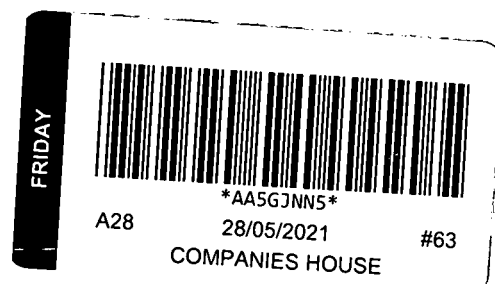


REGISTERED COMPANY NUMBER: 02233308 (England and Wales)
REGISTERED CHARITY NUMBER: 701309

Report of the Trustees and
Financial Statements for the Year Ended 31st August 2020
for
The Elgar School Of Music Limited

A J Peach & Co Limited
Chartered Accountants
104 Grasshopper Avenue
St Peters
Worcester
Worcestershire
WR5 3TB



The Elgar School Of Music Limited

**Contents of the Financial Statements
for the Year Ended 31st August 2020**

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The Elgar School Of Music Limited

**Reference and Administrative Details
for the Year Ended 31st August 2020**

TRUSTEES	C J B Allsop Chair (resigned 7.1.21) Mrs S I Humes P Sheeran N P Sandy I Venables (appointed 17.7.20) Ms K Dixon (appointed 19.2.21)
COMPANY SECRETARY	P Sheeran
REGISTERED OFFICE	16-20 Deansway Worcester WR1 2ES
REGISTERED COMPANY NUMBER	02233308 (England and Wales)
REGISTERED CHARITY NUMBER	701309
INDEPENDENT EXAMINER	A J Peach & Co Limited Chartered Accountants 104 Grasshopper Avenue St Peters Worcester Worcestershire WR5 3TB
BANKERS	HSBC 4-6 Broad Street Worcester WR1 2EJ

The Elgar School Of Music Limited

Report of the Trustees for the Year Ended 31st August 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st August 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal object of the company in the period under review was that of a registered charity engaged in the promotion and provision of music education, and in nurturing a comprehensively inclusive community through live music opportunities. The objects were achieved by the provision of music lessons and musical activities.

Public benefit

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 objectives and in planning future activities.

The Elgar School Of Music Limited

Report of the Trustees for the Year Ended 31st August 2020

ACHIEVEMENT AND PERFORMANCE

September 2019-February 2020

During the first half of the academic (and our financial) year, the school continued to provide specialist individual music tuition for students across the lifespan and from a wide range of backgrounds. Pupil numbers remained healthy, with relatively low turnover - departing students (usually due to relocation or changes in external commitments) were more than compensated for by new enquiries, with a high proportion of those attending consultation sessions progressing onto weekly lessons. Our freelance staff team members between them cater for all orchestral instruments, piano and jazz tuition, plus a wide range of vocal styles. In addition to individual lessons, we continue to offer a variety of groups, including folk ensemble, jazz band, wind band, string ensemble, folk ensemble, early music groups, SEND ensembles and our ever-popular community choirs. Our refurbishment during summer 2019 met with approval from staff, students and external hirers, including those running workshops and the numerous exam boards who regularly book sessions in the Lumby Room. We did not succeed, during this period, in identifying new funding agencies to support our core costs, so continued to look at how we might further reduce ongoing expenditure, how we might make our offering more attractive to potential funders, and how we might find funders who would be a good match for our organisation.

March-August 2020

Due to the global pandemic, the second half of the year looked very different from the first. All of our face to face activities had to cease during full lockdown periods and as we fall outside the definition of mandatory educational provision, we were also unable to open the building for most of the intervening periods. Our staff and students were amazingly adaptable in switching to online lessons, cheerfully overcoming the myriad challenges associated with delivering music lessons in this way. What in-person tuition was offered was governed by strictly enforced safety protocols and was limited to those students who were genuinely unable to be accommodated on Zoom. Safety measures in the building included sign-in register with temperature checks, hand sanitising, test and trace, safety screens, clearly marked directional flow, cleaning breaks between lessons, only using rooms with adequate ventilation, limited numbers. We were sufficiently confident in our procedures that we piloted ABRSM exam sessions (private visit) in the summer - this was a huge success and means that we will be able to open again as an approved exam centre (official) as soon as this is allowed. Our office staff were placed on furlough, with the Head of School and CEO working remotely to keep things going. We worked towards transferring most of our pre-existing administration systems to online, cloud-based packages, both allowing minimal disruption during the Coronavirus pandemic but also, we hope, making the organisation more flexible and future-proof.

Plans for the Future

The past 6 months have been catastrophic for the performing arts and we have felt more acutely aware than ever before of how crucial what we offer is - involvement in live music-making enables individual growth and nurtures community in ways that are uniquely valuable. Thanks to the dedication of our staff and the enthusiasm of our students, we have been very lucky in being able to continue some of our provision online. In some ways, of course, that provision has felt compromised - it is impossible to replicate some aspects of live music using remote means. But at the same time, we have all had our eyes opened to the potential of remote delivery and, whilst we are all desperate to get back to making music in the same room, we are determined not to forget about the ways in which online music delivery can be used to enrich lives. We plan to continue to offer online services in any circumstance where it feels beneficial to do so - for some people, it might represent a way of joining a weekly choir rehearsal which they would be unable to do in person; individual pupils might opt for a blended learning style, whereby some lessons are face-to-face and others online. In order to do this effectively, we need urgently to upgrade our Wifi provision in the building, so this is a current funding priority. A further priority which the pandemic has highlighted is that of music for wellbeing - this was already something we were seeking to develop, but indications are that the impact of the pandemic on mental health will prove to be profound and long-reaching. In addition to continuing to use music to connect with people as best we can while social contact remains restricted, we anticipate a strong focus on in-person music-for-health initiatives when restrictions do eventually ease. We feel we are well-placed to develop a robust offering in this area and will be seeking funding specifically to support this.

FINANCIAL REVIEW

The net result for the year was a deficit of £6,214 (2019: surplus £262). This comprised of a deficit on unrestricted funds of £5,365 (2019: deficit £1,017) and a deficit on restricted funds of £849 (2019: surplus £1,279). Unrestricted reserves, excluding fixed assets, held at 31 August 2020 were in deficit of £3,754 (2019: surplus £721). In the opinion of the trustees, whilst not entirely positive, the state of affairs of the company is satisfactory. In terms of Going concern, thankfully the Charity has been in receipt of sufficient Grant Funding after date so as to satisfy the Going concern issue and the objects of the charity have been achieved.

The trustees consider that an appropriate minimum level of free reserves should be four months of the charity support costs which represents a figure of £20,500. The trustees therefore are aware that the current level of reserves are too low and are aiming to increase reserves to approximately four month's support cost expenditure in the short term and then to six months to support cost expenditure (£31,000) in the medium term.

The Elgar School Of Music Limited

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charitable company is controlled by its governing document, the Memorandum & Articles of Association dated 21 March 1988, as amended by special resolution 27 February 1989, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

None of the trustees have any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Recruitment and appointment of new trustees

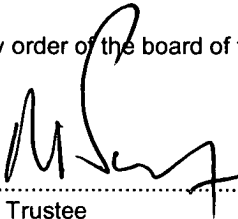
Trustees are appointed, by the members in general meeting. New trustees are provided with copies of the most recent annual report and accounts, a role description of the responsibilities of a trustee, a copy of the Memorandum and Articles of Association of Elgar School of Music Limited, copies of recent minutes of meetings and a copy of the Charity Commission publication, "Responsibilities of Charity Trustees". New trustees also have an induction session with the Chair.

Risk management

The school's management and governing body are continually monitoring and assessing potential risk. The main areas of focus are Health and Safety and Child Protection. All policies are reviewed and updated annually and made available to all members of staff, self employed tutors and users of the school. There have been no incidents to report and the school continues to ensure safe and legal practices.

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 25/05/2021 and signed on its behalf by:



.....
N P Sandy - Trustee

**Independent Examiner's Report to the Trustees of
The Elgar School Of Music Limited**

Independent examiner's report to the trustees of The Elgar School Of Music Limited ('the Company')

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



A J Peach & Co Limited
Chartered Accountants
104 Grasshopper Avenue
St Peters
Worcester
Worcestershire
WR5 3TB

Date: 25/05/2021

The Elgar School Of Music Limited

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

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	22,960	349	23,309	34,672
Charitable activities	5				
Charitable Activities		112,755	-	112,755	164,281
Investment income	4	19	-	19	37
Total		135,734	349	136,083	198,990
EXPENDITURE ON					
Raising funds		-	-	-	675
Charitable activities	6				
Charitable Activities		140,366	1,931	142,297	198,053
Total		140,366	1,931	142,297	198,728
NET INCOME/(EXPENDITURE)		(4,632)	(1,582)	(6,214)	262
Transfers between funds	18	(733)	733	-	-
Net movement in funds		(5,365)	(849)	(6,214)	262
RECONCILIATION OF FUNDS					
Total funds brought forward		19,583	7,859	27,442	27,180
TOTAL FUNDS CARRIED FORWARD		14,218	7,010	21,228	27,442

The notes form part of these financial statements

The Elgar School Of Music Limited

**Balance Sheet
31st August 2020**

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	13	17,972	247	18,219	19,137
CURRENT ASSETS					
Debtors	14	4,320	4,373	8,693	3,795
Cash at bank and in hand		<u>520</u>	<u>2,390</u>	<u>2,910</u>	<u>14,917</u>
		4,840	6,763	11,603	18,712
CREDITORS					
Amounts falling due within one year	15	(8,594)	-	(8,594)	(10,407)
NET CURRENT ASSETS		<u>(3,754)</u>	<u>6,763</u>	<u>3,009</u>	<u>8,305</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,218</u>	<u>7,010</u>	<u>21,228</u>	<u>27,442</u>
NET ASSETS		<u>14,218</u>	<u>7,010</u>	<u>21,228</u>	<u>27,442</u>
FUNDS	18				
Unrestricted funds				14,218	19,583
Restricted funds				<u>7,010</u>	<u>7,859</u>
TOTAL FUNDS				<u>21,228</u>	<u>27,442</u>

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

The members have not required the company to obtain an audit of its financial statements for the year ended 31st August 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.

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 25/10/2020 and were signed on its behalf by:

.....
N P Sandy - Trustee

The notes form part of these financial statements

The Elgar School Of Music Limited

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

1. STATUTORY INFORMATION

The charity is a company limited by guarantee. The members of the company are the trustees named in the Trustees' Report. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1.

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.

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

The charity has applied Update Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1A.

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.

Grant income is recognised on a performance basis.

Income from charitable activities for services provided is recognised in line with the provision of those services.

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.

TANGIBLE FIXED ASSETS

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

Musical instruments, equipment - 10% on reducing balance

Assets costing less than £100 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.

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.

HIRE PURCHASE AND LEASING COMMITMENTS

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

The Elgar School Of Music Limited

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

2. ACCOUNTING POLICIES - continued

DONATED GOODS AND SERVICES

Donated goods and services are measured at fair value when control over the economic benefit has passed to the charity.

FINANCIAL INSTRUMENTS

The charity has elected to apply the provisions of Section 11' Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the charity becomes party to contractual provisions of the instrument.

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.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of the operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction cost.

3. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Donations	6,216	349	6,565	6,401
Gift aid	1,103	-	1,103	1,211
Grants	14,021	-	14,021	25,500
Donated services and facilities	1,620	-	1,620	1,560
	<u>22,960</u>	<u>349</u>	<u>23,309</u>	<u>34,672</u>

Grants received, included in the above, are as follows:

	2020 £	2019 £
The Bransford Trust	-	6,000
The Kildare Trust	-	5,000
The Roger & Douglas Turner Charitable Trust	-	4,000
Edward Cadbury Charitable Trust	-	2,000
Miss Albright Grimley Charity	-	500
The Rowlands Trust	-	2,000
Limoges Charitable Trust	5,000	5,000
MS Watson Charitable Trust	-	1,000
Coronavirus Job Retention Scheme	9,021	-
	<u>14,021</u>	<u>25,500</u>

DONATED SERVICES AND FACILITIES

The donated services and facilities of £1,620 relates to the donated independent examination services provided during the year.

The Elgar School Of Music Limited

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

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Deposit account interest	<u>19</u>	<u>-</u>	<u>19</u>	<u>37</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	2020 Charitable Activities £	2019 Total activities £
Registration fees	525	575
Music lessons	89,421	108,777
Exam fees	2,413	5,374
Classes and groups	14,222	23,631
Room hire	2,710	6,691
School concerts and talks	957	2,119
Workshops and courses	(5)	520
Music Library	2,314	2,758
Sundry income	198	436
CME/CPD	-	9,871
WCC library rent contribution	-	3,529
	<u>112,755</u>	<u>164,281</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7) £	Support costs (see note 8) £	Totals £
Charitable Activities	<u>76,719</u>	<u>65,578</u>	<u>142,297</u>

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020 £	2019 £
Music lessons	57,945	77,810
Exam fees	2,645	5,583
School concert and talks	1,213	1,438
Bursaries and awards	379	1,239
Classes and groups	9,239	17,566
Instrument repairs	950	1,500
Music Library	414	1,369
Sundry Expenses	1,908	5,584
Music library rent	-	5,000
Depreciation	2,026	2,127
Bad debts	-	413
Donations	-	103
	<u>76,719</u>	<u>119,732</u>

The Elgar School Of Music Limited

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

8. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Charitable Activities	<u>62,848</u>	<u>1,110</u>	<u>1,620</u>	<u>65,578</u>

9. NET INCOME/(EXPENDITURE)

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

	2020 £	2019 £
Depreciation - owned assets	2,026	2,127
Hire of plant and machinery	5,000	4,933
Other operating leases	3,653	5,437
Independent Examiner fee	<u>1,620</u>	<u>1,560</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

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

TRUSTEES' EXPENSES

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

11. STAFF COSTS

	2020 £	2019 £
Wages and salaries	40,802	41,178
Other pension costs	<u>505</u>	<u>607</u>
	<u>41,307</u>	<u>41,785</u>

The average monthly number of employees during the year was as follows:

	2020	2019
Administration	<u>6</u>	<u>5</u>

No employees received emoluments in excess of £60,000.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	19,251	15,421	34,672
Charitable activities			
Charitable Activities	164,281	-	164,281
Investment income	<u>25</u>	<u>12</u>	<u>37</u>
Total	183,557	15,433	198,990
EXPENDITURE ON			
Raising funds	300	375	675

The Elgar School Of Music Limited

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

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
Charitable activities			
Charitable Activities	184,274	13,779	198,053
Total	<u>184,574</u>	<u>14,154</u>	<u>198,728</u>
NET INCOME/(EXPENDITURE)	(1,017)	1,279	262
RECONCILIATION OF FUNDS			
Total funds brought forward	20,600	6,580	27,180
TOTAL FUNDS CARRIED FORWARD	<u>19,583</u>	<u>7,859</u>	<u>27,442</u>

13. TANGIBLE FIXED ASSETS

	Musical instruments, equipment £
COST	
At 1st September 2019	62,991
Additions	<u>1,108</u>
At 31st August 2020	<u>64,099</u>
DEPRECIATION	
At 1st September 2019	43,854
Charge for year	<u>2,026</u>
At 31st August 2020	<u>45,880</u>
NET BOOK VALUE	
At 31st August 2020	<u>18,219</u>
At 31st August 2019	<u>19,137</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	3,879	1,314
Other debtors	193	910
Prepayments and accrued income	<u>4,621</u>	<u>1,571</u>
	<u>8,693</u>	<u>3,795</u>

The Elgar School Of Music Limited

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

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans and overdrafts (see note 16)	4,047	-
Trade creditors	3,040	7,166
Social security and other taxes	-	428
Pensions	112	-
Other creditors	1,300	1,040
Deferred income	-	472
Accrued expenses	95	1,301
	<u>8,594</u>	<u>10,407</u>

Deferred income relates to fees received in the accounting year for music lessons held after 31st August. The charity had a commitment at the reporting date to provide these lessons, therefore the income has been deferred and is not recognised in this period.

16. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	<u>4,047</u>	<u>-</u>

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	1,351	2,703
Between one and five years	<u>-</u>	<u>1,351</u>
	<u>1,351</u>	<u>4,054</u>

18. MOVEMENT IN FUNDS

	At 1.9.19	Net movement in funds	Transfers between funds	At 31.8.20
	£	£	£	£
Unrestricted funds				
General fund	19,583	(4,632)	(733)	14,218
Restricted funds				
Special Educational Needs fund	921	(1,654)	733	-
Scholarship fund	313	-	-	313
P Harding Memorial fund	800	-	-	800
Instrument fund	1,148	(28)	-	1,120
Carpet fund	3,500	-	-	3,500
Music Making fund	1,177	-	-	1,177
Dementia concert fund	<u>-</u>	<u>100</u>	<u>-</u>	<u>100</u>
	<u>7,859</u>	<u>(1,582)</u>	<u>733</u>	<u>7,010</u>
TOTAL FUNDS	<u>27,442</u>	<u>(6,214)</u>	<u>-</u>	<u>21,228</u>

The Elgar School Of Music Limited

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

18. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	135,734	(140,366)	(4,632)
Restricted funds			
Special Educational Needs fund	249	(1,903)	(1,654)
Instrument fund	-	(28)	(28)
Dementia concert fund	100	-	100
	<u>349</u>	<u>(1,931)</u>	<u>(1,582)</u>
TOTAL FUNDS	<u>136,083</u>	<u>(142,297)</u>	<u>(6,214)</u>

Comparatives for movement in funds

	At 1.9.18 £	Net movement in funds £	At 31.8.19 £
Unrestricted funds			
General fund	20,600	(1,017)	19,583
Restricted funds			
Special Educational Needs fund	5,279	(4,358)	921
Scholarship fund	301	12	313
P Harding Memorial fund	1,000	(200)	800
Instrument fund	-	1,148	1,148
Carpet fund	-	3,500	3,500
Music Making fund	-	1,177	1,177
	<u>6,580</u>	<u>1,279</u>	<u>7,859</u>
TOTAL FUNDS	<u>27,180</u>	<u>262</u>	<u>27,442</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	183,557	(184,574)	(1,017)
Restricted funds			
Special Educational Needs fund	3,044	(7,402)	(4,358)
Scholarship fund	12	-	12
P Harding Memorial fund	-	(200)	(200)
Instrument fund	2,000	(852)	1,148
Carpet fund	9,000	(5,500)	3,500
Music Making fund	1,377	(200)	1,177
	<u>15,433</u>	<u>(14,154)</u>	<u>1,279</u>
TOTAL FUNDS	<u>198,990</u>	<u>(198,728)</u>	<u>262</u>

The Elgar School Of Music Limited

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

18. MOVEMENT IN FUNDS - continued

TRANSFERS BETWEEN FUNDS

A transfer of £733 was made from the Unrestricted General fund to the Special Educational Needs fund in order to cover the deficit.

19. RELATED PARTY DISCLOSURES

Accountancy services were provided by The Richards Sandy Partnership, of which one of the Trustees, N Sandy, is also a Director. No fee was charged for this work and therefore a donated service of £1,620 (2019: £1,560), being the market value of equivalent services, has been included within the accounts.

20. PURPOSE OF FUNDS

UNRESTRICTED FUND

The unrestricted general fund can be used for any charitable purpose within the charity's objects and approved by the Trustees. It is the policy of the charity to build a reserve of four months' operating costs in this fund. The fund balance as at 31 August 2020 was £14,218 (2019: £19,583), which represents about two and a half months of operating expenditure, therefore this does not cover the charity's reserves policy.

RESTRICTED FUNDS

Special Educational Needs Fund

This fund is restricted for the purpose of providing wider opportunities for those students with additional needs.

Scholarship Fund

This fund is restricted for the purpose of providing scholarships for string and brass pupils.

P Harding Memorial Fund

This fund was created in the memory of P Harding for the purpose of awarding an annual bursary.

Instrument Fund

This fund is restricted for the purpose of purchasing new musical instruments and equipment.

Carpet Fund

This fund is restricted for the purpose of purchasing new carpets for the refurbishment of the premises.

Music Making Fund

This fund is restricted for the purpose of promoting live music making.

Dementia Concert Fund

This fund is restricted for the purpose of holding concerts for dementia patients.