

Company Registration No: 01147282
Charity Registration No: 266849

THE ELGAR FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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THE ELGAR FOUNDATION

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THE ELGAR FOUNDATION

CHARITY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2016

Patron: HRH The Prince of Wales

President: Sir Mark Elder CH, CBE

Registered Office: Thorneloe House
25 Barbourne Road
Worcester
WR1 1RU

Bankers: Triodos Bank NV
Deanery Road
Bristol
BS1 5AS

Independent Examiner: Rob Richards FCA CTA FCCA
John Yelland and Company
Chartered Certified Accountants
Thorneloe House
25 Barbourne Road
Worcester
WR1 1RU

Legal Advisers: Harrison Clark
5, Deansway
Worcester
WR1 2JG

Company Registration No: 1147282

Registered Charity No: 266849

The Elgar Birthplace Trust
Charity Registration No: 202688

**Elgar Foundation
Enterprises Limited**
Company Registration No: 4128862

THE ELGAR FOUNDATION

CHARITY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

Vice-Presidents: Daniel Barenboim
David Bowerman CBE, JP, DL
Raphael Djanogly
Lord Howard Flight
Dr Donald Hunt OBE
Julian Lloyd-Webber CBE
Sir Peter Maxwell Davies CBE
The Rt. Hon David Mellor QC
Michael Messenger OBE
Gennady Rozhdestvensky

Directors: The Rt. Hon David Mellor QC : Chairman

William Carslake
Prof. Michael Clarke CBE : Management Committee
Tim Clarke
Mark Grafton
David Hawkins
Andrew Jowett : Management Committee
Prof. Colin Lawson CBE
Michael Messenger OBE : Management Committee
Robert Montgomery
Andrew Neill
Lord Howard Flight
Prof. John Whenham : Management Committee

THE ELGAR FOUNDATION

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

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

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the company's memorandum and articles of association, the Companies Act 2006 and Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the FRS 102.

The Elgar Foundation, which was incorporated in 1973 as a company limited by guarantee without a share capital (registered number 01147282) is also a registered charity (No. 266849). In accordance with Section 61 of the Companies Act 2006, the company is exempt from the requirements of that Act to include "Limited" as part of its name. It operates in conjunction with its sister charity, The Elgar Birthplace Trust, of which it is the sole trustee.

The principal address and registered office of the company is:

Thorneloe House
25 Barbourne Road
Worcester
WR1 1RU

The directors and trustees who served the Foundation during the year were:

The Rt. Hon David Mellor QC (Chairman)
S Driver White* (Vice Chairman - Died 20.02.2017)
P M Ainsworth (Resigned 26.05.2016)
W H Carslake
Professor M G Clarke*
T Clarke
M E B Grafton
D N Hawkins
S J Heffer (Resigned 26.05.2016)
A J Jowett*
Professor C J Lawson
M Messenger*
R W Montgomery
A H A Neill
Lord H Flight
Ronald Whitfield* (Resigned 18.01.2017)
Professor John Whenham*

The appointment of directors is via interview with the Vice Chairman of the trustees together with the Chairman of the Management Committee.

*Members of the Management Committee.

Training of trustees

New trustees undergo training to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles Of association, the committee and decision making process, the business plan and recent financial performance of the charity. Trustees are encouraged to attend appropriate training where this will facilitate the undertaking of their role.

THE ELGAR FOUNDATION

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

Objectives and activities

The principal activity of the Foundation is the maintenance, for the public benefit, of the birthplace of the late Sir Edward Elgar 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.

The directors confirm that they have complied with the duty in section 17(5) of the 2011 Charities Act to have due regard to guidance on public benefit published by the Charity Commission when reviewing the charity's aims and objectives.

Foundation matters

The Governing Body met on two occasions during the year, once in London and once in Lower Broadheath. The Board received regular reports from the Birthplace Management Committee, (which met on nine occasions during the year) the Director and the Chair of Elgar Foundation Enterprises.

The Elgar Foundation would like to thank staff for ensuring the smooth running of the Museum. The staff have once again been supported by a team of volunteers without whom the Museum could not operate and the Elgar Foundation wishes to record its thanks to all those who gave their time to the Museum.

The trustees took the decision to cede control of the Birthplace Museum to the National Trust since the National Trust has the resources to promote the Birthplace to larger numbers of potential visitors and to ensure that Elgar's wish to be remembered by the Birthplace could be fulfilled securely for the future.

Museum Opening and Visitor Figures

During 2016, the Museum and Birthplace were open daily except Wednesday and Thursday from 12 February to 18 September 2016. Traditionally, the Museum and Birthplace had been open every day from 1 February until Christmas. However, with the transition to National Trust control due to take place on 1 October (it actually took effect on 9 December 2016), some staff positions had not been filled. For the same reason, new volunteers had not been recruited, and it was felt, therefore, that the Museum could not open seven days per week in 2016.

Total Paying Visitors 2016 : 5,296

Total Admission Fees 2016 : £31,089

Made up of:

Groups : 1,859

Group Admission Fees : £8,980

Individuals : 3,437

Individuals Admission Fees : £22,109

To counteract the anticipated fall in visitor numbers due to the reduced opening hours, resources were targeted at the group market. Individual visitors were down 20% compared to February-September 2015. However, the number of visitors coming as part of a group increased by 24% over the same period. Overall, visitor numbers were down 9% compared to the same period in 2015.

Staff and Volunteers

2016 was a difficult year for both staff and volunteers at the Museum. However, everybody ensured that any misgivings they may have had about the future were kept private, and they continued to give an unrivalled level of service. They all felt proud to have represented, to have been the public face of, and to have served the Museum for many years.

With the transition to National Trust control on 9 December 2016, Mr Ian Savage, who had given outstanding service to the Foundation as interim director of the museum, retired, and other employees of the museum were offered either redundancy or the possibility of moving to posts within the National Trust.

The Research Room continued to welcome a range of researchers all requiring assistance and supervision in order to maximise the use of the collection material which we held. Visitors continued to appreciate both the help they were given and the breadth of the Collection available to them.

THE ELGAR FOUNDATION
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

Essential Repair Work

The Kay Trust continued its support for the Museum by financing the refurbishment and rethatching of the Summerhouse in the Birthplace Garden.

Events

The 2016 Events Programme was shorter than in previous years. Income from events totalled almost £3,000. Special mention should be made to the series of talks given by Dr Donald Hunt. 2016 saw Donald's sixth and final season of talks at the Museum. The talks have been a tremendous success from every point of view, having brought many new visitors to the museum who have thoroughly enjoyed Donald's relaxed but informative presentations. They have helped to increase the profile of the museum and have brought in many thousands of pounds in extra revenue.

Collection

Up to the point of transition to National Trust control, the Research Room continued to welcome a range of researchers all requiring assistance and supervision in order to maximise the use of the collection material that we hold. Visitors continued to appreciate both the help they are given and the breadth of the archive and collection available to them.

The future of the archive and collection is under discussion.

Elgar Foundation Enterprises

Although trading in the early months of 2016 continued much as normal and demand for Elgar Works performing material remained buoyant throughout the year, other sales began to slow down as closure approached.

Conclusion

Although the future of the Elgar Foundation is not certain, we do know that it will have an important role in working with the National Trust for a number of years to come. Much has yet to be discussed and decided.

FINANCIAL REVIEW

Total income in respect of unrestricted funds decreased from £162,935 to £87,515. Expenditure on the unrestricted fund increased from £150,869 to £328,648. Net expenditure for the year on the unrestricted funds amounted to £241,133 (2015 – net income £1,431).

Expenditure on the restricted funds amounted to £7,244 (2015 - £10,235) and the net expenditure on restricted funds amounted to £7,244 (2015 - £10,235).

Total income for the year amounted to £87,515, total expenditure amounted to £351,383 and total net expenditure for the year amounted to £263,868. After adjusting for realised gains on investment assets of £1,984 and funds brought forward of £1,103,011, the charity's total funds at 31 December 2016 amounted to £841,127.

Total unrestricted funds at 31 December 2016, excluding tangible fixed assets, amounted to £39,549 (2015 - £271,877).

RESERVES POLICY

The Restricted Endowment Fund represents funds raised specifically for the construction of the new building. At 31 December 2016 the Restricted Endowment Fund amounted to £601,873 (2015 - £617,364). Unrestricted funds amounted to £180,973 (2015 - £420,122) of which £117,007 (2015 - £229,997) had been designated for specific purposes. Unrestricted funds excluding tangible fixed amounted to £39,549 (2015 - £271,877). The directors consider that the present sum is the minimum required.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The directors of the company are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

THE ELGAR FOUNDATION

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

STATEMENT OF DIRECTOR'S RESPONSIBILITIES (Continued)

Company law required the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources including its net income and expenditure for the year. The directors of the company are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Practice.

Company law required the directors to prepare accounts for each financial year which give a true and fair view of the state of the company and of its incoming resources and application of resources including its net income and expenditure for the year.

In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in operation

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the Board



J Whenham - Director

Date: 25 September 2017

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES
OF THE ELGAR FOUNDATION CHARITABLE COMPANY**

I report on the accounts of the charity for the year ended 31 December 2016, which are set out on pages 8 to 20.

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 Part 16 of the Companies Act 2006 and that an independent examination is needed.

It is my responsibility to:

- examine the accounts (under section 145 of the Charities Act 2011);
- to follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of independent examiners' report

My 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 the seeking of 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 examiners' statement

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

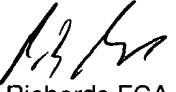
to keep accounting records in accordance with s386 of the Companies Act 2006; and

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

(a) to keep accounting records in accordance with s386 of the Companies Act 2016; and

(b) to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Companies Act 2006 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 (FRS 102) (effective 1 January 2015) have not been met; or

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


Rob Richards FCA CTA FCCA
John Yelland and Company
Chartered Certified Accountants
Thorneloe House
25 Barbourne Road
Worcester
WR1 1RU

Date: 25/9/2017

THE ELGAR FOUNDATION
(REGISTERED NUMBER 01147282)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2016

<u>Notes</u>	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>Endowment</u> <u>Fund</u>	<u>Total Funds</u> <u>2016</u>	<u>Total Funds</u> <u>2015</u>
INCOME					
Donations and Legacies					
Grants	200	-	-	200	12,250
Donations	45,626	-	-	45,626	47,917
Contribution - The Elgar Society	3,975	-	-	3,975	4,370
Staffing income	210	-	-	210	2,520
	50,011	-	-	50,011	67,057
Investment Income					
Gift aid donations - Subsidiary Company	1,141	-	-	1,141	31,243
Bank Interest	1,645	-	-	1,645	1,822
Dividends	2,774	-	-	2,774	4,681
	5,560	-	-	5,560	37,746
Income from Charitable Activities					
Admission charges	31,089	-	-	31,089	44,863
Gift aid admissions	-	-	-	-	4,282
Research fees	572	-	-	572	457
Facility fees	208	-	-	208	996
Educational activities	75	-	-	75	140
	31,944	-	-	31,944	50,738
Other Income					
Dilapidations	-	-	-	-	7,394
	87,515	-	-	87,515	162,935
TOTAL INCOME					
	87,515	-	-	87,515	162,935

THE ELGAR FOUNDATION
(REGISTERED NUMBER 01147282)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2016

	<u>Notes</u>	<u>Unrestricted</u> <u>Funds</u> (Note 14)	<u>Restricted</u> <u>Funds</u> (Note 15)	<u>Endowment</u> <u>Fund</u> (Note 17)	<u>Total Funds</u> <u>2016</u>	<u>Total Funds</u> <u>2015</u>
<u>EXPENDITURE</u>						
Cost of raising funds						
Collection management		35	-	-	35	723
Expenditure on Charitable Activities						
Employee costs		112,645	-	-	112,645	83,730
Staff training and expenses		1,634	-	-	1,634	1,922
Travelling expenses		663	-	-	663	902
Property costs	16	12,860	-	-	12,860	17,949
Office expenses		7,761	-	-	7,761	6,692
Insurance		4,817	-	-	4,817	6,880
Marketing		4,887	-	-	4,887	6,285
Subscriptions		950	-	-	950	865
Bank charges		135	-	-	135	142
Choral scholarship		1,000	-	-	1,000	750
Visitor facilities		2,029	-	-	2,029	6,280
Sundry expenses		141	-	-	141	85
Consultancy		66,736	-	-	66,736	2,750
Payment to National Trust		94,282	-	-	94,282	-
Input VAT irrecoverable		7,874	-	-	7,874	2,822
Depreciation		6,819	7,244	15,491	29,554	33,983
Payroll costs		400	-	-	400	400
Independent examination		2,980	-	-	2,980	1,875
Recruitment expenses		-	-	-	-	1,380
		328,613	7,244	15,491	351,348	175,692
<u>TOTAL EXPENDITURE</u>		328,648	7,244	15,491	351,383	176,415
Net income/(expenditure)		(241,133)	(7,244)	(15,491)	(263,868)	(13,480)
Net income/(expenditure) before other recognised gains and losses		(241,133)	(7,244)	(15,491)	(263,868)	(13,480)
Gain/(loss) on revaluation of investment assets		-	-	-	-	10,815
Gain/(loss) on disposal of investment assets		1,984	-	-	1,984	-
Net income/(expenditure) and net movement in funds		(239,149)	(7,244)	(15,491)	(261,884)	(24,295)
Total funds brought forward		420,122	65,525	617,364	1,103,011	1,127,306
Total funds carried forward		180,973	58,281	601,873	841,127	1,103,011

THE ELGAR FOUNDATION
(REGISTERED NUMBER 01147282)

BALANCE SHEET AS AT 31 DECEMBER 2016

	<u>Notes</u>	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Endowment Fund</u>	<u>Total Funds 2016</u>	<u>Total Funds 2015</u>
		(Note 14)	(Note 15)	(Note 17)		
<u>FIXED ASSETS</u>						
Tangible fixed assets	4&17	141,424	34,880	601,873	778,177	802,850
Investments	5	1	-	-	1	103,608
		141,425	34,880	601,873	778,178	906,458
<u>CURRENT ASSETS</u>						
Debtors	6	10,816	-	-	10,816	31,920
Cash at bank and in hand		49,278	23,401	-	72,679	171,743
		60,094	23,401	-	83,495	203,663
<u>CREDITORS</u>						
Amounts due within one year	7	20,546	-	-	20,546	7,110
		39,548	23,401	-	62,949	196,553
<u>NET ASSETS</u>						
		180,973	58,281	601,873	841,127	1,103,011
<u>THE FUNDS OF THE CHARITY</u>						
<u>Unrestricted Fund:</u>						
General Fund	14	63,896			63,896	187,836
Revaluation Reserve	14	-			-	2,294
<u>Designated Fund:</u>						
Elgar Birthplace Development Fund	14	34,626			34,626	149,826
Elgar Centre Building Repair Fund	14	10,912			10,912	10,912
Appeals Fund	14	71,539			71,539	69,254
<u>Restricted Fund:</u>						
Elgar Birthplace Development Fund	15		37,577		37,577	44,821
Elgar Centre Building Repair Fund	15		20,704		20,704	20,704
<u>Endowment Fund:</u>						
Elgar Centre	17			601,873	601,873	617,364
		180,973	58,281	601,873	841,127	1,103,011

THE ELGAR FOUNDATION
(REGISTERED NUMBER 01147282)

BALANCE SHEET AS AT 31 DECEMBER 2016 (Continued)

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2016.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2016 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with FRS 102.

The financial statements were approved by the Board of Directors on 25/9/17 and were signed on its behalf by:



J Whenham
Director

THE ELGAR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2016**

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:

1.1 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), and the Companies Act 2006.

The financial statements of the wholly owned subsidiary, Elgar Foundation Enterprises Limited made up to 31 December 2016 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.

1.2 Incoming resources

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or when the donor has specified that the income is to be expended in a future period.

Income is detailed as restricted where restrictions are placed over the use of the fund by the donor.

1.3 Resources expended

Expenditure is included on an accruals basis, inclusive of any VAT which cannot be recovered. Expenditure is included in the category to which it relates. Liabilities are included in the accounts as soon as recognised.

Costs of generating funds comprise the cost associated with attracting voluntary income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less 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
Fittings and equipment:	Over 10 years

Fixed assets costing less than £500 are not capitalised.

1.5 Investments

Investments are included at open market value. The investment in the charity's subsidiary company is included at cost. Unrealised gains on investments are credited to the unrestricted fund.

THE ELGAR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

1.6 Endowment funds

These represent funds raised specifically for the construction of the Elgar Centre.

1.7 Restricted funds

These are to be used for specific purposes as laid down by the donor.

1.8 Unrestricted funds

These are donations and other incoming resources receivable or generated for the objects of the charity without specified purpose and are available as general funds.

1.9 Designated funds

These are funds designated by the directors for specific projects and activities.

2 INCOME

All income is derived wholly with the United Kingdom.

3 NET INCOME RESOURCES

Net income is stated after charging:

	<u>2016</u>	<u>2015</u>
	£	£
Depreciation	29,554	33,983
Independent Examiner's fee re: external scrutiny	2,980	1,875

And after crediting:

	<u>2016</u>	<u>2015</u>
	£	£
Income from Elgar Foundation Enterprises:		
Net profit donated	18,629	31,243

4 TANGIBLE FIXED ASSETS

	<u>Freehold</u> <u>Land &</u> <u>Buildings</u>	<u>Fixtures</u> <u>Fittings &</u> <u>Equipment</u>	<u>Total</u>
	£	£	£
Cost			
At 1 January 2016	1,046,199	336,550	1,382,749
Additions	-	4,882	4,882
At 31 December 2016	<u>1,046,199</u>	<u>341,432</u>	<u>1,387,631</u>
Depreciation			
At 1 January 2016	299,161	280,738	579,899
Charge for the year	18,934	10,620	29,554
At 31 December 2016	<u>318,095</u>	<u>291,358</u>	<u>609,453</u>
Net book value			
At 31 December 2016	<u>728,104</u>	<u>50,074</u>	<u>778,177</u>
At 31 December 2015	<u>747,083</u>	<u>55,812</u>	<u>802,850</u>

THE ELGAR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

4 TANGIBLE FIXED ASSETS (Continued)

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

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.

5 FIXED ASSETS UK INVESTMENTS

	<u>Quoted Shares</u> £	<u>Subsidiary Share</u> £	<u>Total</u> £
Cost or Valuation			
At 1 January 2016	103,607	1	103,608
Disposal of Quoted shares	(105,591)		(105,591)
Surplus/(Deficit) on disposal	1,984		1,984
At 31 December 2016	-	1	1

The above quoted investment shares had been valued using readily available market prices and were held primarily to provide an investment to provide an investment return for the charity. These shares were disposed of in July 2016.

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 profit for the year ended 31 December 2016 was nil (2015 – nil) and the net assets at 31 December 2016 were £1 (2015 – £1).

6 DEBTORS

	<u>2016</u> £	<u>2015</u> £
Due from Elgar Foundation Enterprises	-	26,946
Trade debtors	263	2,075
Prepayments	4,848	302
Value Added Tax	5,473	509
HM Revenue and Customs – Gift aid tax claim	232	2,088
	<u>10,816</u>	<u>31,920</u>

7 CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	<u>2016</u> £	<u>2015</u> £
Due to Elgar Foundation Enterprises	180	
Trade creditors	17,214	1,627
Social Security and other taxes	156	839
Accruals	2,996	4,644
	<u>20,546</u>	<u>7,110</u>

8 SHARE CAPITAL

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

THE ELGAR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

9 RESERVES

The Unrestricted General Fund has arisen from accumulated surpluses and can be used for any charitable purpose approved by the trustees. The fund balance at 31 December 2016 was £63,896 (2015 - £190,130).

The Designated Elgar Birthplace Development Fund receives donations and bequests designated by the directors to meet the cost of enhancements to the visitor facilities and other projects. The balance on the fund at 31 December 2016 was £34,626 (2015 - £149,826).

The Designated Elgar Centre Building Repair Fund represents transfers from the unrestricted fund for the purpose of funding future expenditure. The balance on the fund at 31 December 2016 was £10,912 (2015 - £10,912).

The Restricted Elgar Birthplace Development Fund receives donations and bequests to meet the cost of enhancements to the visitors' facilities and other projects. The balance on the fund at 31 December 2016 was £37,577 (2015 - £44,821).

The Restricted Elgar Centre Building Repair Fund represents monies received from Worcestershire County Council for the purpose of funding expenditure on, i) replacing boiler and heater apparatus, ii) replacing central heating and air conditioning equipment and, iii) major repairs to the roof, walls and foundations. The balance of the fund at 31 December 2016 was £20,704 (2015 - £20,704).

The Elgar Centre Endowment Fund represents funds raised specifically for the construction of the new building. The depreciation of the new building is charged against this fund. The balance on the fund at 31 December 2016 was £601,873 (2014 - £617,364).

10 STAFF COSTS AND DIRECTORS' REMUNERATION

The Foundation had 11 full-time and part-time employees during the year (2015 - 11). None of the directors received any remuneration.

	<u>2016</u>	<u>2015</u>
	£	£
Salaries	105,438	82,116
Redundancies	3,527	-
Social security costs	3,681	1,614
	<u>112,645</u>	<u>83,730</u>

No employee received remuneration amounting to more than £60,000 in either year.

On 9 December 2016 9 employees were transferred to the National Trust, following the takeover of the running and maintenance of The Elgar Birthplace. On 23 December 2016 one employee was made redundant and a further employee retired. As at 31 December 2016 The Elgar Foundation had no employees.

During the year travel expenses totalling £957 were paid to five trustees.

11 TAXATION

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

12 INDEMNITY INSURANCE

The cost of provision of indemnity insurance for the directors was £382 (2015 - £430).

13 RELATED PARTY TRANSACTIONS

During the year, the company received donations of £1,141 (2015 - £31,243) from Elgar Foundation Enterprises Limited, its subsidiary and at the year end the amount owing to Elgar Foundation Enterprises was £180

THE ELGAR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

14 UNRESTRICTED FUNDS

	DESIGNATED FUNDS				2016	2015
	Unrestricted	Elgar Birthplace Development Fund	Elgar Centre Building Repair Fund	Appeals Fund	Total Unrestricted Funds	Total Unrestricted Funds
	Fund	Fund	Fund	Fund	Funds	Funds
	£	£	£	£	£	£
<u>INCOME</u>						
Generated Funds						
Grants	200	-	-	-	200	12,250
Donations	2,150	41,190	-	2,285	45,626	47,917
Contribution - The Elgar Society	3,975	-	-	-	3,975	4,370
Staffing income	210	-	-	-	210	2,520
	6,535	41,190	-	2,285	50,011	67,057
Investment Income						
Gift aid donations - Subsidiary Company	1,141	-	-	-	1,141	31,243
Bank interest	1,645	-	-	-	1,645	1,822
Dividends	2,774	-	-	-	2,774	4,681
	5,560	-	-	-	5,560	37,746
Income from Charitable Activities						
Admission charges	31,089	-	-	-	31,089	44,863
Gift aid admissions	-	-	-	-	-	4,282
Research fees	572	-	-	-	572	457
Facility fees	208	-	-	-	208	996
Educational activities	75	-	-	-	75	140
	31,944	-	-	-	31,944	50,738
Other Income						
Dilapidations	-	-	-	-	-	7,394
<u>TOTAL INCOME</u>	44,040	41,190	-	2,285	87,515	162,935

THE ELGAR FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)**

14 UNRESTRICTED FUNDS (Continued)

	DESIGNATED FUNDS				2016 Total Unrestricted Funds £	2015 Total Unrestricted Funds £
	Unrestricted	Elgar Birthplace Development	Elgar Centre Building Repair Fund	Appeals		
	Fund	Fund	Fund	Fund		
	£	£	£	£		
EXPENDITURE						
Cost of raising funds						
Collection management	35	-	-	-	35	723
Expenditure on Charitable Activities						
Employee costs	112,645	-	-	-	112,645	83,730
Staff training and expenses	1,634	-	-	-	1,634	1,922
Travelling expenses	663	-	-	-	663	902
Property costs	12,450	410	-	-	12,860	17,949
Office expenses	6,481	1,280	-	-	7,761	6,692
Insurance	4,817	-	-	-	4,817	6,880
Marketing	4,887	-	-	-	4,887	6,285
Subscriptions	950	-	-	-	950	865
Bank charges	135	-	-	-	135	142
Choral scholarship	1,000	-	-	-	1,000	750
Visitor facilities	2,029	-	-	-	2,029	6,260
Sundry expenses	141	-	-	-	141	85
Professional fees	13,851	52,885	-	-	66,736	-
Payment to National Trust	85	94,197	-	-	94,282	-
Input VAT irrecoverable	256	7,618	-	-	7,874	2,750
Depreciation	6,819	-	-	-	6,819	2,822
Donations	-	-	-	-	-	8,277
Payroll costs	400	-	-	-	400	400
Independent examination	2,980	-	-	-	2,980	1,380
Recruitment expenses	-	-	-	-	-	1,875
	172,223	156,390	-	-	328,613	149,966
TOTAL EXPENDITURE	172,258	156,390	-	-	328,648	150,689
Net income/(expenditure)	(128,218)	(115,200)	-	2,285	(241,133)	12,246
Net income/(expenditure) before other recognised gains and losses	(128,218)	(115,200)	-	2,285	(241,133)	12,246
Gain/(loss) on investment assets	1,984	-	-	-	1,984	(10,815)
Net income/(expenditure) and net movement in funds	(126,234)	(115,200)	-	2,285	(239,149)	1,431
Total funds brought forward	190,130	149,826	10,912	69,254	420,122	418,691
Total funds carried forward	63,896	34,626	10,912	71,539	180,973	420,122

THE ELGAR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

14 UNRESTRICTED FUNDS (Continued)

	DESIGNATED FUNDS				2016	2015
	Unrestricted	Elgar Birthplace Development	Elgar Centre Building Repair Fund	Appeals	Total	Total
	Fund	Fund	Fund	Fund	Unrestricted Funds	Unrestricted Funds
	£	£	£	£	£	£
Freehold land and buildings	126,231	-	-	-	126,231	129,674
Fixtures and fittings	15,194	-	-	-	15,194	18,571
Investments	1	-	-	-	1	103,608
Debtors	28,124	-	-	-	28,124	31,920
Cash at bank	(67,800)	34,626	10,912	71,539	(49,278)	143,459
Creditors	(20,366)	-	-	-	(20,368)	(7,110)
	81,384	34,626	10,912	71,539	198,461	420,122

BALANCE SHEET

15 RESTRICTED FUNDS

INCOME

Donations

TOTAL EXPENDITURE

Net income/(expenditure)

Transfer between funds

Net income/(expenditure)

and net movement in funds

Total funds brought forward

Total funds carried forward

BALANCE SHEET

Cash at bank

Fixtures and fittings

	Elgar Birthplace Development	Elgar Centre Building Repair Fund	2016 Total Restricted Funds	2015 Total Restricted Funds
	Fund	Fund	Funds	Funds
	£	£	£	£
Donations	-	-	-	-
TOTAL EXPENDITURE	7,244	-	7,244	10,235
Net income/(expenditure)	(7,244)	-	(7,244)	(10,235)
Transfer between funds	-	-	-	-
Net income/(expenditure) and net movement in funds	(7,244)	-	(7,244)	(10,235)
Total funds brought forward	44,821	20,704	65,525	75,760
Total funds carried forward	37,577	20,704	58,281	65,525
BALANCE SHEET				
Cash at bank	2,697	20,704	23,401	28,284
Fixtures and fittings	34,880	-	34,880	37,241
	37,577	20,704	58,281	65,525

THE ELGAR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

16 PROPERTY COSTS

	<u>Unrestricted</u>	<u>Restricted</u>		
	<u>Fund</u>	<u>Fund</u>	<u>2016</u>	<u>2015</u>
	£	£	£	£
Rent	-	-	-	2
Water	690	-	690	740
Electricity	4,415	-	4,415	5,948
Gas	2,043	-	2,043	2,431
Oil	478	-	478	348
Repairs and maintenance	5,234	-	5,234	8,480
	<u>12,860</u>	<u>-</u>	<u>12,860</u>	<u>17,949</u>

THE ELGAR FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)**

17 FREEHOLD LAND AND BUILDINGS

Endowment Fund – Elgar Centre

		Balance 01.01.2016	Additions	Depreciation	Balance 31.12.2016
Rose Cottage	- Land	20,191			20,191
	- Buildings	28,856		1,133	27,723
Elgar Centre	- Land	79,256			79,256
	- Buildings	489,061		14,358	474,703
		617,364	-	15,491	601,873

Unrestricted Fund

Elgar Centre Building		72,346		2,064	70,282
Car park		31,486		768	30,718
Car park		1,556		37	1,519
Statue		22,832		541	22,291
Car park		1,454		33	1,421
		129,674	-	3,443	126,231

Total Freehold Land and Buildings

		747,038	-	18,934	728,104
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FIXTURES AND FITTINGS

Unrestricted Fund

	Year of Purchase	Balance 01.01.2016	Additions	Depreciation	Balance 31.12.2016
CCTV	2007	121		121	-
Sundry	2007	67		67	-
Sundry	2010	2,594		649	1,945
Sundry	2011	930		186	744
Jubilee Gardens	2012	8,018		1,336	6,682
Computer	2013	156		156	-
Landscaping	2013	2,903		416	2,487
Audio guides	2014	1,901		237	1,664
Carice room lights	2014	1,881		209	1,672
		18,571	-	3,377	15,194

Restricted Fund

Centre improvements	2011	34,009		5,668	28,341
Audio visual equipment	2012	1,823		840	983
Picnic benches	2013	441		63	378
Elgar stencil	2014	800		100	700
PA system	2014	168		84	84
Summerhouse	2016		4,372	437	3,935
Well	2016		510	51	459
		37,241	4,882	7,243	34,880

Total Fixtures and Fittings

		55,812	4,882	10,620	50,074
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