

# **THE TERTIS FOUNDATION**

## **TRUSTEES' REPORT AND ACCOUNTS**

### **FOR THE YEAR ENDED**

**31<sup>st</sup> MARCH 2021**

**Company Registered No: 04797374 (England & Wales)**  
**Charity Registered No: 1099084**



**KNOX CROPPER**  
chartered accountants

**THE TERTIS FOUNDATION****LEGAL AND ADMINISTRATIVE INFORMATION**

<b>Charity Name</b>	The Tertis Foundation
<b>Charity Registration Number</b>	1099084
<b>Company Registration Number</b>	04797374
<b>Principal Office</b>	Flat 1, 42 Marryat Road Wimbledon London SW19 5BD
<b>Registered Office</b>	7 Savoy Court London WC2R 0EX
<b>Trustees</b>	Mrs Margaret Ann Lyons (Chairman) Mr Jonathan Heelas Barritt Ms Catherine Connolly Ms Chi-chi Nwanoku OBE (Resigned 18th September 2021)
<b>Secretary</b>	Mr Robert Eric Lyons
<b>Bankers and Investment Managers</b>	Schroders Personal Wealth 12 <sup>th</sup> Floor, 1 London Wall London EC2Y 5EB
<b>Solicitors</b>	Harbottle & Lewis 7 Savoy Court London WC2R 0EX
<b>Independent Examiner</b>	Greg Stevenson FCA Knox Cropper LLP Chartered Accountants 65 Leadenhall Street London EC3A 2AD

**THE TERTIS FOUNDATION****TRUSTEES' REPORT****FOR THE YEAR ENDED 31st MARCH 2021**

The Trustees present their Report together with the Accounts for the year ended 31<sup>st</sup> March 2021.

**Structure, Governance and Management**

The Charity was incorporated as a Company (number 04797374) limited by guarantee on 12th June 2003 and was registered as a Charity (number 1099084) by the Charity Commission on 20th August 2003. It is governed by its Memorandum and Articles of Association. The members' liability is limited to £1 each in the event of the Company being wound up. The members of the Company are also the directors and trustees.

The number of Trustees is to be between three and fifteen and the names of the Trustees who served during the year and up to the date of this report are set out on page 1.

Further Trustees can be appointed either by the members in General Meeting or by a resolution of the Trustees; they have to be prepared to assist to the best of their ability in the advancements of the main objects of the Charity and the Trustees' policy is to give additional Trustees appropriate training by the provision of relevant background material and discussions with the existing Trustees and the Secretary.

The Trustees manage the Charity with the assistance of the Secretary, and they communicate and meet on a regular basis. The Trustees do not receive any remuneration or derive any other personal benefit from the activities of the Charity.

The major risks to which the Charity is exposed, as identified by the Trustees, have been reviewed and systems have been established to mitigate those risks.

The Trustees consider variability of investment returns to constitute the charity's major financial risk. This risk is mitigated as far as is possible through regular reviews with the Investment Management advisors.

The risk of bank failure following the financial crisis was considered by the Trustees and upon review it was considered that the banking and investment services are secure, but the situation should be monitored regularly.

**Resignation of Ms Chi-chi Nwanoku as Trustee**

On 18th September 2021 Ms Nwanoku, who was appointed a Trustee in July 2014, informed the Trustees that she wished to resign as a Trustee. She is a very distinguished musician holding an increasing number of posts and felt unable to continue to adequately perform her duties as a Trustee in these circumstances. The Trustees reluctantly accepted her resignation and thanked her for her past services.

**Objectives and Activities, Achievements and Performance**

The principal objects of the Charity are to promote education in the Arts anywhere in the world for the public benefit, including without limitation by promoting education in the music for and playing of the Viola. The objects also include alleviation of sickness poverty and distress, including that of musicians, and general charitable purposes.



## **THE TERTIS FOUNDATION**

### **TRUSTEES' REPORT (Continued)**

#### **FOR THE YEAR ENDED 31st MARCH 2021**

#### **Objectives and Activities, Achievements and Performance (continued)**

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

The Trustees' grants policy is to select projects which contribute, to the public benefit, towards education and encouragement in the field of viola playing and chamber music and which record the achievements of Lionel Tertis, the foremost viola player and teacher of the twentieth century.

All grants are subject to the Trust's Due Diligence Policy having been undertaken.

Recognising their duty to safeguard charitable assets, the trustees confirm that any third party organisation receiving support from the trust must be:

- A UK registered charity; or,
- An organisation that carries out activities that are charitable under UK law.

The Trustees have identified a number of projects in accordance with their policy and during the year grants were awarded as follows:-

Wimbledon International Music Festival - £25,000 as the major benefactor of the Festival. The aim of the Festival is to create a spirit of community through the shared experience of live music-making by some of the most celebrated performers of our time. The Festival puts on a series of concerts of the highest standard in various venues in Wimbledon, where Lionel and Lillian Tertis had lived. The Festival took place from 4th-28th November 2021, with world-class performers, and met all its objectives, with enthusiastic audiences for all the concerts and praise from the Musical Press.

Wigmore Hall: Season Benefactors - £5,000. The Tertis Foundation are supporting the Hall's 2021 season which continues to deliver one of the most important series of Chamber Music in the world. Both Lionel and Lillian Tertis played chamber music at the highest level, including at Wigmore Hall, making this support very appropriate.

Wigmore Hall: Music for Life - £3,000.

Music for Life is a pioneering programme for people living with dementia and their families, friends and carers and the Tertis Foundation is pleased to give them financial support.

The Philharmonia Orchestra:

£2,500 as the Tertis Foundation's 2020-2021 grant to the Orchestra for endowment of the Viola Chair in perpetuity. The Trustees have undertaken to make an annual payment to the Orchestra, subject to certain conditions, of the equivalent of a year's interest on £50,000. The Trustees decided to maintain a rate of 5% for 2020-21. This support by the Foundation enables the Orchestra to perform with the finest artists and associate this Chair with the Tertis name.

All these projects were successful in achieving their objectives and furthering the objects of the Charity.



**THE TERTIS FOUNDATION**  
**TRUSTEES' REPORT (Continued)**  
**FOR THE YEAR ENDED 31st MARCH 2021**

**Financial Review**

During the year the Charity's income amounted to £30,766, its expenditure amounted to £54,289 and, after investment gains of £282,918, funds increased by £259,395 to give a balance of funds carried forward of £1,746,245. This position to date has improved further with the strengthening of the market.

All the Charity's income for the year is unrestricted and has arisen from investments and from royalties.

The Charity's initial funding of £1.8m was provided by the late Mrs L.F.M.Tertis, the widow of Lionel Tertis. Mrs Tertis confirmed that her donations were to be used by the Trustees in accordance with their powers. In particular, they may choose either to invest the money and apply the income for the Charity's objects or apply the principal amount now or later for those objects, or a mixture of both.

The Trustees' reserves at 31st March 2021 were £1,746,245 and the Trustees' reserves policy is therefore to hold and/or expend these in accordance with the powers given by Mrs Tertis.

The Trustees' investment policy is to invest the reserves of the Charity in a mixture of investments and interest-bearing deposits and to use the income, and, if necessary, some or all of the capital, to further the Charity's objects.

The Trustees have the power to invest the funds in such investments as may be thought fit and to delegate their investment to appropriate qualified persons. Schroders Investment Management, have been appointed as investment managers and their policy is to achieve steady growth of the capital and/or income by investing a proportion of the funds in equity and/or equity-related investments balanced by a substantial element of lower risk, stable investments. The Trustees hold regular meetings with the investment managers to discuss the portfolio performance.

In the year to 31st March 2021 the Charity's portfolio achieved an income of 2%; and a capital gain of 16% was incurred, leading to a total positive return of 18%. This largely reflects market conditions.

Under the circumstances the investment managers are satisfied with the mix of investments and the portfolio's ability to produce future stable income.

**THE TERTIS FOUNDATION**  
**TRUSTEES' REPORT (Continued)**  
**FOR THE YEAR ENDED 31st MARCH 2021**

**Future Plans**

The Trustees have decided to give financial support to a number of other projects during the next financial year and beyond.

**Wimbledon International Music Festival**

The Trustees have agreed to support the Wimbledon International Music Festival for the event in November 2021 at £25,000 and have also agreed to extend support for a further year to November 2022 at £25,000. This may be extended further into the future. All the Festivals to date have included a viola element which is expected to continue.

Grants to Wigmore Hall as Season Benefactors and for Music for Life are anticipated in 2021-22.

The Charity will also be making the annual grant to the Philharmonia Orchestra for the Viola Chair endowment.

**Wimbledon Concert Hall**

The Trustees had previously agreed to pledge £1m towards the overall cost should the go-ahead be given for the construction phase and this has now been reduced to £825,000 in the light of grants totalling £175,000 paid to date. The Concert Hall Trustees have pledged in turn that the name of Lionel Tertis will be given prominent and permanent recognition in the final building.

The Trustees are at present considering the long-term future of the Charity but no firm decisions have yet been made.

**THE TERTIS FOUNDATION**  
**TRUSTEES' REPORT (Continued)**  
**FOR THE YEAR ENDED 31st MARCH 2021**

**Statement of Trustees' Responsibilities**

The Trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for that year. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

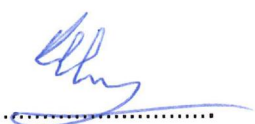
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with relevant legislation. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The above report has been prepared in accordance with the special provisions relating to Small Companies within Part 15 of the Companies Act 2006.

**Independent Examination**

The Trustees have elected to have an independent examination of the accounts for the current financial year and will keep the matter under review for future years.

By order of the Trustees

  
.....  
R E Lyons MA FCA  
Secretary

.....  
13/12/.....2021



**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES**  
**OF THE TERTIS FOUNDATION**

I report to the charity trustees on my examination of the accounts of The Tertis Foundation ('the Foundation') for the year ended 31st March 2021, which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

This report is made to the Trustees, as a body, in accordance with the terms of my engagement. Our work has been undertaken so that we might carry out an Independent Examination of the financial statements in accordance with the General Directions given by the Charity Commissioners. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Foundation and the Foundation's Trustees, as a body, for our work or for this report.

**RESPONSIBILITIES AND BASIS OF REPORT**

As the Trustees of the Foundation (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').

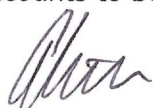
Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the Companies Act 2006 and are eligible for independent examination, I report in respect of my examination of your Charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 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:

- accounting records were not kept in respect of the Foundation as required by section 386 of the 2006 Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with 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
- 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 concern 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.



**Greg Stevenson FCA**  
**Knox Cropper**  
**Chartered Accountants**  
**65 Leadenhall Street**  
**London EC3A 2AD**

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**THE TERTIS FOUNDATION**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31st MARCH 2021**  
**(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**

		<b><u>Unrestricted Funds</u></b>	
	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
<b>INCOME FROM</b>	1(b)		
Investments	2	30,214	39,372
Other Trading Income – Royalties		552	1,798
<b>TOTAL INCOMING</b>		<b>30,766</b>	<b>41,170</b>
<b>EXPENDITURE ON</b>	1(c)		
Raising funds	3	11,832	14,117
Charitable activities	4	42,457	140,184
<b>TOTAL EXPENDITURE</b>		<b>54,289</b>	<b>154,301</b>
<b>NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES ON INVESTMENTS</b>		<b>(23,523)</b>	<b>(113,131)</b>
<b>Net Gains/(Losses) on Investments</b>	7	<b>282,918</b>	<b>(150,808)</b>
<b>NET INCOME/(EXPENDITURE) AND NET MOVEMENT IN FUNDS</b>		<b>259,395</b>	<b>(263,939)</b>
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward		1,486,850	1,750,789
<b>TOTAL FUNDS CARRIED FORWARD</b>	1(g)	<b>£1,746,245</b>	<b>£1,486,850</b>

All of the above results are derived from continuing activities.

The notes on pages 11 to 16 form part of these accounts.

**THE TERTIS FOUNDATION****BALANCE SHEET AS AT 31st MARCH 2021**

	<b>Note</b>	<b>2021</b> £	<b>2020</b> £
<b>FIXED ASSETS</b>			
Investments	1(f), 7	<u>1,639,325</u>	<u>1,367,563</u>
<b>CURRENT ASSETS</b>			
Debtors	8	-	5,718
Cash at bank and in hand		<u>130,923</u>	<u>132,458</u>
		130,923	138,176
<b>CREDITORS:</b>			
Amounts falling due within one year	9	<u>(24,003)</u>	<u>(18,889)</u>
<b>NET CURRENT ASSETS</b>		<u>106,920</u>	<u>119,287</u>
<b>NET ASSETS</b>		<u>£1,746,245</u>	<u>£1,486,850</u>
<b>FUNDS</b>			
Unrestricted – general funds	1(g), 10	1,746,245	1,486,850
<b>TOTAL FUNDS</b>		<u>£1,746,245</u>	<u>£1,486,850</u>

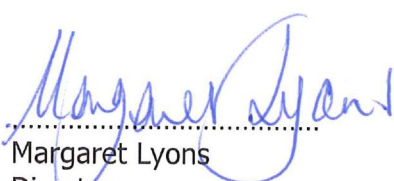
For the year ending 31st March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The Financial Statements have been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Trustees on 13/12 / 2021 and signed on their behalf by:



Margaret Lyons  
Director  
Chairman of the Board of Trustees

The notes on pages 11 to 16 form part of these Accounts.

Company Number: 04797374



**THE TERTIS FOUNDATION****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31st MARCH 2021****1. ACCOUNTING POLICIES****(a) Basis of Preparation and Assessment of going concern**

The accounts have been prepared under the historical cost convention with the exception of investments, which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (effective 1st January 2019) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Charity constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

**(b) Income**

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

**(c) 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 settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis, and includes, where relevant, VAT not recoverable by the Charity. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

**(d) Grants**

Grants payable are charged in the period they are committed, normally when an unconditional offer is conveyed to the recipient; future expenditure against such grants is included in creditors.

**(e) Governance Costs**

Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to the independent examination.

**(f) Investments**

Investments are a form of basic financial investment and are initially recognised at their transaction value and subsequently measured at fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

**THE TERTIS FOUNDATION**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31st MARCH 2021**

**1. ACCOUNTING POLICIES (continued)**

**(f) Investments (continued)**

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

**(g) Unrestricted funds**

Unrestricted funds are those funds for use by the Trustees in accordance with their powers, for investment or expenditure or a mixture of both. Restricted funds are those funds which may only be applied to purposes specified by the donor.

**(h) Financial Instruments**

Basic financial instruments, which include debtors, creditors, investments and bank balances are initially measured at transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. The Foundation only has basic financial instruments.

**2. INVESTMENTS**

	<b>2021</b>	<b>2020</b>
	£	£
Income from listed investments	29,869	38,625
Bank interest received	345	747
	<u>£30,214</u>	<u>£39,372</u>

**3. RAISING FUNDS**

Investment management fees	9,832	11,917
Investment administration (note 13)	2,000	2,200
	<u>£11,832</u>	<u>£14,117</u>

The investment management fees were payable to Schroder Personal Wealth.

**THE TERTIS FOUNDATION****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31st MARCH 2021****4. CHARITABLE ACTIVITIES**

	<b>2021</b>	<b>2020</b>
	£	£
The Wimbledon Concert Hall	-	75,000
Wimbledon International Music Festival	25,000	22,000
Reception following viola concert at the: Wimbledon International Music Festival	-	1,085
The Parkhouse Award	-	13,000
Wigmore Hall: Season Benefactors	5,000	5,000
Wigmore Hall: for Music for Life	3,000	3,000
The Philharmonia Orchestra for Principal Viola Chair Endowment	2,500	2,500
Barbirolli Oboe Competition	-	500
<b>Total Grants</b>	<u>35,500</u>	<u>122,085</u>
Support Costs (Note 5)	<u>6,957</u>	<u>18,099</u>
	<u>£42,457</u>	<u>£140,184</u>

Further details are disclosed in the Trustees' Report.

The current year grants were to support musicians and musical education. £35,500 (2020: £122,085) were grants to institutions; there were no grants to individuals (2020: £Nil).

**5. SUPPORT COSTS**

	<b>2021</b>	<b>2020</b>
	£	£
Grants Administration (note 13)	2,000	2,200
Administration Fee for Viola Competition	-	8,000
Travelling and subsistence expenses	-	1,397
Governance Costs (Note 6)	4,957	6,502
	<u>£6,957</u>	<u>£18,099</u>



**THE TERTIS FOUNDATION****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31st MARCH 2021****6. GOVERNANCE COSTS**

	<b>2021</b>	<b>2020</b>
	£	£
Governance Administration (note 13)	2,000	2,200
Independent Examination/Auditors - Fee	1,500	2,160
- Other Services	1,140	1,080
Legal fees	226	576
Meeting expenses	-	359
Legal Entity Identifier registration fee	78	84
Bank Charges	-	30
Companies House filing fee	13	13
	<u>£4,957</u>	<u>£6,502</u>

**7. INVESTMENTS**

Beginning of year, at market value	1,354,643	1,700,973
Additions in the year – purchases at cost	796,341	152,786
Disposals in the year at net proceeds	(826,808)	(348,308)
Gain/(Loss) in year (per S.O.F.A.)	282,918	(150,808)
End of year, at market value	1,607,094	1,354,643
Cash held at Brokers	32,231	12,920
	<u>£1,639,325</u>	<u>£1,367,563</u>
Investments, at cost	<u>£1,286,293</u>	<u>£1,254,858</u>

**Material investments (with value in excess of 5% of total market value):**

Multi-Manager Global Sovereign Bond	*	81,024	-
Asset Allocator Fund		321,804	270,913
Multi-Manager International Equity Fund	*	414,441	301,326
Multi-Manager UK Equity Focus Fund	*	166,751	116,864
PIMCO GIS Global Investment Grade Corp Bond Fund		-	101,371
Multi-Manager Global Inv Grade Bond	*	308,571	-

\* Schroder Investment Managers

**8. DEBTORS**

Prepayments	-	5,683
Tax recoverable	-	35
	<u>£ -</u>	<u>£5,718</u>

**THE TERTIS FOUNDATION**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31st MARCH 2021**

9. **CREDITORS:** Amounts falling due within one year

	<b>2021</b>	<b>2020</b>
	£	£
Administration fee payable (note 13)	12,600	6,600
Grants payable	8,000	8,000
Sundry creditors and accruals	3,403	4,289
	<u>£24,003</u>	<u>£18,889</u>

10. **UNRESTRICTED FUNDS**

Total	<u>£1,746,245</u>	<u>£1,486,850</u>
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The funds of the Charity at 31st March 2021 are all unrestricted, for use by the Trustees in accordance with their powers, for investment or expenditure or a mixture of both.

Further details are given in the Trustee Report.

11. **RESTRICTED FUNDS**

There were no restricted funds during the year, all income and expenditure being unrestricted.

12. **TAXATION**

The Tertis Foundation is a registered Charity and is potentially exempt from taxation in respect of income and capital gains tax to the extent that such income or gains are applied to exclusively charitable purposes.

13. **RELATED PARTY TRANSACTIONS**

During the year a total of £Nil (2020: £1,397) was reimbursed to Trustees and £78 (2020: £443) to the Secretary for expenditure properly incurred on behalf of the Charity.

The Trustees have approved an annual fee of £6,000 payable to the Company Secretary for administration of the charity, apportioned equally between investment administration, grants administration, and governance administration. The Secretary is the husband of the Chairman of the Trustees, but has carried out this work independently on a professional arms length basis, with the circumstances and fee fully disclosed to and approved by the Board of Trustees.

14. **EMPLOYEES**

The Foundation has no employees and all work is undertaken gratuitously by the Trustees, and therefore no employee benefits are paid to Key Management Personnel (2020: £Nil).

**THE TERTIS FOUNDATION**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31st MARCH 2021**

**15. EVENTS AFTER BALANCE SHEET DATE**

With the Covid 19 Pandemic, there has been major global upheaval in both the social and financial spheres. The effect of these on the charity remains unclear and whilst investments had recovered at the year end to pre pandemic levels, it is likely that investment income will continue to be reduced. This however should not cause major disruption to the charity's activities.