

Committee(s)	Dated:
Culture, Heritage and Libraries	09/07/19
Subject: Drawdown of Charities Pool Units – Guildhall Library Centenary Fund	Public
Report of: The Chamberlain Assistant Town Clerk and Director of Major Projects	For Decision
Report Author: Graham Nickless, Chamberlain's Department	

Summary

Following contributions made to London Metropolitan Archives, Guildhall Art Gallery and Guildhall Library during the financial year 2018/19, the cash balances of the Guildhall Library Centenary Fund have been reduced to £148. In order to continue to further the objectives of the Trust and support future purchases for larger cross-collection exhibitions for 2019/20, the Trust will need to raise funds through the sale of some of the Charity's investment holdings. The sum required for the financial year 2019/20 is expected to be £5,000. To generate the required increase in cash of £5,000 approximately 573 Charities Pool Units would need to be sold (£8.72 per unit as at 31 March 2019). It should be noted that this sale would subsequently result in an estimated future loss of future investment income of £176 based on the average return for the prior two years of 30.77p per unit.

Recommendation(s)

It is recommended that this Committee, as Trustees of the Guildhall Library Centenary Fund agree to raise £5,000 for expected contributions in furtherance of the Charities objectives, by selling approximately 573 Charities Pool Units on the next date on which units can be sold, (1 October 2019).

Main Report

1. The Reserves Policy of the Trust is to maintain the permanent endowment of the charity in investments in the Charities Pool administered by the City of London Corporation and use the investment income in accordance with the objectives of the charity.
2. Charities Pool units can only be bought or sold twice a year, on 1 April and 1 October.
3. As at 31 March 2019 the Trust holds 1,769 units at a value of £15,426 (£8.72 per unit).

4. Following contributions to the London Metropolitan Archives of £5,000 as a partner funder towards the purchase of a rare 1851 stereoscopic daguerreotype, £3,000 to the Guildhall Art Gallery towards the purchase of an artwork by Carl Lubin and a £6,000 donation for the conservation of the Newell Dunn collection at Guildhall Library, as at 31 March 2019 the Trust has a cash balance of £148.
5. Although there are no planned activities for 2019/20, it is felt prudent to increase the cash balances of the Trust so that any unforeseen opportunities that arise to further the objectives of the Trust can be taken. An amount of £5,000 (approximately 573 units at a value of £8.72 per unit), is felt sufficient for the financial year 2019/20.
6. The sale of these units could result in an estimated loss of future investment income of £176 based on the average return for the prior two years of 30.77p per unit.
7. The potential sale of 573 units represents 32.4% of the total holding as at 31 March 2019 and would reduce the overall holding to 1,196 units valued at £10,429 based on the market valuation of £8.72 per unit as at 31 March 2019.
8. The Charities Pool fund will be revalued on 30 September 2019, prior to the sale of any units.

Conclusion

9. In order to continue to further the objectives of the Charity, an estimated drawdown of £5,000 will be needed from the City of London's Charities Pool Fund. As per the most recent valuation as at 31 March 2019 of £8.72 per unit, this will equate to the sale of approximately 573 units.

Appendices

- None submitted

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