



THE ROYAL SCHOOL OF CHURCH MUSIC

A Company Limited by Guarantee and not having a Share Capital

Reg. No. 250031

Registered Charity No. 312828

Report of the Council

and Accounts

for the Year Ended 30 June 1995

THE ROYAL SCHOOL OF CHURCH MUSIC

FOUNDED BY SIR SIDNEY NICHOLSON IN 1927

Registered Charity Number 312828

A Company Limited by Guarantee, not having a Share Capital

Incorporated 1930, Company Registration Number 250031

The Royal School of Church Music exists to promote the highest standards of music in Christian worship. Principal activities in pursuit of this object are the provision of training facilities, staff and materials, publications and advisory services to subscribing individuals, churches, colleges and other bodies.

Patrons

HER MAJESTY THE QUEEN

HER MAJESTY QUEEN ELIZABETH THE QUEEN MOTHER

President

THE MOST REVD. AND RT. HON. THE LORD ARCHBISHOP OF CANTERBURY

Vice-Presidents

THE PRIMATES OF THE ANGLICAN COMMUNION

THE RIGHT REVD. THE MODERATOR OF THE GENERAL ASSEMBLY OF THE CHURCH OF SCOTLAND

HIS EMINENCE THE CARDINAL ARCHBISHOP OF WESTMINSTER

THE REVD. THE MODERATOR OF THE FREE CHURCH FEDERAL COUNCIL

Vice Presidents (Honoris causa)

LORD COGGAN OF CANTERBURY AND OF SISSINGHURST

LORD RUNCIE OF CUDDESDON

Chaplain

THE RIGHT REVD. NIGEL MCCULLOCH, MA

Council

ROGER BUTLER (*Acting Chairman*)

THE REVD. JOHN BELL

THE HON. MARK BRIDGES, MA

STEPHEN CLEOBURY, MA, B MUS

LINDSAY COLQUHOUN, BDS

PHILIP DUFFY, KGS, GRSM, ARMCM

BERNADETTE FARRELL, B MUS, ARCM, AKC

CHRISTOPHER FIELD, MA, JP

SPENCER FREEMAN

PROF. RICHARD FREWER, MA

GEORGE GUEST, CBE, MA, D MUS

THE REVD. BRIAN HOARE, BD

MICHAEL HOCKNEY, BA, FCIM, FIM

ALDERMAN SIR BRIAN JENKINS, GBE, MA, FCA

THE REVD. MARIAN JONES

CLIVE LETCHFORD, MA.ACA

THE REVD. DR JOHN MARSH, BA, D PHIL, ARCO

ROY MASSEY, D MUS, FRCO, FRSCM

NORMAN NASH, FCA

GEORGE NISSEN, CBE, MA

THE ARCHDEACON OF ROCHESTER,

THE VENERABLE NORMAN WARREN, MA

JOHN SCOTT, MA, B MUS, FRCO

CANON JANE SINCLAIR

SIR ANGUS STIRLING

HOWARD THOMAS

DENNIS TOWNHILL, OBE, D MUS

JANET UNWIN, MA, B PHIL, ARCM

THE BISHOP OF WAKEFIELD,

THE RIGHT REVD. NIGEL MCCULLOCH, MA

THE ROYAL SCHOOL OF CHURCH MUSIC

Director

HARRY BRAMMA, MA, FRCO, FRSCM

Chief Executive

CHARLES KING, FCMA

Finance Director

MICHAEL KERRIGAN, MA, ACA

Publishing Director

PETER WRIGHT, MA, ARCM

Communications Director

DEREK FROUD, BA

Director of Studies

GEOFFREY WEAVER, MA, ARCO

Regional Director for the South of England

JOHN WARDLE, MA, FRCO(CHM)

Regional Director for the North of England, Scotland, Ireland and North Wales

GORDON APPLETON, B.ED, LRSM, HON.FGCM

Regional Director for the Midlands and the South-West of England and South Wales

DAVID OGDEN, BA (from 1 July 1995)

RSCM Advisers

Bankers

The Royal Bank of Scotland plc
38 Park Street, Croydon, CR9 1YS

Auditors

Brown, Peet and Tilly
Scottish Union House, 26-28 Addiscombe Road, Croydon, CR0 5PE

Investment Managers

Cantrade Investment Management Limited
4 Chiswell Street, Finsbury Square, London, EC1Y 4UP

Pension Scheme Consultants

Godwins
Briarcliff House, Kingsmead, Farnborough, Hampshire, GU14 7TE

Insurance Advisers

Holmwoods
Rockwood House, 9-17 Perrymount Road, Haywards Heath, West Sussex,
RH16 3DU

THE ROYAL SCHOOL OF CHURCH MUSIC

REPORT OF THE COUNCIL

The Council submits its report and the audited accounts of the Company for the year ended 30 June 1995.

REVIEW OF ACTIVITIES

Potentially the most far reaching development during the year was the discussion on the RSCM's relationship with the Church of England. These discussions with the *In Tune with Heaven* Follow-up Group have culminated in the recommendation by the Group that the RSCM be recognised and appointed as the Church of England's official agency for music. Given Synod's approval, some minor adjustment will be necessary to the RSCM Articles of Association which will be placed before the RSCM Annual General Meeting arranged for 14 March 1996. The Council, affirming its ecumenical stance, has offered a similar arrangement to each of the other principal Churches with churches affiliated to the RSCM. Discussions are continuing with the Roman Catholic and Free Churches.

Considerable progress has been made in developing the new Education Programme and the National Curriculum. The pattern of training courses in the regions is expanding and the first courses leading to the RSCM's Foundation Certificate in Church Music have been held in Huddersfield. This certificate is seen as subordinate to the Archbishops Certificate in Church Music - which the RSCM continues to encourage as one of the official qualifications in church music for those engaged at parish level.

The RSCM Appeal, launched in June 1994, has been supported throughout the year by an extremely wide range of activities from hymn marathons and swimming galas to formal concerts and dinners. Approaches to Trusts and other grant-making bodies has begun to yield results, and gross receipts to the Appeal fund at the end of June 1995 had reached £278,427. There have been many reports of great camaraderie and increased awareness of the work of the RSCM within affiliated churches who have run activities. The Council is thankful for all the efforts which have taken place so far.

However, the flow of receipts to the Appeal was insufficient to enable the Council to proceed immediately with the full plan for refurbishment of Cleveland Lodge. In June 1995, against the background of a commitment to leave Addington Palace in the Spring of 1996, the decision was taken to proceed with a basic plan of renovation to be ready in March 1996. The possibility of further work at Cleveland Lodge later will be considered in the light of Appeal progress.

The Annual Celebration Day was held in St Giles Cathedral Edinburgh on 2 July 1995, the choirs being drawn from affiliated churches from both the North of England and Scotland. The RSCM Council honoured six people for distinguished service to church music, two as Fellows, an Associate and three as Honorary Members. The Awards were presented by the Acting Chairman, Roger Butler.

The past year has seen considerable developments in our work outside the United Kingdom. An historic meeting was held in Sydney, N.S.W., on 11 February 1995, attended by the Chairmen and Secretaries of all the seven Australian Branches. At this gathering, plans were set up for developing the scope of the RSCM in Australia in the coming years. To this end a National Council was formed with representatives from all the Branches. Geoffrey Cox was appointed the first President and Katharine Walker the first National Secretary.

There have also been important developments in America. A publishing arrangement has been agreed with GIA of Chicago in order to make RSCM publications more readily available for US musicians. In New Zealand, all branches are making plans to incorporate and in Canada, a scheme is being set up to facilitate the administration of the St Nicolas and St Cecilia

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Awards monitored by the Toronto Branch. In South Africa the four branches continue to work hard to support church music, and in many scattered places throughout the world we have representatives - there are for instance nine affiliated churches in Nigeria and eight in Norway!

Worldwide membership stands at 10,709. In the UK the figure is 7,825; this represents a net decline in affiliations of 1.4%, an improvement compared with a 2.8% drop in 1993/94.

At Headquarters, following the considerable restructuring of the administration in 1993/94, the year was one of consolidation. Procedures and systems to be in use at Cleveland Lodge are now established.

The Council continues to be grateful for the substantial efforts given by the staff in the demanding circumstances of the impending move and the acceleration of the revised Education Programme.

It is with sadness that the Council learned of the death of three stalwarts of the RSCM: Leslie Green, the first Secretary to the Council (1928-1964); John Parkinson, the Honorary Librarian; and John Cooke, formerly the Commissioner for the North.

The Council is delighted to confirm that Sir Angus Stirling will take over as Chairman of the Council at the AGM in March 1996. He will bring to the Council his considerable experience as Director General of the National Trust, and Chairman of the Royal Opera House, Covent Garden.

ACCOUNTS

The format of the annual accounts has been amended to comply with the draft Statement of Recommended Practice "Accounting by Charities". Comparative figures have been restated and further explanation is given in the notes to the accounts.

It is disappointing to have to report that the deficit on the General Fund, before fixed asset gains, was higher than expected at £142,259, compared with a deficit of £101,660 in the year ended 30 June 1994. £77,472 of the deficit arose from normal activities, the balance being revenue costs associated with Cleveland Lodge and staff restructuring. The Council remains determined to turn the pattern of deficits to surplus with the move to Cleveland Lodge an important factor. The Council regularly reviews its rolling five-year Business Plan.

The new Statement of Financial Activities is the main source of information in the accounts about the activities of the RSCM during the year. It combines results for all Funds in one statement and shows that, despite the operating deficit, total funds increased by £114,192 to £1,431,726.

FIXED ASSETS

The Council has authorised expenditure of £614,000 on refurbishment of Cleveland Lodge and the respected firm of R Durnell & Sons Ltd started building work in August 1995. A small freehold property in Croydon was sold in August 1994, realising a surplus of £18,471.

Investment in computer systems has continued at a modest rate to ensure that the RSCM keeps abreast of technological advances. This will ensure greater efficiency and reduction of cost.

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FUTURE DEVELOPMENTS

With the forthcoming move to Cleveland Lodge, a revitalised education programme and development of the area and regional structure, the RSCM will be well placed to serve all its members and enthusiastically fulfil agency agreements beyond the millennium.

As ever, a stable financial base is an essential element in providing for the future and the Council will be concentrating further effort into balancing the costs of services to members and the resources available by ensuring the most efficient and effective use of those resources.

COUNCIL MEMBERSHIP

All members of the Council listed on page 3 were Members and Directors of the Company and Trustees of the Charity throughout the year except for the following:

Canon Jane Sinclair	appointed 13 October 1994
Sir Angus Stirling	appointed 16 March 1995
Spencer Freeman	appointed 15 June 1995
Clive Letchford	appointed 15 June 1995
Howard Thomas	appointed 15 June 1995

Ralph Bailey served until the AGM on 16 March 1995 when he was unable to offer himself for re-election. At the 1996 AGM it will be the turn of Philip Duffy, Professor Richard Frewer, George Nissen, the Venerable Norman Warren, Dr Dennis Townhill and Janet Unwin to retire by rotation and all are eligible for re-election.

No remuneration is paid to any member of the Council.

DIRECTORS' RESPONSIBILITIES

Company law requires the Directors, in this case the Council, to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the surplus or deficit of the Company for that period. In preparing those Financial Statements, the Council is required to:

- select suitable accounting policies and apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- follow applicable Accounting Standards, subject to any material departures disclosed and explained in the Financial Statements.

The Council is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable it to ensure that the Financial Statements comply with the Companies Act. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

AUDITORS

Brown, Peet & Tilly have expressed their willingness to be re-appointed as Auditors to the Company. A resolution to re-appoint them and to authorise the Council to determine their remuneration will be proposed at the Annual General Meeting.

Registered Office:
Addington Palace
Croydon, CR9 5AD
11 October 1995

By Order of the Council
MICHAEL KERRIGAN
Company Secretary



THE ROYAL SCHOOL OF CHURCH MUSIC

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 1995

	NOTE	General Fund £	Designated Funds £	Restricted Funds £	Endowment Funds £	TOTALS 1995 £	TOTALS 1994 £
INCOME & EXPENDITURE							
Incoming Resources							
Membership Subscriptions		308,658	--	--	--	308,658	297,424
Education Fees		203,828	--	--	--	203,828	218,754
Publications Sales & Royalties	1(j)	338,624	--	--	--	338,624	306,063
Church Music Quarterly		29,731	--	--	--	29,731	34,032
Investment Income		62,702	677	7,307	--	70,686	62,623
Donations & Legacies		7,945	27,272	232,830	200	268,247	467,160
Other Income	3	28,261	5,791	5,417	--	39,469	36,120
Total Incoming Resources	2	979,749	33,740	245,554	200	1,259,243	1,422,176
RESOURCES USED							
Direct Charitable Expenditure							
Education Activities		412,879	--	8,113	--	420,992	407,467
Publications Department		212,404	--	--	--	212,404	201,737
Church Music Quarterly		61,396	--	--	--	61,396	54,520
Other Expenditure							
Fundraising		--	--	64,352	--	64,352	46,812
Administration	4	446,928	169	--	--	447,097	477,501
Total Resources Used		1,133,607	169	72,465	--	1,206,241	1,188,037
Net Incoming (Outgoing) Resources before transfers		(153,858)	33,571	173,089	200	53,002	234,139
Transfers between Funds	12	11,599	(49,973)	38,374	--	--	--
Net Incoming (Outgoing) Resources		(142,259)	(16,402)	211,463	200	53,002	234,139
Other Gains & Losses							
Realised Gains - Investment Sales		9,701	109	264	794	10,868	28,096
Unrealised Gains - Investments		28,216	338	746	2,551	31,851	36,967
Realised Gain - Freehold Property Sale		18,471	--	--	--	18,471	--
Net Movement in Funds		(85,871)	(15,955)	212,473	3,545	114,192	299,202
Fund Balances Brought Forward at 1.7.94		640,299	588,917	3,410	84,908	1,317,534	1,018,332
Fund Balances Carried Forward at 30.6.95		554,428	572,962	215,883	88,453	£ 1,431,726	£ 1,317,534

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INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 1995

	NOTE	1995 £	1994 £
Gross income	2	1,580,920	1,698,129
Total expenditure		1,528,118	1,464,241
Net income for the year before transfers and investment asset disposals		<u>52,802</u>	<u>233,888</u>
Transfer to Endowment Funds		--	(53)
Net income before investment asset disposals		<u>52,802</u>	<u>233,835</u>
Gains on sales of investments and freehold property		28,545	25,795
Net income for the year		<u>£ 81,347</u>	<u>£ 259,630</u>

All operations during the year ended 30 June 1995 were continuing operations with the exception of the RSCM Appeal which was launched in June 1994 and will continue until December 1996. Details of movements on the Appeal Fund are shown in note 12(b).

Total income comprises £1,335,366 for unrestricted funds and £245,554 for restricted funds. A detailed analysis of income by source is provided in the Statement of Financial Activities and a reconciliation of Gross Income and Total Incoming Resources is provided in note 2.

Detailed analyses of expenditure are provided in the Statement of Financial Activities and in note 4.

Net income before investment asset disposals for the year comprises £ 211,463 net income of restricted funds less £158,661 net expenditure of unrestricted funds, as shown in the Statement of Financial Activities.

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 8 which, together with the notes to the accounts on pages 12 to 19, provides full information on the movements during the year on all funds.

The notes on pages 12 to 19 form part of these accounts.

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BALANCE SHEET AS AT 30 JUNE 1995

	NOTE	30.6.95 £	30.6.94 £
FIXED ASSETS			
Tangible Fixed Assets	5	319,527	356,239
Investments	6	<u>1,073,654</u>	<u>1,030,735</u>
		<u>1,393,181</u>	<u>1,386,974</u>
CURRENT ASSETS			
Stocks	7	238,004	200,192
Debtors	8	127,749	127,369
Short Term Deposit	9	244,984	317,625
Cash at Bank and in Hand		<u>53,383</u>	<u>91,618</u>
		664,120	736,804
CREDITORS			
Amounts falling due within one year	10	(355,028)	(435,714)
NET CURRENT ASSETS		<u>309,092</u>	<u>301,090</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,702,273	1,688,064
CREDITORS			
Amounts falling due after more than one year	11	(270,547)	(370,530)
NET ASSETS		<u>£ 1,431,726</u>	<u>£ 1,317,534</u>
FUNDS			
CAPITAL FUNDS			
Endowments	12(a)	88,453	84,908
INCOME FUNDS			
Restricted funds	12(b)	215,883	3,410
Unrestricted funds:			
General fund	12(c)	554,428	640,299
Designated funds	12(d)	572,962	588,917
		<u>£ 1,431,726</u>	<u>£ 1,317,534</u>

Approved by the Council on 11 October 1995

CLIVE LETCHFORD (*Member of the Council*)



THE ROYAL SCHOOL OF CHURCH MUSIC

REPORT OF THE AUDITORS TO THE MEMBERS OF THE ROYAL SCHOOL OF CHURCH MUSIC

We have audited the financial statements on pages 8 to 19 which have been prepared under the historical cost convention, as modified by the revaluation of investments, and accounting policies set out on pages 12 and 13.

RESPECTIVE RESPONSIBILITIES OF RSCM COUNCIL AND AUDITORS

As described on page 7 the RSCM Council is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient, reliable and relevant evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 30 June 1995 and of its General Fund deficit and net movements on other funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Scottish Union House,
26-28 Addiscombe Road,
Croydon, CR0 5PE

- 9 NOV 1995

Brown, Peet & Tilly
Chartered Accountants
Registered Auditors

Brown, Peet & Tilly

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30.6.95

1. ACCOUNTING POLICIES

(a) Historical Cost Convention

The RSCM prepares its accounts on the Historical Cost Basis of Accounting, under which assets are recorded at the value at which they were acquired and liabilities at the value when they were incurred, except that investments are revalued at market value each Balance Sheet date.

(b) Revised Format of Financial Statements

As far as possible, the financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting by Charities" issued by the Charity Accounting Review Committee. A Statement of Financial Activities provides detailed information on income, expenditure, realised and unrealised gains on investment assets and movements on each class of fund. A summary Income and Expenditure account shows total income and expenditure for all income funds; in previous years, only General Fund income and expenditure has been included in the Income and Expenditure account. All comparative figures for the year ended 30 June 1994 have been restated. Lists and descriptions of funds are given in note 12. The financial statements do not include income and expenditure of RSCM Area Committees which arrange local training activities throughout the UK. Aggregate income and expenditure of these committees is not material to the RSCM's accounts but will be included in the accounts for the year ending 30 June 1996.

(c) Depreciation and Amortisation

Depreciation has not been provided on Freehold Property (Cleveland Lodge). A major refurbishment programme has started since the Balance Sheet date. Depreciation policy will be reviewed on completion in 1996.

Depreciation on Furniture, Plant and Equipment is calculated to write off the cost of assets over their estimated useful lives:

<i>Computer Hardware and Software</i>	<i>3 years</i>
<i>Other Furniture, Plant and Equipment</i>	<i>5 or 10 years</i>

A transfer is made from the Fixed Asset Fund to the General Fund to offset depreciation on assets for which designated amounts are held in the Fixed Asset Fund.

(d) Investments and Investment Income

Investments are shown at market value in the Balance Sheet and both realised and unrealised gains and losses are recognised in the relevant funds, as shown in the Statement of Financial Activities. In the accounts for the year ended 30 June 1994, investments were shown at cost in the Balance Sheet; comparative figures have therefore been restated. Investment income is taken into account when due.

(e) Stocks.

Stocks are valued at the lower of cost or net realisable value.

(f) Translation of foreign currencies.

Balances denominated in foreign currencies are translated at rates of exchange ruling at the Balance Sheet date.

(g) Collection of Rare Books and Manuscripts.

The Balance Sheet does not include the RSCM's collection of rare books and manuscripts which is valued for insurance purposes at £25,000.

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(h) Affiliation fees and Subscriptions.

Affiliation fees and subscriptions are normally received for the calendar year. The part not earned at the Balance Sheet date is carried forward as deferred income.

(i) Pension Scheme

The Royal School of Church Music Pension and Life Assurance Scheme provides death-in-service and retirement benefits based on final pensionable salaries. Contributions to the Scheme are calculated to spread the cost of pensions over members' working lives with the RSCM and are charged to General Fund expenditure with members' salaries. Variations from regular cost, arising from periodic actuarial valuations, are allocated over the expected remaining service period of current members on the basis of a constant percentage of current and estimated future earnings.

(j) Sales of Publications

In support of its primary object, the RSCM publishes and sells printed church music, books and training materials. In the opinion of the RSCM Council, a true and fair view of the activities of the RSCM is best given in the Statement of Financial Activities by showing Publications Department income net of cost of goods sold. In the Income and Expenditure account Publications Department income is included gross; a reconciliation of Total Incoming Resources (Statement of Financial Activities) and Gross Income (Income and Expenditure account) is shown in note 2.

(k) Administration Expenditure.

Administration expenses include all headquarters running costs and salaries of all staff except those directly attributable to Education and Publications Departments.

2. INCOME RECONCILIATION

	1995	1994
	£	£
Gross Income for all income funds		
per Income & Expenditure account	1,580,920	1,698,129
Less: Publications Department cost of goods sold	(321,877)	(276,203)
Add: Incoming resources for endowment funds	200	250
Total Incoming Resources	£ 1,259,243	£ 1,422,176
per Statement of Financial Activities		

3. OTHER INCOME

General Fund

Bank Deposit Interest	14,657	10,164
Commission	6,676	7,523
Lettings	5,125	6,700
Miscellaneous	1,803	7,374

Designated Funds

St Nicolas Fair	5,587	4,274
Other	204	85

Restricted Funds

Appeal - Sale of Goods	5,417	—
	£ 39,469	£ 36,120

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	1995	1994
	£	£
4. ADMINISTRATION EXPENDITURE INCLUDES:		
Audit Fee	4,000	4,000
Loan and Bank Overdraft Interest	34,100	12,546
Vehicle Contract Hire Costs	10,679	11,088
Depreciation of Tangible Fixed Assets	39,046	37,931

Future vehicle contract hire commitments at 30 June 1995 are:

Amounts payable within 1 year	6,432	10,679
2 to 5 years	1,899	7,779
over 5 years	--	--

5. TANGIBLE FIXED ASSETS

	Freehold Property	Furniture Plant & Equipment	Total 1995	Total 1994
Cost				
at beginning of year	314,747	151,696	466,443	330,640
additions	40,472	11,564	52,036	250,550
disposals	(49,461)	(4,720)	(54,181)	(114,747)
at end of year	<u>305,758</u>	<u>158,540</u>	£ <u>464,298</u>	£ <u>466,443</u>
Depreciation				
at beginning of year	--	110,205	110,205	139,685
charged in the year	--	39,046	39,046	37,931
disposals	--	(4,480)	(4,480)	(67,412)
at end of year	<u>--</u>	<u>144,771</u>	£ <u>144,771</u>	£ <u>110,204</u>
Net Book Value	<u>305,758</u>	<u>13,769</u>	£ <u>319,527</u>	£ <u>356,239</u>

Commitments for capital expenditure at 30 June 1995 are estimated at:

Equipment	£ 20,000 (nil at 30 June 1994)
Freehold Property	£614,000 (£309,000 at 30 June 1994)

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	1995	1994
	£	£
6. INVESTMENTS		
Market value at 1 July 1994	1,030,735	--
Cost at 1 July 1993	--	793,847
Less: Disposal proceeds	(153,033)	(144,377)
Gain on disposal	10,868	28,096
Acquisitions at cost	52,626	44,499
Acquisitions at probate value	--	321,899
Increase (decrease) in investment cash	100,607	(50,196)
Net gains on revaluation at end of year	31,851	36,967
Market value at end of year	<u>£ 1,073,654</u>	<u>£ 1,030,735</u>
Cost at end of year		
Quoted Investments	887,034	976,573
Investment Cash	117,802	17,195
	<u>£ 1,004,836</u>	<u>£ 993,768</u>

Investments at 30 June 1995 consist of a portfolio with market value £1,063,003 managed by Cantrade Investment Management Limited and quoted investments with market value £10,651 held specifically for five endowment funds. The Cantrade portfolio is held for various funds and is divided into ranges as required by the Trustee Investment Act 1961. The proportions held in each range at 30 June 1995 were 47% Wide Range, 35% Narrow Range and 18% Special Range.

For the year ended 30 June 1995, accounting policy for investments has been changed to show investments at market value in the Balance Sheet. To facilitate restatement of comparative figures, all unrealised gains up to 30 June 1994 have been regarded as taking place during the year ended 30 June 1994.

The following holdings each represented more than 5% of the total value of investments at 30 June 1995:

£118,000 11.5% Treasury Stock 2001/04	value	£134,078 =	12.5%
£ 95,000 9.75% Treasury Stock 2002	value	£101,531 =	9.5%

7. STOCKS

For resale	237,441	199,089
Consumables	563	1,103
	<u>£ 238,004</u>	<u>£ 200,192</u>

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	1995	1994
	£	£
8. DEBTORS		
Trade Debtors	71,803	70,329
Other Debtors	22,385	33,568
Prepayments	33,561	23,472
	<u>£ 127,749</u>	<u>£ 127,369</u>

9. SHORT TERM DEPOSIT

In connection with an undertaking to spend £400,000 on Cleveland Lodge, cash is held on short term deposit which can only be used for that purpose. The amount of the deposit at 30 June 1995 was £244,984.

10. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade Creditors	73,561	108,486
Other Creditors, inc. Taxation & Social Security	22,622	36,160
Accruals	23,014	18,446
Deferred Income -Affiliation Fees & Subscriptions	145,782	147,277
Deferred Income - Course Fees	90,049	125,345
	<u>£ 355,028</u>	<u>£ 435,714</u>

11. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

The RSCM has a loan facility of £400,000 with Cantrade Private Bank Switzerland (C.I.) Limited expiring on 28 October 1997. The amount of the loan at 30 June 1995 was £270,547, secured on part of the RSCM's investment portfolio, which is managed by Cantrade Investment Management Limited.

12. FUNDS

(a) Endowments

The capital of RSCM Endowment Funds cannot be spent. The funds have been given to the RSCM by way of donations, legacies and memorial appeals to be invested to provide income for the purposes stated below.

Overseas Development Fund	15,324	14,712
To fund overseas travel by RSCM staff and other overseas development work.		
Hymns Ancient & Modern Lectureship Fund	14,754	14,164
To help pay for lecturers on RSCM courses		
Harold Smart Competition Fund	4,584	4,401
To fund an annual competition for composers		
Hubert Crook Memorial Fund	41,049	39,409
To provide grants for students attending RSCM courses		
Bursary Funds (Geoffrey Barber Memorial, Ronald Cooling, R L Cann, J H Dunn, G Loughborough, J S Newman, Ida Raven, E M Wilson)	12,742	12,222
To provide grants for students attending RSCM courses and other training activities.		
	<u>£ 88,453</u>	<u>£ 84,908</u>

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The R L Cann Fund received additional capital of £200 during the year. The remainder of fund growth arose from investment gains. Specific quoted investments with a total market value of £10,651 are held for the Geoffrey Barber Memorial, R L Cann, J H Dunn, J S Newman and Ida Raven funds. The remaining endowment funds (£77,802 at 30 June 1995) are allocated part of the RSCM's general investment portfolio.

(b) Restricted Funds

Restricted funds include income from endowments and donations given subject to specific instructions on how they may be spent.

	1995 £	1994 £
Appeal Fund	164,479	(46,841)
To refurbish Cleveland Lodge and to support RSCM regional development work.		
Cathedral Courses Fund	25,099	24,803
To provide grants for students attending RSCM Cathedral Courses		
Overseas Development Fund Income	8,944	9,540
Hubert Crook and Bursary Endowment Funds Income	14,437	12,882
Non-endowed Bursary funds (J Bull, J & R Howard)	363	336
Harold Smart Fund Income	--	129
Resource Centre Fund	1,387	1,387
To set up and operate a library resource centre at RSCM HQ		
Video Fund	1,174	1,174
To finance the production of an RSCM video		
	<u>£ 215,883</u>	<u>£ 3,410</u>

The RSCM Appeal was launched in June 1994 and will run until December 1996. The Appeal Fund was in deficit at 1 July 1994 due to pre-launch costs. £135,643 of the Appeal Fund has been spent on and is represented by the fixed asset, Cleveland Lodge. The remainder is held on bank deposit. Net incoming resources of £211,320 were received by the Appeal Fund in the year ended 30 June 1995, after deducting fundraising expenditure of £64,352.

The Cathedral Courses Fund is allocated a part of the RSCM's general investment portfolio and receives income and investment gains or losses therefrom.

The remaining restricted funds are represented by current assets.

(c) General Fund

The General Fund is the main operating fund of the RSCM. Together with the designated funds (except the Contingency Fund), it is represented by all net assets of the RSCM not allocated to other funds.

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(d) Designated Funds

Designated funds are not subject to restriction on use but have been set aside by the RSCM Council for particular purposes as listed below:

	1995 £	1994 £
Development Fund		
Legacies received since November 1993 have been allocated to this fund to support the general development of the RSCM.	471,442	482,853
Property Fund		
Established to equalise irregular property costs such as major maintenance work.	81,320	81,320
Contingency Fund		
This fund has been used to pay small pension supplements to former members of staff but it is currently under review.	11,359	10,234
Other designated funds		
(Fixed Assets, Hymns Ancient & Modern Grants, St Nicolas Fair, Director's Discretionary, Martin How Music, Great Hall)	8,841	14,510
	<u>£ 572,962</u>	<u>£ 588,917</u>

The Contingency Fund is allocated a part of the RSCM's general investment portfolio and receives income and investment gains or losses therefrom.

(e) Transfers between Funds

	General Fund	Designated Funds	Restricted Funds
Development to Appeal Fund		(35,642)	35,642
Reclassification of income from fundraising events prior to launch of Appeal.			
St Nicolas Fair to Appeal Fund		(5,252)	5,252
Proceeds of 1994 Fair to Appeal.			
Hymns Ancient & Modern Grants to Overseas Development Income		(6,000)	6,000
Reclassification of grants received.			
Fixed Assets to General Fund	3,079	(3,079)	
To offset depreciation on specific assets.			
General Fund to Harold Smart Income	(123)		123
Excess of competition cost over available fund.			
Hymns Ancient & Modern Lectureship Income to General Fund	947		(947)
Income for the year towards cost of lecturers.			
Cathedral Courses and Hubert Crook Income to General Fund	7,696		(7,696)
Grants to Students.			
	<u>£ 11,599</u>	<u>£ (49,973)</u>	<u>£ 38,374</u>

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13. STAFF

		1995	1994
Average Number of Permanent Staff			
Teaching Staff		5	5
Courses and Support Staff		7	11
Publications Department		9	9
Management and Administration		12	14
		<u>33</u>	<u>39</u>
Of Whom			
Full Time		19	20
Part Time (up to 25 hours per week)		14	19
		<u>33</u>	<u>39</u>
The costs of employing these staff were:			
		£	£
Gross Salaries		383,458	388,434
Social Security Costs		28,907	29,897
Pension Costs		29,759	40,059

The programme of courses and other events, at Addington and elsewhere, could not take place without the goodwill of many visiting lecturers and other temporary workers. Local activities are organised by several hundred volunteers who give their time and skills free of charge.

14. PENSION SCHEME

The RSCM contributes to a defined benefit pension scheme managed by Trustees appointed by the RSCM Council. Contributions are invested in a deferred allocation funding contract administered by Provident Mutual Life Assurance Association.

Contribution rates in the year ended 30 June 1995 were 5.5% (employees) and 12% (employer), as recommended by the Trustees on the advice of an independent actuary. The latest actuarial review of the Scheme, as at 30 June 1993, confirmed that the Scheme's assets on the effective date fully covered its liabilities at that date on the basis that members' service terminated on that date.

The resources of the Scheme are likely in the normal course of events to meet in full the liabilities of the Scheme as they fall due.

The funding method used is the Attained Age method. The main financial assumptions are:

- (i) The yield obtainable on investments is 9% per annum.
- (ii) Pensionable salaries increase at 7% per annum.
- (iii) The Retail Price Index rises at 5% per annum.
- (iv) Pensions are bought on annuity rates based on an underlying interest rate of 9% per annum.

15. TAXATION

As a registered charity, the Royal School of Church Music is exempt from Corporation Tax in so far as its income is applied for charitable purposes.