

**Report of the Trustees and
Financial Statements for the Year Ended 31st December 2020
for
The Elgar Foundation**

The Richards Sandy Partnership
Thorneloe House
25 Barbourne Road
Worcester
Worcestershire
WR1 1RU

The Elgar Foundation

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for the Year Ended 31st December 2020**

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**Report of the Trustees
for the Year Ended 31st December 2020**

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statement of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of 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.)

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.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objectives for which the Foundation was established are:

- 1 To promote in every part of the world public education in, and appreciation of, the life and works of the late Sir Edward Elgar;
- 2 To promote in every part of the world the publication of any kind of work on or about the late Sir Edward Elgar;
- 3 To maintain and preserve or assist in the maintenance and preservation of the Birthplace of the late Sir Edward Elgar, the Elgar Centre and neighbouring buildings at Lower Broadheath Worcestershire (hereinafter called 'the Birthplace') and any other property used or connected with the Birthplace or otherwise of national interest connected with the late Sir Edward Elgar;
- 4 To provide and maintain for the benefit of the nation a public museum, archive and library of musical scores, instruments, books, manuscripts, pictures, photographs, letters, records and objects of national or historic importance with particular reference to the late Sir Edward Elgar, his life, works, contemporaries and times.

The trustees 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.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The onslaught of Covid-19 has prevented the meetings in person of the Governing Body, and of the Management Committee, that would normally have taken place during the year. Since the Foundation is not required to hold an Annual General Meeting, its accounts were circulated and approved by email, and members of the Management Committee have kept in active touch with each other and with officers of The National Trust as necessary for managing, maintaining and enhancing the facilities at The Firs (as Elgar's birthplace and museum are now called), supported by finance from The Foundation and from the Elgar Family Trust.

Covid has also meant that for much of the year The Firs has been closed to the public, but The National Trust has continued to have a presence on site, not least to maintain and develop the garden of the Birthplace cottage and to continue the job of bringing up to date the catalogue of the museum's collections.

The OM and GCVO insignia which were awarded to Elgar and which were stolen from The Firs on 27 June 2019 were recovered by the Gloucestershire police force in February 2020 and returned to the Birthplace museum.

We have to report with regret that two trustees whose work has been invaluable in promoting the activities of The Foundation were forced to resign through ill health. These were Mr. David Hawkins and Professor Michael Clarke CBE, who also acted as chairman of the Birthplace Management Committee during the transition of the day-to-day management of The Firs from The Foundation to The National Trust.

Elgar Foundation Enterprises

Elgar Foundation Enterprises remains suspended.

Conclusion

The Elgar Foundation continues to work with the National Trust and The British Library to promote Elgar's music.

**Report of the Trustees
for the Year Ended 31st December 2020**

FINANCIAL REVIEW

Financial position

Total income in respect of unrestricted funds increased from £1,080 to £188,496, due to a significant legacy received during the year. Expenditure on the unrestricted fund decreased from £20,805 to £18,740. Net income for the year on the unrestricted funds amounted to £169,756 (2019 - Net expenditure of £19,725).

Net expenditure on the restricted funds amounted to £50,438 (2019 - £10,069), and depreciation charged against the restricted endowment fund amounted to £15,491 (2019 - £15,491).

Total income for the year amounted to £188,496, whereas total expenditure amounted to £84,669. Total net income for the year therefore amounted to £103,827. Funds brought forward of £775,471, increased to £879,298 by the year end 31 December 2020.

Total unrestricted funds at 31 December 2020, excluding tangible fixed assets, amounted to £211,989 (2019 - £63,568).

The Restricted Endowment Fund represents funds raised specifically for the construction of the Elgar Visitor Centre. At 31 December 2020 the Restricted Endowment Fund amounted to £539,909 (2019 - £555,400).

Reserves policy

The trustees' of the charitable company aim to have unrestricted reserves that cover at least nine months of regular expenditure, this is easily achievable at present.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

The appointment of directors is via interview and with the approval of the Chairman.

Training of new 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.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

01147282 (England and Wales)

Registered Charity number

266849

Registered office

Thorneloe House
25 Barbourne Road
Worcester
Worcestershire
WR1 1RU

Trustees

Mr W H Carslake
Professor M G Clarke CBE * Vice chairman (resigned 24.9.20)
Lord H E Flight
Mr M E B Grafton
Mr D N Hawkins (resigned 22.10.20)
Mr A J Jowett OBE *
The Rt Hon D J Mellor QC Chairman
M Messenger OBE *
Mr A H A Neill
Professor E J Whenham *

*Members of the Management Committee

**Report of the Trustees
for the Year Ended 31st December 2020**

REFERENCE AND ADMINISTRATIVE DETAILS

Independent Examiner

The Richards Sandy Partnership
Thorneloe House
25 Barbourne Road
Worcester
Worcestershire
WR1 1RU

Legal Advisers

Harrison Clark
5, Deansway
Worcester
WR1 2JG

Bankers

Triodos Bank NV
Deanery Road
Bristol
BS1 5AS

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

Approved by order of the board of trustees on 8th April 2021 and signed on its behalf by:

Professor E J Whenham - Trustee

**Independent Examiner's Report to the Trustees of
The Elgar Foundation**

Independent examiner's report to the trustees of The Elgar Foundation ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31st December 2020.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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

Rob Richards FCA CTA FCCA
The Richards Sandy Partnership
Thorneloe House
25 Barbourne Road
Worcester
Worcestershire
WR1 1RU

8th April 2021

The Elgar Foundation

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31st December 2020**

		Unrestricted funds £	Restricted funds £	Endowment fund £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS	Notes FROM					
Donations and legacies	3	188,431	-	-	188,431	1,030
Investment income	4	65	-	-	65	50
Total		188,496	-	-	188,496	1,080
EXPENDITURE ON						
Charitable activities	5					
Charitable Activities		18,740	50,438	15,491	84,669	46,364
NET INCOME/(EXPENDITURE)		169,756	(50,438)	(15,491)	103,827	(45,284)
Transfers between funds	14	(27,164)	27,164	-	-	-
Net movement in funds		142,592	(23,274)	(15,491)	103,827	(45,284)
RECONCILIATION OF FUNDS						
Total funds brought forward		185,563	34,508	555,400	775,471	820,755
TOTAL FUNDS CARRIED FORWARD		328,155	11,234	539,909	879,298	775,471

The notes form part of these financial statements

Balance Sheet
31st December 2020

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	2020 Total funds £	2019 Total funds £
FIXED ASSETS						
Tangible assets	10	116,166	8,537	539,909	664,612	692,251
Investments	11	1	-	-	1	1
		<u>116,167</u>	<u>8,537</u>	<u>539,909</u>	<u>664,613</u>	<u>692,252</u>
CURRENT ASSETS						
Debtors	12	3,390	-	-	3,390	1,940
Cash at bank		<u>210,798</u>	<u>2,697</u>	<u>-</u>	<u>213,495</u>	<u>82,479</u>
		<u>214,188</u>	<u>2,697</u>	<u>-</u>	<u>216,885</u>	<u>84,419</u>
CREDITORS						
Amounts falling due within one year	13	(2,200)	-	-	(2,200)	(1,200)
NET CURRENT ASSETS		<u>211,988</u>	<u>2,697</u>	<u>-</u>	<u>214,685</u>	<u>83,219</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>328,155</u>	<u>11,234</u>	<u>539,909</u>	<u>879,298</u>	<u>775,471</u>
NET ASSETS FUNDS	14	<u>328,155</u>	<u>11,234</u>	<u>539,909</u>	<u>879,298</u>	<u>775,471</u>
Unrestricted funds					328,155	185,563
Restricted funds					11,234	34,508
Endowment funds					539,909	555,400
TOTAL FUNDS					<u>879,298</u>	<u>775,471</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit 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 charitable company.

Balance Sheet - continued
31st December 2020

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 8th April 2021 and were signed on its behalf by:

Professor E J Whenham - Trustee

The Elgar Foundation

Notes to the Financial Statements for the Year Ended 31st December 2020

1. COMPANY INFORMATION

The charity is a company limited by guarantee without share capital. The members of the company are the trustees named in the report of the trustees.

The charitable company was incorporated in the UK, the registered office is Thornehoe House, 25 Barbourne Road, Worcester, WR1 1RU.

2. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The accounts are prepared in sterling, which is the functional currency. Monetary amounts in these financial statements are rounded to the nearest £.

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Legacy income is recognised when the Charity has confirmed entitlement of the legacy, when the amount can be accurately measured and when it is probable that they will receive the income.

Donations are recorded upon receipt.

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Fixtures and fittings	- 10% on cost

Additions costing less than £500 are not capitalised.

TAXATION

The charity is exempt from corporation tax on its charitable activities.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

The Endowment fund represents funds raised specifically for the construction of the Elgar Foundation.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

FINANCIAL INSTRUMENTS

Financial instruments are recognised when the charity becomes party to contractual provisions of the instrument.

The Elgar Foundation

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2020**

2. ACCOUNTING POLICIES - continued

FINANCIAL INSTRUMENTS

Financial assets are offset, with the net amounts presented in the accounts where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial Assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Basic Financial Liabilities

Basic Financial Liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future receipts, discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

3. DONATIONS AND LEGACIES

	2020 £	2019 £
Donations	3,460	1,030
Legacies	<u>184,971</u>	<u>-</u>
	<u>188,431</u>	<u>1,030</u>

4. INVESTMENT INCOME

	2020 £	2019 £
Deposit account interest	<u>65</u>	<u>50</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 6) £	Support costs £	Totals £
Charitable Activities	<u>82,439</u>	<u>1,000</u>	<u>1,230</u>	<u>84,669</u>

6. GRANTS PAYABLE

	2020 £	2019 £
Charitable Activities	<u>1,000</u>	<u>1,000</u>
The total grants paid to institutions during the year was as follows:		
	2020 £	2019 £
Chorister Scholarship	<u>1,000</u>	<u>1,000</u>

The Elgar Foundation

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2020**

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Independent Examiners fee	1,230	1,440
Depreciation - owned assets	<u>27,639</u>	<u>28,287</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2020 nor for the year ended 31st December 2019.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31st December 2020 nor for the year ended 31st December 2019.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	1,030	-	-	1,030
Investment income	50	-	-	50
Total	<u>1,080</u>	<u>-</u>	<u>-</u>	<u>1,080</u>
EXPENDITURE ON				
Charitable activities				
Charitable Activities	20,805	10,068	15,491	46,364
NET INCOME/(EXPENDITURE)	<u>(19,725)</u>	<u>(10,068)</u>	<u>(15,491)</u>	<u>(45,284)</u>
RECONCILIATION OF FUNDS				
Total funds brought forward	205,288	44,576	570,891	820,755
TOTAL FUNDS CARRIED FORWARD	<u><u>185,563</u></u>	<u><u>34,508</u></u>	<u><u>555,400</u></u>	<u><u>775,471</u></u>

The Elgar Foundation

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2020**

10. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Totals £
COST			
At 1st January 2020 and 31st December 2020	<u>1,046,198</u>	<u>106,200</u>	<u>1,152,398</u>
DEPRECIATION			
At 1st January 2020	<u>374,901</u>	<u>85,246</u>	<u>460,147</u>
Charge for year	<u>18,935</u>	<u>8,704</u>	<u>27,639</u>
At 31st December 2020	<u>393,836</u>	<u>93,950</u>	<u>487,786</u>
NET BOOK VALUE			
At 31st December 2020	<u>652,362</u>	<u>12,250</u>	<u>664,612</u>
At 31st December 2019	<u>671,297</u>	<u>20,954</u>	<u>692,251</u>

Freehold land and buildings includes a cost of £99,447 in respect of land.

11. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
At 1st January 2020 and 31st December 2020	<u>1</u>
NET BOOK VALUE	
At 31st December 2020	<u>1</u>
At 31st December 2019	<u>1</u>

There were no investment assets outside the UK.

The investment relates to the 100% shareholding in a dormant subsidiary, Elgar Foundation Enterprises Limited (Company No. 04128862).

Elgar Foundation Enterprises Limited was dormant for the year ended 31 December 2020.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other debtors	150	107
VAT	917	-
Prepayments	<u>2,323</u>	<u>1,833</u>
	<u>3,390</u>	<u>1,940</u>

The Elgar Foundation

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2020**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Accrued expenses	<u>2,200</u>	<u>1,200</u>

14. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	185,563	169,756	(27,164)	328,155
Restricted funds				
Elgar Birthplace Development Fund	17,553	(6,319)	-	11,234
Elgar Centre Repair Fund	16,955	(44,119)	27,164	-
	<u>34,508</u>	<u>(50,438)</u>	<u>27,164</u>	<u>11,234</u>
Endowment funds				
Endowment Fund	555,400	(15,491)	-	539,909
TOTAL FUNDS	<u>775,471</u>	<u>103,827</u>	<u>-</u>	<u>879,298</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	188,496	(18,740)	169,756
Restricted funds			
Elgar Birthplace Development Fund	-	(6,319)	(6,319)
Elgar Centre Repair Fund	-	(44,119)	(44,119)
	<u>-</u>	<u>(50,438)</u>	<u>(50,438)</u>
Endowment funds			
Endowment Fund	-	(15,491)	(15,491)
TOTAL FUNDS	<u>188,496</u>	<u>(84,669)</u>	<u>103,827</u>

The Elgar Foundation

Notes to the Financial Statements - continued for the Year Ended 31st December 2020

14. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	205,288	(19,725)	185,563
Restricted funds			
Elgar Birthplace Development Fund	23,872	(6,319)	17,553
Elgar Centre Repair Fund	20,704	(3,749)	16,955
	<u>44,576</u>	<u>(10,068)</u>	<u>34,508</u>
Endowment funds			
Endowment Fund	570,891	(15,491)	555,400
TOTAL FUNDS	<u>820,755</u>	<u>(45,284)</u>	<u>775,471</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,080	(20,805)	(19,725)
Restricted funds			
Elgar Birthplace Development Fund	-	(6,319)	(6,319)
Elgar Centre Repair Fund	-	(3,749)	(3,749)
	<u>-</u>	<u>(10,068)</u>	<u>(10,068)</u>
Endowment funds			
Endowment Fund	-	(15,491)	(15,491)
TOTAL FUNDS	<u>1,080</u>	<u>(46,364)</u>	<u>(45,284)</u>

The Unrestricted General Fund has arisen from accumulated surpluses and can be used for any charitable purpose approved by the trustees.

The Restricted Elgar Birthplace Development Fund receives donations and bequests to meet the cost of enhancements to the visitors' facilities and other projects.

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 fund has been fully utilised during the financial period.

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.

TRANSFERS BETWEEN FUNDS

Repair costs incurred during the year, have exceeded the restricted repair fund balance. A transfer of £27,164 has been made from unrestricted to the restricted fund to cover the difference.

The Elgar Foundation

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2020**

15. RELATED PARTY DISCLOSURES

At the year end the amount owing from Elgar Foundation Enterprises was £150 (2019 - £107).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.