

Company registration no. 1147282

**The Elgar Foundation Limited
(incorporating The Elgar Birthplace Trust)**

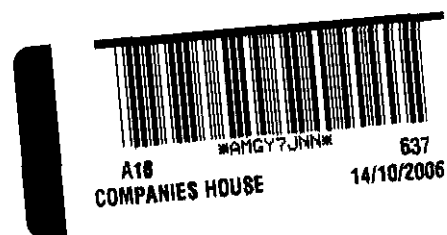
Financial Statements

Year ended 31 December 2005

UNAUDITED

Charity Registration no. 266849

A company limited by guarantee



The Elgar Foundation Limited
For the year ended 31 December 2005

Registered Office:

The Elgar Birthplace Museum
Crown East Lane
Lower Broadheath
Worcester
WR2 6RH

Secretary:

Mr S W Lindner
The Elgar Birthplace Museum
Crown East Lane
Lower Broadheath
Worcester
WR2 6RH

Bankers:

Triodos Bank NV
Brunel House
11 The Promenade
Bristol
B58

Accountants:

Rabjohns LLP
1 - 4 College Yard
Worcester
WR1 2LB

Legal Advisers:

Russell & Co
Holland House
Church Street
Malvern
Worcestershire
WR14 2AH

Company Registration No. 1147282
Registered Charity No. 266849

The Elgar Birthplace Trust

Registered Charity No 202688

Elgar Foundation Enterprises Limited

Company Registration No. 4128862

The Elgar Foundation Limited
For the year ended 31 December 2005

Patron: HRH The Prince of Wales

President: Dame Janet Baker CH, DBE

Vice-Presidents:	Lady Barbirolli OBE	Sir Charles Mackerras CBE
	Daniel Barenboim	Sir Peter Maxwell Davies CBE
	Sir Andrew Davis CBE	The R. Hon. David Mellor PC, QC
	Raphael Djanogly	Sir Simon Rattle CBE
	Sir Edward Downes CBE	Mstislav Rostropovich KBE (Hon)
	Michael Brinton	Leopold de Rothschild CBE
	(HM Lord Lieutenant for the	Gennady Rozhdestvensky
	County of Worcester)	Leonard Slatkin
	Bernard Haitink KBE (Hon)	Sir David Willcocks CBE, MC
	Dr Vernon Handley	
	Dr Richard Hickox	
	Dr Michael Kennedy CBE	
	Nigel Kennedy	
	Julian Lloyd-Webber CBE	

Directors: Peter Ainsworth MP – Chairman
Sam Driver White – Vice Chairman
Paul Bendit
David Bowerman CBE JP, DL
Mark Grafton
David Hawkins
Andrew Jowett
Stephen Lindner CA(SA) – Finance Director
Michael Messenger OBE
Raymond Monk
Robert Montgomery
Richard Morrison
Andrew Neill
Diana Quinney

The Elgar Foundation Limited
For the year ended 31 December 2005

Directors' report

The Board of Directors have pleasure in presenting their report and the unaudited financial statements for the year ended 31 December 2005.

The directors who served the Foundation during the year were:

P Ainsworth – Chairman	S Lindner* - Finance Director - Appointed 4 July 2005
S Driver White* - Vice Chairman	M Messenger *
P Bendit*	R Monk
DW Bowerman	R W Montgomery
ME Grafton	R Morrison – Appointed 22 February 2005
DN Hawkins	AHA Neill *
Dr D Hunt	Mrs D Quinney
A Jowett – Appointed 22 February 2005	

Dr D Hunt resigned from the Board on 30 January 2006.

The appointment of directors is approved by the full board.

*Members of the Management Committee

Introduction

The Elgar Foundation, which was incorporated in 1973, as a company limited by guarantee without a share capital, is a registered charity (No. 266849). It operates in conjunction with its sister charity The Elgar Birthplace Trust of which it is the sole trustee. The financial statements incorporate the income and expenditure and funds of The Elgar Birthplace Trust to reflect the management of both organisations as a single entity.

On 20 December 2000, Elgar Foundation Enterprises Limited was incorporated as a wholly owned subsidiary of the Foundation. It commenced operating on 1 January 2001 as the trading vehicle of the Foundation to which its net profits are donated under gift aid.

Principal activities

The principal activity of the Foundation is the maintenance of the late Sir Edward Elgar's birthplace at Lower Broadheath, Worcester and of the collection of Elgar memorabilia and archive material. The Foundation is also concerned with the promotion of education in and an appreciation of Elgar's life and works.

Review of the year

While 2005 may be regarded as a year of consolidation at the Birthplace, there were significant changes to the membership of the board of directors. David Bowerman CBE retired as Chairman after seven years at the helm, though he remains on the board. It is appropriate here to note the enormous contribution that he made during his tenure of office, initially offering to underwrite any deficit during the first few years of the new Elgar Centre, and so providing necessary financial stability as the Foundation made its bid for funding to the Heritage Lottery Fund, and subsequently offering injections of cash and additional funding for the purchase of important manuscripts and letters for the Birthplace's priceless archive. He has been succeeded by Peter Ainsworth MP, whose introduction to the Birthplace was as a student doing volunteer work during his vacation, and who brings enthusiasm, commitment and new ideas to the situation.

Pressure of work led Bob Marchant to resign as Finance Director, and he too has been a key element during the period which encompasses the completion of the Elgar Centre and the concomitant growth of expenditure on the professional and support staffing necessary to

The Elgar Foundation Limited
For the year ended 31 December 2005

Directors' report (continued)

maintain registered museum status while operating on a split site and remaining open to the public for seven days a week, eleven months in the year; he has moved to assume the vacant independent chairmanship of Elgar Foundation Enterprises, and while this position does not carry directorship of the Foundation, the Board has expressed the wish that he attend in an observer capacity so that he can report directly to the Board, rather than through the Birthplace Management Committee, on the affairs of Elgar Foundation Enterprises.

He has been replaced as Finance Director by Stephen Lindner, and the Board has been strengthened by the appointment of Andrew Jowett, Director of Symphony Hall in Birmingham, and Richard Morrison, chief music critic of *The Times*.

The Foundation's board received a paper from the Chairman of the Management Committee in January 2005 examining present and possible future policies and structures for the Foundation, and accepted the broad thrust of the recommendations. As a result, it was agreed that the Management Committee should retain responsibility for the day to day operation of the Birthplace, but that certain other matters such as appeal funding and a suggested 2007 Festival in Worcester to mark the 150th anniversary of Elgar's birth should be overseen by separate committees, answerable directly to the main board; a London-based Appeal Committee has yet to be established as the Foundation seeks to identify a key element of its activities on which to focus. Additionally, the Board decided to meet three times a year, instead of the twice that had been the norm since 1998, and it resolved to review its relationship with its vice-presidents.

There were few apparent changes at the Birthplace itself, with a generally stable staff and visitor numbers showing a slight increase over the previous year – 10,459 compared to 10,418 in 2004, though increases in admission charges meant that income from that source was nearly 14% higher. Our visitors came from as far afield as North America, Australasia and Japan, as well as from many parts of Europe and the U.K., and there were 56 coach parties during the year, a result perhaps of an enhanced marketing budget and the efforts of Jean Armstrong, our Marketing Officer. It was disappointing to learn that the rules relating to gift aid were to be changed and, after considering the implications of this on the Foundation's finances, it was resolved to initiate an annual membership scheme, and discussions on the necessary procedures were under way at the year end.

Within the Birthplace an audit was carried out to ensure that as far as possible it complied with the provisions of the Disability Discrimination Act, and a few minor modifications were carried out. More serious was the emergence of deep cracks disfiguring some of the walls of the Birthplace cottage, the result of root encroachment from neighbouring trees, but agreement was reached on the removal of some of the offending trees and the remedial work, covered by the Foundation's insurance, was completed during January 2006.

The Museum was pleased to contribute to, and subsequently to host, a major exhibition on Elgar and Birmingham organised by the University of Birmingham and first shown at the Barber Institute; the Birthplace's contribution was the notebooks containing Elgar's manuscript drafts of the lectures he delivered as the first Peyton Professor of Music at the University. It also lent material to the Imperial War Museum for an exhibition on Lawrence of Arabia. Major acquisitions during the year comprised letters relating to Elgar's transcriptions of Bach's *Fantasia in C* and Handel's *Overture in D minor*, and a letter and notes from Elgar to Nicholas Kilburn on performance technique relating to *The Dream of Gerontius*, while additionally the Museum is indebted to Mr and Mrs Elvins who not only commissioned an attractive donations box in memory of their late son but have offered a further donation towards a suitable item for the archive when the need arises.

The Elgar Foundation Limited
For the year ended 31 December 2005

Directors' report (continued)

It was in the archive that the one significant change of staff occurred: the retirement of Margaret Sanders, who had done so much to establish the archive on a sound footing since it opened to the public in 2001, and the appointment of Sue Fairchild. The archive was closed to all but a few continuing researchers during 2005 to enable additional progress to be made on reducing the backlog of seven decades and meeting targets agreed with the Heritage Lottery Fund which is contributing a little over 60% of the documentation officer's salary for a further two years. The new documentation officer has instigated some changes in the computer-based procedures which have had the effect of simplifying some of the recording processes, speeding the whole project and enabling greater use to be made of volunteers for data input.

Work has continued on two major projects during the year: the long-awaited Touchscreen Elgar Display (appropriately known as TED), an interactive unit based upon an extended timeline and enabling members of the public to discover more about Elgar and his music than is possible from merely static displays, and the digitisation of key elements of the collection. The former contains over 1300 individual entries reflecting Elgar's life and compositions in the context of the time and will be operational by mid-2006, while the latter will, if it can be achieved, enable distance access to the archive for the first time. A small grant from MLA: West Midlands has enabled a start to be made on the digitisation of some photographs, but further progress on the entire project will only be possible if substantial external funding can be obtained, and a bid for major support from the Foundation for Sport and the Arts has been submitted. The Museum had originally thought that the Government's decision to include libraries and archives in its programme of designation of collections of national significance would enable the Elgar Birthplace to apply, given that its collections are primarily archival, i.e. over 90% paper-based and including over 200 original manuscripts and sketches and 10,000 plus letters, but the authorities ruled that this particular round was not open to registered museums – a curious and very narrow application of the regulations, it seemed to members of the Management Committee.

Elgar Foundation Enterprises continues to make a major contribution to the finances of the Foundation and the successful operation of the Museum, with its separate committee under the chairmanship of Bob Marchant reporting to the Birthplace Management Committee, and day to day responsibility for overseeing the stock passing to Chris Bennett, the Museum Supervisor. The figures are shown elsewhere in the account, but sufficient to say that gross income increased during 2005, and that plans are being implemented to increase display space and extend the range of CDs. On-line sales stood at £11,300, and there has been useful cooperation with the Elgar Society on the promotion of items through the distribution of a joint leaflet with the Society's newsletter.

The Foundation has continued to receive the support of the Elgar Society, and the West Midlands Branch now holds the vast majority of its meetings in the Carice Elgar Room at the Birthplace. The Director has continued to organise an annual programme of events within the room, ranging from music recitals to the now annual pre-Christmas crafts fair, and it is also used for talks to groups visiting the Birthplace and, when the room is not otherwise in use, for continuous showing of the 20 minute introductory video prepared for the Foundation by Marc Seccombe.

In conclusion, tribute must be paid to the Director, Catherine Sloan, and her team of salaried and voluntary staff for another year of dedicated and committed hard work, encompassing an outlay in time and effort far exceeding what the Foundation as employer may reasonably expect. Without their efforts the Birthplace could not have achieved its current level of success.

The Elgar Foundation Limited
For the year ended 31 December 2005

Directors' report (continued)

Fixed assets

In the opinion of the directors the value of the freehold property shown in the financial statements is at least equivalent to its book value.

No value is attributed to the manuscripts, memorabilia, furniture and other items associated with the late Sir Edward Elgar, which are in the possession of the Foundation.

Reserve policy

The Restricted Funds are held for their specific purposes. At 31 December 2005, the Restricted Funds amounted to £846,737, the Designated Funds amounted to £87,076 and the Unrestricted Fund amounted to £223,215.

Risk management

The Directors have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate the charity's exposure to the major risks.

Statement of directors' responsibilities

The directors of the company are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the surplus or deficit for the financial year.

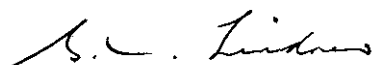
The directors consider that in preparing the financial statements on pages 8 to 17 the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards, which they consider to be applicable, have been followed.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board.



S W Lindner
Secretary

Date: 22nd MAY 2006

Independent Examiner's Report to the members of The Elgar Foundation Limited

I report on the accounts of the Trust for the year ended 31 December 2005 which are set out on pages 8 to 17.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 and that an independent examination is needed.

It is my responsibility to:

- examine the accounts (under section 43(3)(a) of the 1993 Act);
- follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 43(7)(b) of the 1993 Act); and
- state whether particular matters have come to my attention.

Basis of independent examiner's statement

Our examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

1 which gives me reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with section 41 of the 1993 Act; and
- to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 1993 Act

have not been met; or

2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Rabjohns LLP



Chartered Certified Accountants

1 – 4 College Yard

Worcester

WR1 2LB

Date:

22nd May 2006

The Elgar Foundation Limited
For the year ended 31 December 2005

Statement of Financial Activities and Income & Expenditure Account

	Note	Unrestricted Funds	Restricted Funds	Designated Funds	Total Funds 2005	Total Funds 2004
		£	£	£	£	£
Incoming Resources	2					
Grants		3,985	-	-	3,985	18,404
Donations		45,723	-	17,117	62,840	101,971
Rent and service charge		47,300	-	-	47,300	46,878
Admission charges		40,922	-	-	40,922	34,608
Gift Aid on admissions		8,449	-	-	8,449	5,900
Audio guides		-	-	-	-	1,330
Education activities		688	-	-	688	220
Research fees		241	-	-	241	273
Facility fees		2,826	-	-	2,826	3,183
Bank interest		1,979	-	-	1,979	1,229
Investment income		299	-	-	299	735
Royalties		28	-	-	28	14
Revaluation of Investments		699	-	-	699	1,446
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Income from charitable activities and total incoming resources		153,139	-	17,117	170,256	216,191
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Resources Expended						
Administration costs						
Employee costs	12	65,984	-	-	65,984	67,248
Staff training and expenses		4,975	-	-	4,975	3,744
Depreciation		8,138	33,512	5,346	46,996	50,931
Property costs		16,581	(2,500)	-	14,081	17,780
Office expenses		12,578	-	-	12,578	8,411
Insurance		5,696	-	-	5,696	5,722
Collection management		2,495	-	-	2,495	2,722
Marketing		5,066	-	-	5,066	7,959
Professional fees		6,617	-	-	6,617	7,319
Subscriptions		1,340	-	-	1,340	314
Bank charges		213	-	570	783	172
Temporary exhibitions		-	-	-	-	269
Education		-	-	-	-	1,330
Festival 2007		-	-	57	57	98
Visitor facilities		-	-	-	-	2,405
Sundry expenses		1,275	-	-	1,275	-
Appeal Costs		3,245	-	-	3,245	28,675
Share to Sargent cancer care for children		-	-	3,299	3,299	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		134,203	31,012	9,272	174,487	205,099
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The Elgar Foundation Limited
For the year ended 31 December 2005

Statement of Financial Activities and Income & Expenditure Account (continued)

	Note	Unrestricted Funds	Restricted Funds	Designated Funds	Total Funds 2005	Total Funds 2004
		£	£	£	£	£
Disbursements						
Addition to Archive		5,857	-	-	5,857	10,704
Three Choirs Festival Commission		-	-	1,000	1,000	150
Equipment and visitor facilities		-	-	10,000	10,000	10,000
Grant to Birthplace Trust		3,363	-	(3,363)	-	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended		143,423	31,012	16,909	191,344	225,953
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net incoming / (outgoing) resources for the year		9,716	(31,012)	208	(21,088)	(9,762)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances as at 1 January 2005	10	208,815	881,112	82,676	1,172,603	1,182,365
Net movement in funds		9,716	(31,012)	208	(21,088)	(9,762)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances as at 31 December 2005	10	218,531	850,100	82,884	1,151,515	1,172,603
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

There were no recognised gains or losses other than those reported in the Statement of Financial Activities.

The notes on pages 12 to 17 form part of these financial statements.

The Elgar Foundation Limited
For the year ended 31 December 2005

Balance Sheet
At 31 December 2005

	Note	2005 £	£	2004 £	£
Fixed assets					
Tangible assets	4	1,008,241		1,053,117	
Investments	5	1		1	
		<hr/>		<hr/>	
			1,008,242		1,053,118
Current assets					
Short term investments	6	14,726		13,728	
Debtors	7	75,820		54,971	
Cash at bank and in hand		84,480		81,315	
		<hr/>		<hr/>	
		175,026		150,014	
Creditors:					
Amounts due within one year	8	31,753		30,529	
		<hr/>		<hr/>	
Net current assets			143,273		119,485
			<hr/>		<hr/>
			1,151,515		1,172,603
			<hr/>		<hr/>
Capital and reserves	9 & 10				
Unrestricted Fund			218,531		208,815
Restricted Funds					
Elgar Centre Endowment Fund		840,100		873,612	
Elgar Centre Building Fund		10,000		7,500	
		<hr/>		<hr/>	
			850,100		881,112
Designated Funds					
Coins 4 Notes		61,311		51,415	
Elgar Birthplace Development Fund		13,955		21,603	
Elgar Birthplace Trust		-		1,983	
Elgar Festival Fund		7,618		7,675	
		<hr/>		<hr/>	
			82,884		82,676
			<hr/>		<hr/>
			1,151,515		1,172,603
			<hr/>		<hr/>

The Elgar Foundation Limited
For the year ended 31 December 2005

In preparing these financial statements:

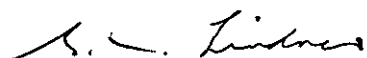
- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Approved by the directors on 22ND MAY 2006



P Ainsworth



S W Lindner

Directors

The notes on pages 12 to 17 form part of these financial statements.

The Elgar Foundation Limited
For the year ended 31 December 2005

Notes to the Financial Statements

(forming part of the financial statements)

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

Basis of preparation

The accounts include the income and expenditure and funds of The Elgar Birthplace Trust, a separate registered charitable trust, in respect of which The Foundation acts as sole trustee.

The financial statements of the wholly owned subsidiary, Elgar Foundation Enterprises Limited made up to 31 December 2005, have not been consolidated as the accounts of the company incorporate the whole of the net profit after taxation donated to it under gift aid and its net assets are not material.

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

The financial statements have been prepared in accordance with the provision of Statement of Recommended Practice - Accounting for Charities.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, on a straight-line basis, at rates calculated to write off the cost of each asset over its expected useful life as follows:

Freehold buildings	- over 50 years
Alterations to leasehold property	- over 50 years
Fittings and equipment	- over 10 years
Computer equipment	- over 4 years

Cash flow statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cashflow statement on the grounds of its size.

2 Income

All income is derived wholly within the United Kingdom.

The Elgar Foundation Limited
For the year ended 31 December 2005

3 Net outgoing resources

Net outgoing resources are stated after charging:

	2005	2004
	£	£
Depreciation	46,996	50,931
Accountant's fee	3,000	3,000
And after crediting		
	2005	2004
	£	£
Income from Elgar Foundation Enterprises:		
Net profit donated	18,436	20,126
Costs recharged	14,000	14,000

4 Tangible fixed assets

	Birthplace Cottage	Freehold land and buildings	Fittings and equipment	Total
	£	£	£	£
Cost				
At beginning of year	131,618	963,225	236,301	1,331,144
Additions	-	-	2,120	2,120
At end of year	131,618	963,225	238,421	1,333,264
Depreciation				
At beginning of year	35,810	95,060	147,157	278,027
Charge for the year	5,346	17,275	24,375	46,996
At end of year	41,156	112,335	171,532	325,023
Net book value				
At 31 December 2005	90,462	850,890	66,889	1,008,241
At 31 December 2004	95,808	868,165	89,144	1,053,117

Land with a book value of £99,447 is not depreciated.

Capital expenditure committed to as at 31 December 2005 amounted to £nil (2004-£nil), in addition capital expenditure authorised amounted to £10,000 representing enhancements to visitor facilities funded by a bequest and by a grant from the Esmeé Fairbairn Trust already received.

No value is attributed to the manuscripts, memorabilia, furniture and other items associated with the late Sir Edward Elgar which are in the possession of the Foundation.

The Elgar Foundation Limited
For the year ended 31 December 2005

5 Investments

On 20 December 2000 Elgar Foundation Enterprises Limited was incorporated as a wholly owned subsidiary of the company. The investment comprises one ordinary share of £1. Elgar Foundation Enterprises Limited is incorporated in England and undertakes trading activities on behalf of the company. The whole of its profits are donated under gift aid to the company; in view of this the result and net assets of the subsidiary have not been consolidated in the financial statements of the company.

The following additional information is given:

Net assets

As at 31 December 2005 - £1 (2004 - £1)

Profit and loss account

For the year ended 31 December 2005

	2005	2004
	£	£
Turnover	89,237	85,564
Cost of sales	(55,445)	(50,198)
	<hr/>	<hr/>
Gross profit	33,792	35,366
Administrative expenses	(15,459)	(15,307)
	<hr/>	<hr/>
Operating profit	18,333	20,059
Bank interest received	103	67
	<hr/>	<hr/>
Profit on ordinary activities before taxation	18,436	20,126
Taxation	-	-
	<hr/>	<hr/>
Profit after taxation	18,436	20,126
Donation under gift aid	(18,436)	(20,126)
	<hr/>	<hr/>
Retained profit	-	-
	<hr/>	<hr/>

6. Short Term Investments

These investments comprise listed securities and are stated at market value as at 31 December 2005.

The Elgar Foundation Limited
For the year ended 31 December 2005

7 Debtors

	2005	2004
	£	£
Due from Elgar Foundation Enterprises	72,486	13,030
Prepayments	349	2,825
Trade debtors	2,711	38,373
Inland Revenue	274	743
	<hr/>	<hr/>
	75,820	54,971
	<hr/>	<hr/>

8 Creditors: Amounts due within one year

	2005	2004
Trade creditors	11,339	21,688
Value Added Tax	18,328	8,841
Other creditors	2,086	-
	<hr/>	<hr/>
	31,753	30,529
	<hr/>	<hr/>

9 Share Capital

The Foundation is a company limited by guarantee and has no share capital.

10 Reserves

	2005	2004
	£	£
Unrestricted Fund		
At 1 January	208,815	197,445
Surplus for the year	9,716	11,370
	<hr/>	<hr/>
At 31 December	218,531	208,815
	<hr/>	<hr/>
Restricted Funds:		
Elgar Centre Endowment Fund		
At 1 January	873,612	909,729
(Deficit) for the year	(33,512)	(36,117)
	<hr/>	<hr/>
At 31 December	840,100	873,612
	<hr/>	<hr/>
Elgar Centre Building Fund		
At 1 January	7,500	5,000
Surplus for the year	2,500	2,500
	<hr/>	<hr/>
At 31 December	10,000	7,500
	<hr/>	<hr/>

The Elgar Foundation Limited
For the year ended 31 December 2005

Designated Funds:

Coins 4 Notes

At 1 January	51,415	24,635
Surplus for the year	9,896	26,780
	<hr/>	<hr/>
At 31 December	61,311	51,415
	<hr/>	<hr/>

Elgar Birthplace Development Fund

At 1 January	21,603	30,453
(Deficit) for the year	(7,648)	(8,850)
	<hr/>	<hr/>
At 31 December	13,955	21,603
	<hr/>	<hr/>

Elgar Birthplace Trust

At 1 January	1,983	7,329
(Deficit) for the year	(1,983)	(5,346)
	<hr/>	<hr/>
At 31 December	-	1,983
	<hr/>	<hr/>

Elgar Festival Fund

At 1 January	7,675	7,773
(Deficit) for the year	(57)	(98)
	<hr/>	<hr/>
At 31 December	7,618	7,675
	<hr/>	<hr/>

The Elgar Centre Endowment Fund represents all those monies raised specifically for the construction of the new building. The depreciation of the new building is charged against this fund.

The Elgar Centre Building Fund represents a sinking fund for certain maintenance costs set up in accordance with the lease granted to Worcestershire County Council.

Coins 4 Notes is a national appeal launched to raise funding and support the works of The Elgar Foundation.

The Elgar Birthplace Development Fund receives donations and bequests designated by the directors to meet the cost of enhancements and the visitor facilities and other projects.

The Elgar Birthplace Trust represents the balance of the Trust's funds used to meet the ongoing costs of the Trust's objects.

The Elgar Festival Fund represents monies set aside by the directors to help fund a proposed festival in 2007 to mark the 150th anniversary of the birth of Edward Elgar.

The Elgar Foundation Limited
For the year ended 31 December 2005

11 Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Designated Funds	Total Funds 2005
	£	£	£	£
Fund balances at 31 December 2005 are represented by:				
Tangible fixed assets	157,352	850,890	-	1,008,242
Current assets	74,786	-	100,240	175,026
Creditors: amounts falling due within one year	(13,607)	(790)	(17,356)	(31,753)
	<u>218,531</u>	<u>850,100</u>	<u>82,884</u>	<u>1,151,515</u>

12 Staff costs and directors' remuneration

The Foundation had 11 full time and part time employees during the year (2004 - 10). None of the directors received any remuneration or expenses during the year.

	2005 £	2004 £
Salaries	62,742	63,927
Social security costs	3,242	3,321
	<u>65,984</u>	<u>67,248</u>

No employee received remuneration amounting to more than £50,000 in either year.

13 Taxation

The Foundation is a charity and its activities are exempt from Corporation Tax.

14 Indemnity Insurance

The cost of provision of indemnity insurance for the directors was £787 (2004 - £787)