468
Alina Mills Memorial Fund	4,055	255	226	4,536
Ian McPherson Memorial Fund	657	41	79	777
Soroptimists Prize	868	54	102	1,024
John Ellis Memorial Prize	12,212	767	1,433	14,412
Junior School Fund	4,654	292	546	5,492
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	61,249	3,846	4,037	69,134
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10. MOVEMENT IN UNRESTRICTED FUNDS

Unrestricted funds comprise the following:

	Balance B/fwd	Income	Expenditure, Gains and Losses	Balance C/Fwd
	£	£	£	£
General Fund	126,886	22,857	4,326	154,069
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11. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2021
	£	£	£	£
Musical Instruments	-	-	7,050	7,050
Investments	227,585	55,400	88,581	371,566
Current Assets				
Debtors	-	-	2,009	2,009
Cash at bank and in hand		13,734	56,679	70,413
Current liabilities	-	-	(250)	(250)
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	227,585	69,134	154,069	450,788
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THE JUNIOR SCHOOL AT THE ROYAL NORTHERN COLLEGE OF MUSIC
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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2021

12. RELATED PARTY TRANSACTIONS

The Junior School at the Royal Northern College of Music Endowment Trusts objective is to apply income, as the trustees considers fit, for the bursary and scholarship support of Junior School students at the Royal Northern College of Music.

During the year the Endowment Fund made bursary and scholarship payments to the College in the amount of £8,000 (£4,850 unrestricted funds, £3,150 restricted funds).