

THE ELGAR SCHOOL OF MUSIC LIMITED

England & Wales · Charity number 701309

Details

Status	Registered
Legal form	Charitable company
Company number	02233308
Registered	1989-03-09
Register	View on the Charity Commission register

Contact

Address	The Elgar School of Music 16-20 Deansway Worcester WR1 2ES
Phone	01905 28613
Email	enquiries@elgarschoolofmusic.org.uk
Website	www.elgarschoolofmusic.org.uk

Activities

Objects: A) TO PROMOTE AND PROVIDE FOR THE ADVANCEMENT OF MUSICAL EDUCATION AND OF THE ARTS GENERALLY AND IN CONNECTION THEREWITH TO CONDUCT CARRY ON ACQUIRE AND DEVELOP IN THE UNITED KINGDOM A BOARDING OR DAY SCHOOL OR SCHOOLS, COLLEGE OR COLLEGES FOR THE FR THE EDUCATION OF CHILDREN AND OR ADULTS. B) TO SUPPORT NY CHARITABLE ASSOCIATION OR BODY AND TO SUBSCRIBE MONEY FOR CHARITABLE URPOSES.

Activities: The principal object of the company is that of a registered charity engaged in the promotion and provision of music education.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People, Elderly/old People, People With Disabilities, The General Public/mankind

Geography

- Birmingham City
- Coventry City
- Dudley
- Gloucestershire
- Herefordshire
- Sandwell
- Solihull
- Walsall
- Wolverhampton
- Worcestershire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£149,316	£151,213	-	-
2023-08-31	£142,552	£151,355	-	-
2022-08-31	£142,498	£146,913	-	-
2021-08-31	£189,731	£123,971	-	-
2020-08-31	£136,083	£142,297	-	-

Trustees

Name	Role	Appointed
Allan Walker		2024-12-03
Andrew John Willetts		2024-12-03
David Best		2024-12-03
Ian Venables		2020-07-17
John Everard		2025-04-07
Kate Dixon		2021-02-19
Marjory Bisset		2025-04-05
PETER SHEERAN		2014-07-08
Susan Humes		2014-07-08

THE ELGAR SCHOOL OF MUSIC LIMITED

England & Wales - Charity number 701309

Accounts

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

Report of the Trustees and
Financial Statements for the Year Ended 31st August 2024
for
The Elgar School Of Music Limited

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

The Elgar School Of Music Limited

**Contents of the Financial Statements
for the Year Ended 31st August 2024**

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The Elgar School Of Music Limited

**Reference and Administrative Details
for the Year Ended 31st August 2024**

TRUSTEES	P Sheeran (Chair) S I Humes N P Sandy I Venables K Dixon
REGISTERED OFFICE	16-20 Deansway Worcester WR1 2ES
REGISTERED COMPANY NUMBER	02233308 (England and Wales)
REGISTERED CHARITY NUMBER	701309
INDEPENDENT EXAMINER	The Richards Sandy Partnership Thorneloe House 25 Barbourne Road Worcester Worcestershire WR1 1RU
KEY MANAGEMENT PERSONNEL	K Fawcett Chief Executive Officer N Tsuzaki Head of School
BANKERS	HSBC 4-6 Broad Street Worcester WR1 2EJ CCLA Investment Management Limited One Angel Lane London EC4R 3AB

**Report of the Trustees
for the Year Ended 31st August 2024**

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 2024. 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.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The number of enquiries for music lessons and group sessions has continued to increase post-pandemic. The Community Choir is flourishing again under Rebecca Atherton, with numbers starting to recover following a big dip during and following the COVID epidemic.

A new group for pre-school children was established during 2023-24, incorporating Music Makers for toddlers and Tiny Tunes for babies. The school is working on becoming more of a Community Arts centre, with the University of the 3rd Age (U3A) starting music well-being sessions and the school encouraging external hire from individuals and groups.

Six new teachers joined the school during the year to provide lessons in violin, singing, piano, recorder and woodwind.

The school has been responsible for the county music library for the last few years and we have completed its move into the school from Malvern Gate, with a small overflow currently housed in Huntingdon Hall courtesy of Worcester Theatres. The library is already proving to be of great benefit in terms both of income for the school and resources for the teachers and pupils within it.

The school continues to be the Worcester centre for both ABRSM and Trinity Music exams; apart from the income from these we also benefit from enquiries about lessons from those sitting exams / carers and parents.

We have started approaching other arts organisations based in Worcester to establish a closer and more tangible working relationship, one that can be evidenced when applying for Arts Council, Lottery and Trust funding in future. The first of these was the English Symphony Orchestra, and their chair and CEO have approved it in principle.

FINANCIAL REVIEW

The net result for the year was a deficit of £1,897 (2023: £8,803). This comprised of a deficit on unrestricted funds of £1,897 (2023: £7,779) and a deficit on restricted funds of £nil (2023: £1,024). Unrestricted reserves, excluding fixed assets, held at 31 August 2024 were £54,593 (2023: £54,769).

Total reserves as at 31 August 2024 were £71,873 (2023: £73,770), comprising unrestricted reserves of £70,078 (2023: £71,975) and restricted reserves of £1,795 (2023: £1,795).

Whilst the trustees consider an appropriate minimum level of free reserves should be four months of the charity support costs which represents a figure of £19,500, we have now exceeded our further aim to cover six months support cost expenditure (£29,500).

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.

**Report of the Trustees
for the Year Ended 31st August 2024**

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 3rd Dec 2024 and signed on its behalf by:



.....
P Sheeran - 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 2024.

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.



Melissa Jean Godwin ACA ACCA
The Association of Chartered Certified Accountants

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

Date: 21-12-24

The Elgar School Of Music Limited
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31st August 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	4	8,689	-	8,689	12,113
Charitable activities	6				
Charitable Activities		139,607	-	139,607	129,784
Investment income	5	1,020	-	1,020	655
Total		<u>149,316</u>	<u>-</u>	<u>149,316</u>	<u>142,552</u>
EXPENDITURE ON					
Raising funds	7	216	-	216	216
Charitable activities	8				
Charitable Activities		150,997	-	150,997	151,139
Total		<u>151,213</u>	<u>-</u>	<u>151,213</u>	<u>151,355</u>
NET INCOME/(EXPENDITURE)		(1,897)	-	(1,897)	(8,803)
RECONCILIATION OF FUNDS					
Total funds brought forward		71,975	1,795	73,770	82,573
TOTAL FUNDS CARRIED FORWARD		<u>70,078</u>	<u>1,795</u>	<u>71,873</u>	<u>73,770</u>

The notes form part of these financial statements

The Elgar School Of Music Limited (Registered number: 02233308)

Balance Sheet
31st August 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Tangible assets	15	15,485	-	15,485	17,206
CURRENT ASSETS					
Debtors	16	4,250	-	4,250	7,645
Cash at bank and in hand		56,622	1,795	58,417	53,177
		<u>60,872</u>	<u>1,795</u>	<u>62,667</u>	<u>60,822</u>
CREDITORS					
Amounts falling due within one year	17	(6,279)	-	(6,279)	(4,258)
NET CURRENT ASSETS		<u>54,593</u>	<u>1,795</u>	<u>56,388</u>	<u>56,564</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>70,078</u>	<u>1,795</u>	<u>71,873</u>	<u>73,770</u>
NET ASSETS		<u>70,078</u>	<u>1,795</u>	<u>71,873</u>	<u>73,770</u>
FUNDS	18				
Unrestricted funds				70,078	71,975
Restricted funds				1,795	1,795
TOTAL FUNDS				<u>71,873</u>	<u>73,770</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st August 2024.

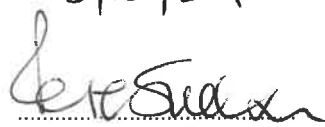
The members have not required the company to obtain an audit of its financial statements for the year ended 31st August 2024 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- 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 3/12/24 and were signed on its behalf by:


P Sheeran - 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 2024

1. STATUTORY INFORMATION

The charity is a private company limited by guarantee, registered in England and Wales. 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 is exempt from preparing a cashflow statement on the grounds that it is not a large charity.

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.

Income from grants (including government grant income) and donations, is recognised in the period in which the charity is entitled to receipt and the amount can be measured reliably.

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.

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

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 2024

2. ACCOUNTING POLICIES - continued

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. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The most critical accounting judgement is in setting the depreciation rates for tangible fixed assets. Details for these rates can be found in the accounting policies in note 2. The carrying value of tangible fixed assets can be found in note 15.

4. DONATIONS AND LEGACIES

	2024	2023
	£	£
Donations	3,689	4,113
Grants	5,000	8,000
	<u>8,689</u>	<u>12,113</u>

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

	2024	2023
	£	£
Limoges Charitable Trust	5,000	5,000
The Roger & Douglas Turner Charitable Trust	-	3,000
	<u>5,000</u>	<u>8,000</u>

The Elgar School Of Music Limited

Notes to the Financial Statements - continued
for the Year Ended 31st August 2024

5. INVESTMENT INCOME		2024	2023
		£	£
Bank interest		<u>1,020</u>	<u>655</u>
6. INCOME FROM CHARITABLE ACTIVITIES		2024	2023
		Charitable Activities	Total activities
		£	£
Registration fees		760	725
Music lessons		107,997	95,919
Exam fees		5,683	6,753
Classes and groups		17,398	15,749
Room hire		4,623	5,675
School concerts and talks		5	1,016
Music Library		2,799	3,086
Sundry income		342	861
		<u>139,607</u>	<u>129,784</u>
7. RAISING FUNDS			
RAISING DONATIONS AND LEGACIES		2024	2023
		£	£
Fundraising commission		<u>216</u>	<u>216</u>
8. CHARITABLE ACTIVITIES COSTS			
	Direct Costs (see note 9)	Support costs (see note 10)	Totals
	£	£	£
Charitable Activities	<u>92,949</u>	<u>58,048</u>	<u>150,997</u>
9. DIRECT COSTS OF CHARITABLE ACTIVITIES		2024	2023
		£	£
Music lessons		67,833	61,539
Exam fees		6,419	6,213
School concert and talks		260	328
Classes and groups		12,919	11,715
Instrument repairs		1,935	2,015
Music Library		490	621
Sundry Expenses		101	594
Depreciation		1,721	1,912
Bad debts		1,038	-
Room hire		233	399
		<u>92,949</u>	<u>85,336</u>

The Elgar School Of Music Limited

Notes to the Financial Statements - continued
for the Year Ended 31st August 2024

10. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Charitable Activities	<u>54,413</u>	<u>1,067</u>	<u>2,568</u>	<u>58,048</u>

Support costs, included in the above, are as follows:

	2024 Charitable Activities £	2023 Total activities £
Wages	37,080	45,470
Pensions	472	758
Other operating leases	100	100
Rent	5,500	5,250
Rates and water	374	377
Insurance	4,156	3,886
Light and heat	2,230	2,103
Telephone	1,240	1,175
Postage and stationery	957	952
Advertising	116	105
Sundries	157	152
Computer	226	175
Repairs and renewals	1,113	2,109
Cleaning	477	317
Legal and professional fees	215	503
Bank charges	1,067	1,183
Independent examiner	2,568	1,188
	<u>58,048</u>	<u>65,803</u>

11. NET INCOME/(EXPENDITURE)

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

	2024 £	2023 £
Depreciation - owned assets	1,721	1,912
Hire of plant and machinery	100	100
Other operating leases	5,500	5,250
Independent Examiner fee in respect of Independent Examination	2,520	1,140
Independent Examiner fee in respect of other accountancy services	48	48
	<u> </u>	<u> </u>

Other operating leases of £5,500 (2023: £5,250) relates to the premises rent paid to Worcester Theatres in respect of 16-20 Deansway. There is no formal rent agreement.

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st August 2024 nor for the year ended 31st August 2023.

The Elgar School Of Music Limited

Notes to the Financial Statements - continued
for the Year Ended 31st August 2024

12. TRUSTEES' REMUNERATION AND BENEFITS - continued

TRUSTEES' EXPENSES

During the year ended 31 August 2024 there were no trustee expenses reimbursed (2023: one trustee was reimbursed travel expenses of £2).

13. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	37,080	45,470
Other pension costs	472	758
	<u>37,552</u>	<u>46,228</u>

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

	2024	2023
Administration	<u>7</u>	<u>5</u>

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

Total remuneration paid to key management personnel during the year was £14,210 (2023: £14,052).

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	12,063	50	12,113
Charitable activities			
Charitable Activities	129,784	-	129,784
Investment income	655	-	655
Total	<u>142,502</u>	<u>50</u>	<u>142,552</u>
EXPENDITURE ON			
Raising funds	216	-	216
Charitable activities			
Charitable Activities	150,065	1,074	151,139
Total	<u>150,281</u>	<u>1,074</u>	<u>151,355</u>
NET INCOME/(EXPENDITURE)	(7,779)	(1,024)	(8,803)
RECONCILIATION OF FUNDS			
Total funds brought forward	79,754	2,819	82,573
TOTAL FUNDS CARRIED FORWARD	<u>71,975</u>	<u>1,795</u>	<u>73,770</u>

The Elgar School Of Music Limited

Notes to the Financial Statements - continued
for the Year Ended 31st August 2024

15. TANGIBLE FIXED ASSETS

	Musical instruments, equipment £
COST	
At 1st September 2023 and 31st August 2024	<u>69,096</u>
DEPRECIATION	
At 1st September 2023	51,890
Charge for year	<u>1,721</u>
At 31st August 2024	<u>53,611</u>
NET BOOK VALUE	
At 31st August 2024	<u>15,485</u>
At 31st August 2023	<u>17,206</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade debtors	1,380	1,352
Social security	-	2,585
Prepayments and accrued income	<u>2,870</u>	<u>3,708</u>
	<u>4,250</u>	<u>7,645</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade creditors	473	437
Pensions	-	108
Other creditors	1,929	1,238
Deferred income	239	256
Accrued expenses	<u>3,638</u>	<u>2,219</u>
	<u>6,279</u>	<u>4,258</u>

Deferred income relates to music lesson fees collected in the year where the relating lessons were provided after the year end. Last year's deferred income provision has been fully released into income in the current year.

The Elgar School Of Music Limited

Notes to the Financial Statements - continued
for the Year Ended 31st August 2024

18. MOVEMENT IN FUNDS

	At 1.9.23 £	Net movement in funds £	Transfers between funds £	At 31.8.24 £
Unrestricted funds				
General fund	71,975	(1,897)	(500)	69,578
Bursary Fund	-	-	500	500
	<u>71,975</u>	<u>(1,897)</u>	<u>-</u>	<u>70,078</u>
Restricted funds				
Scholarship fund	363	-	-	363
P Harding Memorial fund	800	-	-	800
Instrument fund	607	-	-	607
Dementia concert fund	25	-	-	25
	<u>1,795</u>	<u>-</u>	<u>-</u>	<u>1,795</u>
TOTAL FUNDS	<u>73,770</u>	<u>(1,897)</u>	<u>-</u>	<u>71,873</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	149,316	(151,213)	(1,897)
TOTAL FUNDS	<u>149,316</u>	<u>(151,213)</u>	<u>(1,897)</u>

Comparatives for movement in funds

	At 1.9.22 £	Net movement in funds £	At 31.8.23 £
Unrestricted funds			
General fund	79,754	(7,779)	71,975
Restricted funds			
Scholarship fund	313	50	363
P Harding Memorial fund	800	-	800
Instrument fund	607	-	607
Dementia concert fund	100	(75)	25
Equipment and miscellaneous repair fund	85	(85)	-
Worcester Community Foundation cleaning and covid fund	914	(914)	-
	<u>2,819</u>	<u>(1,024)</u>	<u>1,795</u>
TOTAL FUNDS	<u>82,573</u>	<u>(8,803)</u>	<u>73,770</u>

The Elgar School Of Music Limited

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2024**

18. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	142,502	(150,281)	(7,779)
Restricted funds			
Scholarship fund	50	-	50
Dementia concert fund	-	(75)	(75)
Equipment and miscellaneous repair fund	-	(85)	(85)
Worcester Community Foundation cleaning and covid fund	-	(914)	(914)
	50	(1,074)	(1,024)
TOTAL FUNDS	142,552	(151,355)	(8,803)

PURPOSE OF FUNDS

UNRESTRICTED FUNDS

General Fund

The unrestricted general fund can be used for any charitable purpose within the charity's objects and approved by the Trustees.

Bursary Fund

This fund has been created using donations collected from the funeral of Stephen Halstead in Aug-23 and will be spent on awarding bursaries.

RESTRICTED FUNDS

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.

Dementia Concert Fund

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

Equipment and Miscellaneous Repair Fund

This fund is comprised of donations received for specific general purchases.

Worcester Community Foundation Cleaning and Covid Fund

This fund is restricted for the purpose of covering cleaning costs and covid-related activities.

TRANSFERS BETWEEN FUNDS

During the year £500 was transferred from the General Fund to the Designated Bursary Fund, being a new designated fund created using donations collected from a funeral in Aug-23.

The Elgar School Of Music Limited

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2024**

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st August 2024.

THE ELGAR SCHOOL OF MUSIC LIMITED

England & Wales - Charity number 701309

Accounts

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

**Report of the Trustees and
Financial Statements for the Year Ended 31st August 2023
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 2023**

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The Elgar School Of Music Limited

**Reference and Administrative Details
for the Year Ended 31st August 2023**

TRUSTEES	P Sheeran (Chair) S I Humes N P Sandy I Venables K Dixon
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
KEY MANAGEMENT PERSONNEL	K Fawcett Chief Executive Officer N Tsuzaki Head of School
BANKERS	HSBC 4-6 Broad Street Worcester WR1 2EJ CCLA Investment Management Limited One Angel Lane London EC4R 3AB

The Elgar School Of Music Limited

Report of the Trustees for the Year Ended 31st August 2023

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 2023. 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.

ACHIEVEMENT AND PERFORMANCE

September 1st 2022 to August 31st 2023

The number of enquiries for music lessons has continued to increase post-pandemic, and the numbers in groups have held steady, with a noticeable increase for the string ensemble.

Two new groups will be established for pre-school children during the 2023-24 academic year - Music Makers for toddlers and Tiny Tunes for babies.

Five new piano teachers are being added to the books as well as two for wind instruments and a couple of singing teachers, replacing staff that have left since the end of the pandemic.

The school has been responsible for the county music library for the last few years and it is in the process of being housed within the school - this long and complex process will complete during 2023-24. This will prove to be of great benefit in terms both of income for the school and resources for the teachers within it.

The school continues to be the Worcester centre for both ABRSM and Trinity Music exams, and has seen an increase in the hiring of its facilities by outside organisations.

Overall, this has been a period of consolidation for the school, but the signs for the new year are very promising.

FINANCIAL REVIEW

The net result for the year was a deficit of £8,803 (2022: £4,415). This comprised of a deficit on unrestricted funds of £7,779 (2022: surplus £1,491) and a deficit on restricted funds of £1,024 (2022: £5,906). Unrestricted reserves, excluding fixed assets, held at 31 August 2023 were £54,769 (2022: £60,636).

Total reserves as at 31 August 2023 were £73,770 (2022: £82,573).

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 £22,000. Whilst the current level of reserves satisfy this policy, the trustees are aiming to maintain reserves of approximately four month's support cost expenditure in the short term and then to six months to support cost expenditure (£32,000) in the medium term.

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.

The Elgar School Of Music Limited

**Report of the Trustees
for the Year Ended 31st August 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 on8/4/24..... and signed on its behalf by:



.....
P Sheeran - 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 2023.

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.



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

Date: 1/5/24

The Elgar School Of Music Limited

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31st August 2023**

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	4	12,063	50	12,113	16,200
Charitable activities					
Charitable Activities	6	129,784	-	129,784	126,230
Investment income	5	655	-	655	18
Other income	7	-	-	-	50
Total		<u>142,502</u>	<u>50</u>	<u>142,552</u>	<u>142,498</u>
EXPENDITURE ON					
Raising funds	8	216	-	216	205
Charitable activities					
Charitable Activities	9	150,065	1,074	151,139	146,708
Total		<u>150,281</u>	<u>1,074</u>	<u>151,355</u>	<u>146,913</u>
NET INCOME/(EXPENDITURE)		(7,779)	(1,024)	(8,803)	(4,415)
RECONCILIATION OF FUNDS					
Total funds brought forward		79,754	2,819	82,573	86,988
TOTAL FUNDS CARRIED FORWARD		<u>71,975</u>	<u>1,795</u>	<u>73,770</u>	<u>82,573</u>

The notes form part of these financial statements

The Elgar School Of Music Limited

**Balance Sheet
31st August 2023**

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	16	17,206	-	17,206	19,118
CURRENT ASSETS					
Debtors	17	7,645	-	7,645	8,167
Cash at bank and in hand		<u>51,382</u>	<u>1,795</u>	<u>53,177</u>	<u>59,151</u>
		59,027	1,795	60,822	67,318
CREDITORS					
Amounts falling due within one year	18	(4,258)	-	(4,258)	(3,863)
NET CURRENT ASSETS		<u>54,769</u>	<u>1,795</u>	<u>56,564</u>	<u>63,455</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>71,975</u>	<u>1,795</u>	<u>73,770</u>	<u>82,573</u>
NET ASSETS		<u>71,975</u>	<u>1,795</u>	<u>73,770</u>	<u>82,573</u>
FUNDS	19				
Unrestricted funds				71,975	79,754
Restricted funds				<u>1,795</u>	<u>2,819</u>
TOTAL FUNDS				<u>73,770</u>	<u>82,573</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st August 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st August 2023 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 8/4/24 and were signed on its behalf by:


.....
P Sheeran - 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 2023

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 is exempt from preparing a cashflow statement on the grounds that it is not a large charity.

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.

Income from grants (including government grant income) and donations, is recognised in the period in which the charity is entitled to receipt and the amount can be measured reliably.

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.

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

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 2023

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. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The most critical accounting judgement is in setting the depreciation rates for tangible fixed assets. Details for these rates can be found in the accounting policies in note 2. The carrying value of tangible fixed assets can be found in note 14.

4. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	4,113	5,049
Grants	8,000	9,366
Donated services and facilities	-	1,785
	<u>12,113</u>	<u>16,200</u>

DONATED SERVICES AND FACILITIES

The donated services and facilities of £Nil (2022: £1,785) relates to the donated accounts preparation services provided during the year.

The Elgar School Of Music Limited

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2023**

4. DONATIONS AND LEGACIES - continued

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

	2023	2022
	£	£
HMRC - Coronavirus Job Retention Scheme	-	366
Limoges Charitable Trust	5,000	5,000
The Roger & Douglas Turner Charitable Trust	3,000	-
Worcester City Council	-	4,000
	<u>8,000</u>	<u>9,366</u>

5. INVESTMENT INCOME

	2023	2022
	£	£
Bank interest	<u>655</u>	<u>18</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	2023 Charitable Activities	2022 Total activities
	£	£
Registration fees	725	620
Music lessons	95,919	91,725
Exam fees	6,753	3,790
Classes and groups	15,749	18,747
Room hire	5,675	7,310
School concerts and talks	1,016	855
Music Library	3,086	2,942
Sundry income	<u>861</u>	<u>241</u>
	<u>129,784</u>	<u>126,230</u>

7. OTHER INCOME

	2023	2022
	£	£
Bank compensation	<u>-</u>	<u>50</u>

8. RAISING FUNDS

RAISING DONATIONS AND LEGACIES

	2023	2022
	£	£
Fundraising commission	<u>216</u>	<u>205</u>

The Elgar School Of Music Limited

Notes to the Financial Statements - continued
for the Year Ended 31st August 2023

9. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 10) £	Support costs (see note 11) £	Totals £
Charitable Activities	<u>85,336</u>	<u>65,803</u>	<u>151,139</u>

10. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023 £	2022 £
Music lessons	61,539	63,050
Exam fees	6,213	3,144
School concert and talks	328	210
Classes and groups	11,715	12,121
Instrument repairs	2,015	1,665
Music Library	621	58
Sundry Expenses	594	340
Depreciation	1,912	2,125
Bad debts	-	238
Room hire	399	655
	<u>85,336</u>	<u>83,606</u>

11. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Charitable Activities	<u>63,432</u>	<u>1,183</u>	<u>1,188</u>	<u>65,803</u>

12. NET INCOME/(EXPENDITURE)

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

	2023 £	2022 £
Depreciation - owned assets	1,912	2,125
Hire of plant and machinery	5,250	3,750
Other operating leases	100	100
Independent Examiner fee in respect of Independent Examination	1,140	1,905
Independent Examiner fee in respect of other accountancy services	48	36
	<u>8,450</u>	<u>10,816</u>

In 2022, one quarter's rent was waived regarding Covid-19 rent concessions. There is no formal rent agreement with Worcester Theatres.

13. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st August 2023 nor for the year ended 31st August 2022.

The Elgar School Of Music Limited

Notes to the Financial Statements - continued
for the Year Ended 31st August 2023

13. TRUSTEES' REMUNERATION AND BENEFITS - continued

TRUSTEES' EXPENSES

During the year ended 31 August 2023 one trustee was reimbursed travel expenses of £2 (2022 there were no trustees' expenses paid).

14. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	45,470	40,772
Other pension costs	<u>758</u>	<u>508</u>
	<u>46,228</u>	<u>41,280</u>

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

	2023	2022
Administration	<u>5</u>	<u>5</u>

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

15. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	16,200	-	16,200
Charitable activities			
Charitable Activities	126,230	-	126,230
Investment income	18	-	18
Other income	<u>50</u>	<u>-</u>	<u>50</u>
Total	<u>142,498</u>	<u>-</u>	<u>142,498</u>
EXPENDITURE ON			
Raising funds	205	-	205
Charitable activities			
Charitable Activities	<u>144,340</u>	<u>2,368</u>	<u>146,708</u>
Total	<u>144,545</u>	<u>2,368</u>	<u>146,913</u>
NET INCOME/(EXPENDITURE)			
Transfers between funds	(2,047)	(2,368)	(4,415)
	<u>3,538</u>	<u>(3,538)</u>	<u>-</u>
Net movement in funds	1,491	(5,906)	(4,415)
RECONCILIATION OF FUNDS			
Total funds brought forward	78,263	8,725	86,988
	<u>79,754</u>	<u>2,819</u>	<u>82,573</u>
TOTAL FUNDS CARRIED FORWARD	<u>79,754</u>	<u>2,819</u>	<u>82,573</u>

The Elgar School Of Music Limited

Notes to the Financial Statements - continued
for the Year Ended 31st August 2023

16. TANGIBLE FIXED ASSETS

	Musical instruments, equipment £
COST	
At 1st September 2022 and 31st August 2023	<u>69,096</u>
DEPRECIATION	
At 1st September 2022	49,978
Charge for year	<u>1,912</u>
At 31st August 2023	<u>51,890</u>
NET BOOK VALUE	
At 31st August 2023	<u>17,206</u>
At 31st August 2022	<u>19,118</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	1,352	5,729
Social security	2,585	-
Prepayments and accrued income	<u>3,708</u>	<u>2,438</u>
	<u>7,645</u>	<u>8,167</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	437	400
Pensions	108	-
Other creditors	1,238	1,559
Deferred income	256	488
Accrued expenses	<u>2,219</u>	<u>1,416</u>
	<u>4,258</u>	<u>3,863</u>

Deferred income relates to music lesson fees collected in the year where the relating lessons were provided after the year end. Last year's deferred income provision has been fully released into income in the current year.

The Elgar School Of Music Limited

Notes to the Financial Statements - continued
for the Year Ended 31st August 2023

19. MOVEMENT IN FUNDS

	At 1.9.22 £	Net movement in funds £	At 31.8.23 £
Unrestricted funds			
General fund	79,754	(7,779)	71,975
Restricted funds			
Scholarship fund	313	50	363
P Harding Memorial fund	800	-	800
Instrument fund	607	-	607
Dementia concert fund	100	(75)	25
Equipment and miscellaneous repair fund	85	(85)	-
Worcester Community Foundation cleaning and covid fund	914	(914)	-
	<u>2,819</u>	<u>(1,024)</u>	<u>1,795</u>
TOTAL FUNDS	<u>82,573</u>	<u>(8,803)</u>	<u>73,770</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	142,502	(150,281)	(7,779)
Restricted funds			
Scholarship fund	50	-	50
Dementia concert fund	-	(75)	(75)
Equipment and miscellaneous repair fund	-	(85)	(85)
Worcester Community Foundation cleaning and covid fund	-	(914)	(914)
	<u>50</u>	<u>(1,074)</u>	<u>(1,024)</u>
TOTAL FUNDS	<u>142,552</u>	<u>(151,355)</u>	<u>(8,803)</u>

Comparatives for movement in funds

	At 1.9.21 £	Net movement in funds £	Transfers between funds £	At 31.8.22 £
Unrestricted funds				
General fund	78,263	(2,047)	3,538	79,754
Restricted funds				
Scholarship fund	313	-	-	313
P Harding Memorial fund	800	-	-	800
Instrument fund	1,095	-	(488)	607
Refurbishment fund	3,050	-	(3,050)	-
Dementia concert fund	100	-	-	100
Equipment and miscellaneous repair fund	85	-	-	85
Worcester Community Foundation cleaning and covid fund	3,282	(2,368)	-	914
	<u>8,725</u>	<u>(2,368)</u>	<u>(3,538)</u>	<u>2,819</u>
TOTAL FUNDS	<u>86,988</u>	<u>(4,415)</u>	<u>-</u>	<u>82,573</u>

The Elgar School Of Music Limited

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2023**

19. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	142,498	(144,545)	(2,047)
Restricted funds			
Worcester Community Foundation cleaning and covid fund	-	(2,368)	(2,368)
TOTAL FUNDS	<u>142,498</u>	<u>(146,913)</u>	<u>(4,415)</u>

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.

RESTRICTED FUNDS

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.

Refurbishment Fund

This fund is restricted for the purpose of the refurbishment of the premises.

Dementia Concert Fund

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

Equipment and Miscellaneous Repair Fund

This fund is comprised of donations received for specific general purchases.

Worcester Community Foundation Cleaning and Covid Fund

This fund is restricted for the purpose of covering cleaning costs and covid-related activities.

20. RELATED PARTY DISCLOSURES

Accountancy services were provided by The Richards Sandy Partnership, of which one of the Trustees, N Sandy, was also a Director until May-23. Last year no fee was charged for this work and therefore a donated service of £nil (2022: £1,785), being the market value of equivalent services, was included within the accounts.

THE ELGAR SCHOOL OF MUSIC LIMITED

England & Wales - Charity number 701309

Accounts

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

Report of the Trustees and
Financial Statements for the Year Ended 31st August 2022

**Report of the Trustees and
Financial Statements for the Year Ended 31st August 2022**

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 2022**

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The Elgar School Of Music Limited

**Reference and Administrative Details
for the Year Ended 31st August 2022**

TRUSTEES	Mrs S I Humes P Sheeran (Chair) N P Sandy I Venables Ms K Dixon
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 2022

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 2022. 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.

ACHIEVEMENT AND PERFORMANCE

September 2021-September 2022

Thankfully, the majority of the restrictions required to be in place during the worst of the COVID pandemic (2020-21) were gradually removed and by the end of our financial year the school was just about operating as usual.

Most individual lessons are 1-1, and the groups have begun to emerge from hibernation. Some new teachers and a new operations manager have been appointed bringing with them an extra air of freshness to the school.

The one area that has not yet restarted is our special needs ensemble, but it is still in our plans to restart this in the near future.

The backlog of administrative tasks occasioned by COVID was cleared during the year following upgrades to the school's wi-fi environment.

Given the huge increases in energy costs an Energy Performance review was carried out in 2022, which confirmed that there was little we could do to improve things, given the nature of the building.

The school has continued to run the county music library, and we are planning to move whole swathes of it from its current location in the Severn Arts building in Malvern Gate to rooms within the school.

The school continues to be an important centre for local Trinity and ABRSM music exams - and continues to receive lesson enquiries from those who attend them.

FINANCIAL REVIEW

The net result for the year was a deficit of £4,415 (2021: surplus £65,760). This comprised of a surplus on unrestricted funds of £1,491 (2021: surplus £64,045) and a deficit on restricted funds of £5,906 (2021: surplus £1,715). Unrestricted reserves, excluding fixed assets, held at 31 August 2022 were £60,636 (2021: £58,024).

Total reserves as at 31 August 2022 were £82,573 (2021: £86,988).

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 £21,000. Whilst the current level of reserves satisfy this policy, the trustees are aware that the charity was in receipt of government assistance this year in order to ease the burden of Covid. The trustees 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 (£32,000) in the medium term.

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.

The Elgar School Of Music Limited

**Report of the Trustees
for the Year Ended 31st August 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 on16/3/23..... and signed on its behalf by:



.....
P Sheeran - 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 2022.

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.



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

Date: 10/5/23

The Elgar School Of Music Limited

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31st August 2022

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds as restated £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	4	16,200	-	16,200	94,507
Charitable activities	6	126,230	-	126,230	95,221
Charitable Activities					
Investment income	5	18	-	18	3
Other income		50	-	50	-
Total		142,498	-	142,498	189,731
EXPENDITURE ON					
Raising funds		205	-	205	216
Charitable activities	7	144,340	2,368	146,708	123,755
Charitable Activities					
Total		144,545	2,368	146,913	123,971
NET INCOME/(EXPENDITURE)					
Transfers between funds	18	(2,047) 3,538	(2,368) (3,538)	(4,415) -	65,760 -
Net movement in funds		1,491	(5,906)	(4,415)	65,760
RECONCILIATION OF FUNDS					
Total funds brought forward		78,263	8,725	86,988	21,228
TOTAL FUNDS CARRIED FORWARD		79,754	2,819	82,573	86,988

The notes form part of these financial statements

The Elgar School Of Music Limited

Balance Sheet
31st August 2022

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds as restated £
FIXED ASSETS					
Tangible assets	15	19,118	-	19,118	17,746
CURRENT ASSETS					
Debtors	16	8,167	-	8,167	26,072
Cash at bank and in hand		<u>56,333</u>	<u>2,819</u>	<u>59,152</u>	<u>50,280</u>
		64,500	2,819	67,319	76,352
CREDITORS					
Amounts falling due within one year	17	(3,864)	-	(3,864)	(7,110)
NET CURRENT ASSETS		<u>60,636</u>	<u>2,819</u>	<u>63,455</u>	<u>69,242</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>79,754</u>	<u>2,819</u>	<u>82,573</u>	<u>86,988</u>
NET ASSETS		<u>79,754</u>	<u>2,819</u>	<u>82,573</u>	<u>86,988</u>
FUNDS	18				
Unrestricted funds				79,754	78,263
Restricted funds				<u>2,819</u>	<u>8,725</u>
TOTAL FUNDS				<u>82,573</u>	<u>86,988</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st August 2022.

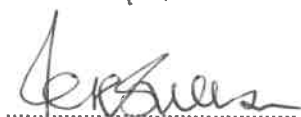
The members have not required the company to obtain an audit of its financial statements for the year ended 31st August 2022 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- 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 16/9/23 and were signed on its behalf by:



P Sheeran - Trustee

The Elgar School Of Music Limited

Notes to the Financial Statements for the Year Ended 31st August 2022

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 is exempt from preparing a cashflow statement on the grounds that it is not a large charity.

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, including government 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.

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

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 2022

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. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The most critical accounting judgement is in setting the depreciation rates for tangible fixed assets. Details for these rates can be found in the accounting policies in note 2. The carrying value of tangible fixed assets can be found in note 14.

Another critical accounting judgement is in identifying accrued income where invoices had not been raised to customers during the current financial year. The value of accrued income can be found in note 15.

4. DONATIONS AND LEGACIES

	2022	2021 as restated
	£	£
Donations	5,049	9,790
Grants	9,366	83,017
Donated services and facilities	<u>1,785</u>	<u>1,700</u>
	<u>16,200</u>	<u>94,507</u>

DONATED SERVICES AND FACILITIES

The donated services and facilities of £1,785 (2021: £1,700) 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 2022

4. DONATIONS AND LEGACIES - continued

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

	2022	2021 as restated
	£	£
HMRC - Coronavirus Job Retention Scheme	366	14,874
Limoges Charitable Trust	5,000	5,000
Worcester City Council	4,000	53,143
Worcester Community Foundation	-	10,000
	<u>9,366</u>	<u>83,017</u>

5. INVESTMENT INCOME

	2022	2021 as restated
	£	£
Deposit account interest	<u>18</u>	<u>3</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	2022	2021 as restated
	Charitable Activities £	Total activities £
Registration fees	620	320
Music lessons	91,725	84,333
Exam fees	3,790	3,604
Accompanist charges	-	238
Classes and groups	18,747	1,873
Room hire	7,310	4,191
School concerts and talks	855	-
Music Library	2,942	502
Sundry income	241	160
	<u>126,230</u>	<u>95,221</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Charitable Activities	<u>83,606</u>	<u>63,102</u>	<u>146,708</u>

The Elgar School Of Music Limited

Notes to the Financial Statements - continued
for the Year Ended 31st August 2022

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022	2021 as restated
	£	£
Music lessons	63,050	50,709
Exam fees	3,144	4,111
School concert and talks	210	-
Classes and groups	12,121	5,615
Instrument repairs	1,665	995
Music Library	58	348
Sundry Expenses	340	20
Depreciation	2,125	1,973
Bad debts	238	-
Room hire	655	-
	<u>83,606</u>	<u>63,771</u>

9. SUPPORT COSTS

	Management	Finance	Governance	Totals
	£	£	costs £	£
Charitable Activities	<u>59,988</u>	<u>1,173</u>	<u>1,941</u>	<u>63,102</u>

10. NET INCOME/(EXPENDITURE)

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

	2022	2021 as restated
	£	£
Depreciation - owned assets	2,125	1,973
Hire of plant and machinery	3,750	5,000
Other operating leases	100	3,706
Independent Examiner fee in respect of Independent Examination	1,905	1,844
Independent Examiner fee in respect of other accountancy services	<u>36</u>	<u>72</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st August 2022 nor for the year ended 31st August 2021.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31st August 2022 nor for the year ended 31st August 2021.

12. STAFF COSTS

	2022	2021 as restated
	£	£
Wages and salaries	40,772	38,071
Other pension costs	<u>508</u>	<u>438</u>
	<u>41,280</u>	<u>38,509</u>

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

	2022	2021 as restated
Administration	<u>5</u>	<u>6</u>

The Elgar School Of Music Limited

Notes to the Financial Statements - continued
for the Year Ended 31st August 2022

12. STAFF COSTS - continued

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

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted funds	Total funds as restated £
	£	£	
INCOME AND ENDOWMENTS FROM			
Donations and legacies	89,107	5,400	94,507
Charitable activities			
Charitable Activities	95,221	-	95,221
Investment income	<u>3</u>	<u>-</u>	<u>3</u>
Total	<u>184,331</u>	<u>5,400</u>	<u>189,731</u>
EXPENDITURE ON			
Raising funds	216	-	216
Charitable activities			
Charitable Activities	<u>121,247</u>	<u>2,508</u>	<u>123,755</u>
Total	<u>121,463</u>	<u>2,508</u>	<u>123,971</u>
NET INCOME	62,868	2,892	65,760
Transfers between funds	<u>1,177</u>	<u>(1,177)</u>	<u>-</u>
Net movement in funds	64,045	1,715	65,760
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>14,218</u>	<u>7,010</u>	<u>21,228</u>
TOTAL FUNDS CARRIED FORWARD	<u>78,263</u>	<u>8,725</u>	<u>86,988</u>

14. PRIOR YEAR ADJUSTMENT

The comparative figures have been amended to include several costs that qualified as restricted expenditure but were incorrectly classified as unrestricted.

The Elgar School Of Music Limited

Notes to the Financial Statements - continued
for the Year Ended 31st August 2022

15. TANGIBLE FIXED ASSETS

	Musical instruments, equipment £
COST	
At 1st September 2021	65,599
Additions	<u>3,497</u>
At 31st August 2022	<u>69,096</u>
DEPRECIATION	
At 1st September 2021	47,853
Charge for year	<u>2,125</u>
At 31st August 2022	<u>49,978</u>
NET BOOK VALUE	
At 31st August 2022	<u>19,118</u>
At 31st August 2021	<u>17,746</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021 as restated
	£	£
Trade debtors	5,729	8,490
Other debtors	-	10
Prepayments and accrued income	<u>2,438</u>	<u>17,572</u>
	<u>8,167</u>	<u>26,072</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021 as restated
	£	£
Trade creditors	400	1,649
Social security and other taxes	-	197
Other creditors	1,559	1,774
Deferred income	488	-
Accrued expenses	<u>1,417</u>	<u>3,490</u>
	<u>3,864</u>	<u>7,110</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.

The Elgar School Of Music Limited

Notes to the Financial Statements - continued
for the Year Ended 31st August 2022

18. MOVEMENT IN FUNDS

	At 1.9.21 £	Net movement in funds £	Transfers between funds £	At 31.8.22 £
Unrestricted funds				
General fund	78,263	(2,047)	3,538	79,754
Restricted funds				
Scholarship fund	313	-	-	313
P Harding Memorial fund	800	-	-	800
Instrument fund	1,095	-	(488)	607
Refurbishment fund	3,050	-	(3,050)	-
Dementia concert fund	100	-	-	100
Equipment and miscellaneous repair fund	85	-	-	85
Worcester Community Foundation cleaning and covid fund	<u>3,282</u>	<u>(2,368)</u>	<u>-</u>	<u>914</u>
	<u>8,725</u>	<u>(2,368)</u>	<u>(3,538)</u>	<u>2,819</u>
TOTAL FUNDS	<u>86,988</u>	<u>(4,415)</u>	<u>-</u>	<u>82,573</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	142,498	(144,545)	(2,047)
Restricted funds			
Worcester Community Foundation cleaning and covid fund	-	(2,368)	(2,368)
TOTAL FUNDS	<u>142,498</u>	<u>(146,913)</u>	<u>(4,415)</u>

Comparatives for movement in funds

	At 1.9.20 £	Net movement in funds £	Transfers between funds £	At 31.8.21 £
Unrestricted funds				
General fund	14,218	62,868	1,177	78,263
Restricted funds				
Special Educational Needs fund	-	(450)	450	-
Scholarship fund	313	-	-	313
P Harding Memorial fund	800	-	-	800
Instrument fund	1,120	(25)	-	1,095
Refurbishment fund	3,500	-	(450)	3,050
Music Making fund	1,177	-	(1,177)	-
Dementia concert fund	100	-	-	100
Equipment and miscellaneous repair fund	-	85	-	85
Worcester Community Foundation cleaning and covid fund	<u>-</u>	<u>3,282</u>	<u>-</u>	<u>3,282</u>
	<u>7,010</u>	<u>2,892</u>	<u>(1,177)</u>	<u>8,725</u>
TOTAL FUNDS	<u>21,228</u>	<u>65,760</u>	<u>-</u>	<u>86,988</u>

The Elgar School Of Music Limited

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2022**

18. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	184,331	(121,463)	62,868
Restricted funds			
Special Educational Needs fund	-	(450)	(450)
Instrument fund	-	(25)	(25)
Equipment and miscellaneous repair fund	400	(315)	85
Worcester Community Foundation cleaning and covid fund	<u>5,000</u>	<u>(1,718)</u>	<u>3,282</u>
	<u>5,400</u>	<u>(2,508)</u>	<u>2,892</u>
TOTAL FUNDS	<u><u>189,731</u></u>	<u><u>(123,971)</u></u>	<u><u>65,760</u></u>

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.

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.

Refurbishment Fund

This fund is restricted for the purpose of 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.

Equipment and Miscellaneous Repair Fund

This fund is comprised of donations received for specific general purchases.

Worcester Community Foundation Cleaning and Covid Fund

This fund is restricted for the purpose of covering cleaning costs and covid-related activities.

TRANSFERS BETWEEN FUNDS

During the year £3,050 was transferred from the restricted Refurbishment Fund to the General Fund and £488 was transferred from the restricted Instrument Fund to the General Fund, representing the value of capital items purchased from restricted funds.

The Elgar School Of Music Limited

Notes to the Financial Statements - continued
for the Year Ended 31st August 2022

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 £1,785 (2021: £1,700), being the market value of equivalent services, has been included within the accounts.

THE ELGAR SCHOOL OF MUSIC LIMITED

England & Wales - Charity number 701309

Accounts

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

**Report of the Trustees and
Financial Statements for the Year Ended 31st August 2021
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 2021**

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The Elgar School Of Music Limited

**Reference and Administrative Details
for the Year Ended 31st August 2021**

TRUSTEES	C J B Allsop Chair (resigned 7.1.21) Mrs S I Humes P Sheeran (Chair) N P Sandy I Venables Ms K Dixon Director (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 2021

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 2021. 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.

ACHIEVEMENT AND PERFORMANCE

September 2020-September 2021

For the majority of the year, the restrictions put in place to tackle COVID continued to apply, with lessons on-line only and little if no group activity. Our staff were furloughed.

Things began to move back towards normal in the Summer of 2021, and the mix of on-line and face-to-face lessons starting to tend strongly towards the latter. Our COVID procedures continued to be strictly enforced, providing a safe environment for teaching; as a result we were one of the few centres in the Midlands to be chosen to host ABRSM exams throughout the year.

These procedures meant that our recital room could only be used for groups of 8 people or less, but our burgeoning relationship with Worcester Theatres and Worcester City Council enabled us to hire without charge larger spaces in the Guildhall and The Swan Theatre for groups such as our Community Choir and String Orchestra.

All the staff deserve great credit for managing to keep our show on the road in very, very challenging circumstances.

Plans for the Future

The past 18 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. We shall therefore continue to develop relationships with local city governance, groups and county arts organisations (who suffered in much the same way that we did).

We will continue to offer online learning for those who wish for it but the majority of lessons will now be face to face. Sessions with our special needs Virtuosi have been suspended due to COVID but during the new year we hope to be able to re-start them in some form.

The back-log of administrative tasks occasioned by furlough will present a major challenge for the new academic year 2021-22, but our intention to automate these as much as possible will proceed apace now that funding has been approved for the upgrading of our wi-fi environment.

FINANCIAL REVIEW

The net result for the year was a surplus of £65,760 (2020: deficit £6,214). This comprised of a surplus on unrestricted funds of £61,780 (2020: deficit £5,365) and a surplus on restricted funds of £3,980 (2020: deficit £849). Unrestricted reserves, excluding fixed assets, held at 31 August 2021 were £58,024 (2020: deficit £3,754).

Total reserves as at 31 August 2021 were £86,988 (2020: £21,228).

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 £20,000. Whilst the current level of reserves satisfy this policy, the trustees are aware that the charity was in receipt of government assistance this year in order to ease the burden of Covid. The trustees 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 2021**

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

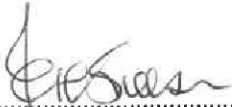
Trustees are appointed, by the members in general meeting. New trustees are provided with copies of the most recent annual report and accounts, a role description of the responsibilities of a trustee, a copy of the Memorandum and Articles of Association of Elgar School of Music Limited, copies of recent 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 27/5/22 and signed on its behalf by:



.....
P Sheeran - 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 2021.

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: 26 May 2022

The Elgar School Of Music Limited
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31st August 2021

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	4	89,107	5,400	94,507	23,310
Charitable activities	6				
Charitable Activities		95,221	-	95,221	112,755
Investment income	5	<u>3</u>	<u>-</u>	<u>3</u>	<u>19</u>
Total		184,331	5,400	189,731	136,084
EXPENDITURE ON					
Raising funds		216	-	216	-
Charitable activities	7				
Charitable Activities		<u>122,335</u>	<u>1,420</u>	<u>123,755</u>	<u>142,298</u>
Total		122,551	1,420	123,971	142,298
NET INCOME/(EXPENDITURE)		61,780	3,980	65,760	(6,214)
Transfers between funds	19	<u>(450)</u>	<u>450</u>	<u>-</u>	<u>-</u>
Net movement in funds		61,330	4,430	65,760	(6,214)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>14,218</u>	<u>7,010</u>	<u>21,228</u>	<u>27,442</u>
TOTAL FUNDS CARRIED FORWARD		<u>75,548</u>	<u>11,440</u>	<u>86,988</u>	<u>21,228</u>

The notes form part of these financial statements

The Elgar School Of Music Limited

Balance Sheet
31st August 2021

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	14	17,524	222	17,746	18,219
CURRENT ASSETS					
Debtors	15	26,072	-	26,072	8,693
Cash at bank and in hand		<u>39,062</u>	<u>11,218</u>	<u>50,280</u>	<u>2,910</u>
		65,134	11,218	76,352	11,603
CREDITORS					
Amounts falling due within one year	16	<u>(7,110)</u>	-	<u>(7,110)</u>	<u>(8,594)</u>
NET CURRENT ASSETS		<u>58,024</u>	<u>11,218</u>	<u>69,242</u>	<u>3,009</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>75,548</u>	<u>11,440</u>	<u>86,988</u>	<u>21,228</u>
NET ASSETS		<u>75,548</u>	<u>11,440</u>	<u>86,988</u>	<u>21,228</u>
FUNDS	19				
Unrestricted funds				75,548	14,218
Restricted funds				<u>11,440</u>	<u>7,010</u>
TOTAL FUNDS				<u>86,988</u>	<u>21,228</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st August 2021.

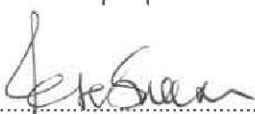
The members have not required the company to obtain an audit of its financial statements for the year ended 31st August 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- 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 27/5/22 and were signed on its behalf by:



P Sheeran - Trustee

The Elgar School Of Music Limited

**Notes to the Financial Statements
for the Year Ended 31st August 2021**

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 is exempt from preparing a cashflow statement on the grounds that it is not a large charity.

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, including government 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.

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

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 2021

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. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The most critical accounting judgement is in setting the depreciation rates for tangible fixed assets. Details for these rates can be found in the accounting policies in note 2. The carrying value of tangible fixed assets can be found in note 14.

Another critical accounting judgement is in identifying accrued income where invoices had not been raised to customers during the current financial year. The value of accrued income can be found in note 15.

4. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Donations	9,390	400	9,790	6,566
Gift aid	-	-	-	1,103
Grants	78,017	5,000	83,017	14,021
Donated services and facilities	<u>1,700</u>	<u>-</u>	<u>1,700</u>	<u>1,620</u>
	<u>89,107</u>	<u>5,400</u>	<u>94,507</u>	<u>23,310</u>

DONATED SERVICES AND FACILITIES

The donated services and facilities of £1,700 (2020: £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 2021

4. DONATIONS AND LEGACIES - continued

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

	2021 £	2020 £
HMRC - Coronavirus Job Retention Scheme	14,874	9,021
Limoges Charitable Trust	5,000	5,000
Worcester City Council	53,143	-
Worcester Community Foundation	10,000	-
	<u>83,017</u>	<u>14,021</u>

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Deposit account interest	<u>3</u>	<u>-</u>	<u>3</u>	<u>19</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	2021 Charitable Activities £	2020 Total activities £
Registration fees	320	525
Music lessons	84,333	89,421
Exam fees	3,604	2,413
Accompanist charges	238	-
Classes and groups	1,873	14,222
Room hire	4,191	2,710
School concerts and talks	-	957
Workshops and courses	-	(5)
Music Library	502	2,314
Sundry income	160	198
	<u>95,221</u>	<u>112,755</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Charitable Activities	<u>63,771</u>	<u>59,984</u>	<u>123,755</u>

The Elgar School Of Music Limited

Notes to the Financial Statements - continued
for the Year Ended 31st August 2021

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021	2020
	£	£
Music lessons	50,709	57,945
Exam fees	4,111	2,645
School concert and talks	-	1,213
Bursaries and awards	-	379
Classes and groups	5,615	9,239
Instrument repairs	995	950
Music Library	348	414
Sundry Expenses	20	1,908
Depreciation	<u>1,973</u>	<u>2,026</u>
	<u>63,771</u>	<u>76,719</u>

9. SUPPORT COSTS

	Management	Finance	Governance	Totals
	£	£	costs £	£
Charitable Activities	<u>57,253</u>	<u>815</u>	<u>1,916</u>	<u>59,984</u>

10. NET INCOME/(EXPENDITURE)

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

	2021	2020
	£	£
Depreciation - owned assets	1,973	2,026
Hire of plant and machinery	5,000	5,000
Other operating leases	3,706	3,653
Independent Examiner fee in respect of Independent Examination	1,844	1,620
Independent Examiner fee in respect of other accountancy services	<u>72</u>	<u>-</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st August 2021 nor for the year ended 31st August 2020.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31st August 2021 nor for the year ended 31st August 2020.

12. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	38,071	42,207
Other pension costs	<u>438</u>	<u>505</u>
	<u>38,509</u>	<u>42,712</u>

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

	2021	2020
Administration	<u>6</u>	<u>6</u>

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

The Elgar School Of Music Limited

Notes to the Financial Statements - continued
for the Year Ended 31st August 2021

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	22,961	349	23,310
Charitable activities			
Charitable Activities	112,755	-	112,755
Investment income	<u>19</u>	<u>-</u>	<u>19</u>
Total	135,735	349	136,084
EXPENDITURE ON			
Charitable activities			
Charitable Activities	140,367	1,931	142,298
NET INCOME/(EXPENDITURE)	(4,632)	(1,582)	(6,214)
Transfers between funds	<u>(733)</u>	<u>733</u>	<u>-</u>
Net movement in funds	(5,365)	(849)	(6,214)
RECONCILIATION OF FUNDS			
Total funds brought forward	19,583	7,859	27,442
TOTAL FUNDS CARRIED FORWARD	<u>14,218</u>	<u>7,010</u>	<u>21,228</u>

14. TANGIBLE FIXED ASSETS

	Musical instruments, equipment £
COST	
At 1st September 2020	64,099
Additions	<u>1,500</u>
At 31st August 2021	<u>65,599</u>
DEPRECIATION	
At 1st September 2020	45,880
Charge for year	<u>1,973</u>
At 31st August 2021	<u>47,853</u>
NET BOOK VALUE	
At 31st August 2021	<u>17,746</u>
At 31st August 2020	<u>18,219</u>

The Elgar School Of Music Limited

Notes to the Financial Statements - continued
for the Year Ended 31st August 2021

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2021	2020
	£	£
Trade debtors	8,490	3,879
Other debtors	10	193
Prepayments and accrued income	<u>17,572</u>	<u>4,621</u>
	<u>26,072</u>	<u>8,693</u>
16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2021	2020
	£	£
Bank loans and overdrafts (see note 17)	-	4,047
Trade creditors	1,649	3,040
Social security and other taxes	197	-
Pensions	-	112
Other creditors	1,774	1,300
Accrued expenses	<u>3,490</u>	<u>95</u>
	<u>7,110</u>	<u>8,594</u>
17. LOANS		
An analysis of the maturity of loans is given below:		
	2021	2020
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	<u>-</u>	<u>4,047</u>
18. LEASING AGREEMENTS		
Minimum lease payments under non-cancellable operating leases fall due as follows:		
	2021	2020
	£	£
Within one year	<u>-</u>	<u>1,351</u>

The Elgar School Of Music Limited

Notes to the Financial Statements - continued
for the Year Ended 31st August 2021

19. MOVEMENT IN FUNDS

	At 1.9.20 £	Net movement in funds £	Transfers between funds £	At 31.8.21 £
Unrestricted funds				
General fund	14,218	61,780	(450)	75,548
Restricted funds				
Special Educational Needs fund	-	(450)	450	-
Scholarship fund	313	-	-	313
P Harding Memorial fund	800	-	-	800
Instrument fund	1,120	(25)	-	1,095
Carpet fund	3,500	-	-	3,500
Music Making fund	1,177	-	-	1,177
Dementia concert fund	100	-	-	100
Equipment and miscellaneous repair fund	-	85	-	85
Worcester Community Foundation cleaning and covid fund	-	4,370	-	4,370
	<u>7,010</u>	<u>3,980</u>	<u>450</u>	<u>11,440</u>
TOTAL FUNDS	<u>21,228</u>	<u>65,760</u>	<u>-</u>	<u>86,988</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	184,331	(122,551)	61,780
Restricted funds			
Special Educational Needs fund	-	(450)	(450)
Instrument fund	-	(25)	(25)
Equipment and miscellaneous repair fund	400	(315)	85
Worcester Community Foundation cleaning and covid fund	5,000	(630)	4,370
	<u>5,400</u>	<u>(1,420)</u>	<u>3,980</u>
TOTAL FUNDS	<u>189,731</u>	<u>(123,971)</u>	<u>65,760</u>

The Elgar School Of Music Limited

Notes to the Financial Statements - continued
for the Year Ended 31st August 2021

19. MOVEMENT IN FUNDS - continued

Comparatives for 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	-	100	-	100
	<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>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	135,735	(140,367)	(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>136,084</u>	<u>(142,298)</u>	<u>(6,214)</u>

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.

The Elgar School Of Music Limited

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2021**

19. MOVEMENT IN FUNDS - continued

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.

Equipment and Miscellaneous Repair Fund

This fund is comprised of donations received for specific general purchases.

Worcester Community Foundation Cleaning and Covid Fund

This fund is restricted for the purpose of covering cleaning costs and covid-related activities.

TRANSFERS BETWEEN FUNDS

A transfer of £450 was made from the Unrestricted General fund to the Special Educational Needs fund in order to cover the deficit.

20. 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 £1,700 (2020: £1,620), being the market value of equivalent services, has been included within the accounts.

THE ELGAR SCHOOL OF MUSIC LIMITED

England & Wales - Charity number 701309

Accounts

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

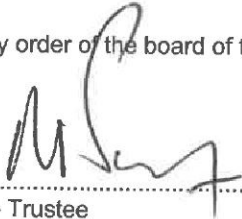
Trustees are appointed, by the members in general meeting. New trustees are provided with copies of the most recent annual report and accounts, a role description of the responsibilities of a trustee, a copy of the Memorandum and Articles of Association of Elgar School of Music Limited, copies of recent 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	<u>(8,594)</u>	-	<u>(8,594)</u>	<u>(10,407)</u>
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.

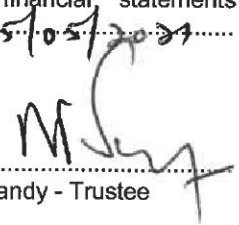
The members have not required the company to obtain an audit of its financial statements for the year ended 31st August 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- 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 25/05/2020 and were signed on its behalf by:


N P Sandy - Trustee

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><u>19,583</u></u>	<u><u>7,859</u></u>	<u><u>27,442</u></u>

13. TANGIBLE FIXED ASSETS

		Musical instruments, equipment £
COST		
At 1st September 2019		<u>62,991</u>
Additions		<u>1,108</u>
At 31st August 2020		<u>64,099</u>
DEPRECIATION		
At 1st September 2019		<u>43,854</u>
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	-	1,351
	<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	-	100	-	100
	<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.