

***GUILDHALL LIBRARY CENTENARY FUND
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016***

Charity Number: 206950

GUILDHALL LIBRARY CENTENARY FUND

Trustee's Annual Report and Financial Statements for the year ended 31 March 2016

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Trustee's Annual Report for the year ended 31 March 2016

1. Reference and Administration Details

Charity Name	Guildhall Library Centenary Fund
Registered Charity Number:	206950
Principal Address:	Guildhall, London EC2P 2EJ
Trustee:	The City of London Corporation
Chief Executive:	Town Clerk of the City of London Corporation
Treasurer:	Chamberlain of London
Solicitor:	Comptroller and City Solicitor
Banker:	Lloyds TSB Bank plc City Office, PO Box 72 Bailey Drive Gillingham, Kent ME8 OLS
Investment Managers:	Artemis Fund Managers Limited
Auditor:	Moore Stephens LLP 150 Aldersgate Street London, EC1A 4AB

2. Structure, Governance and Management

The Governing Documents and constitution of the charity

The governing document is the Trust deed dated 7 March 1929 which was amended on 9 June 2011. Under the powers of the Charities Act 2011 this amendment has taken into account the City of London Corporations Charities Review where the assets of the English Philological Endowment Fund (Charity number 306000) and the Alderman Sir Samuel Wilson Charity (unregistered) were transferred to the Guildhall Library Centenary Fund.

Trustee selection methods

The Culture, Heritage and Libraries Committee of the City of London Corporation administers the Trust on behalf of the Trustee. This committee comprises Aldermen and Common Councilmen elected to the City of London Corporation who are appointed to this committee in accordance with the usual procedures of committee membership of the City of London Corporation.

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Trustee's Annual Report (continued)

2. Structure, Governance and Management (continued)

Policies and Procedures for the Induction and Training of Trustees

The City of London Corporation makes such seminars and briefings available to its Members as it considers are necessary to enable the Members to efficiently carry out their duties. Such events relate to various aspects of the City's activities, including those concerning Guildhall Library Centenary Fund.

Organisational structure and decision making process

The charity is administered under the governance rules applying to the City of London Corporation and its governance and administration is in accordance with the Standing Orders and Financial Regulations of the City of London Corporation.

These regulations are available from the Town Clerk of the City of London at the principal address.

Related Parties

Details of any related party transactions are disclosed in note 10 to the Financial Statements.

Risk identification

The Trustee is committed to a programme of risk management as an element of their strategy to preserve the charity's assets, enhance productivity for service users and members of the public and protect the employees.

In order to embed sound practice a Risk Management Group has been established in the City of London Corporation to ensure that risk management policies are applied, that there is an ongoing review of risk management activity and that appropriate advice and support is provided to Members and officers.

The City of London Corporation has approved a strategic risk register for all of its activities. This register helps to formalise existing processes and procedures and enables the City of London Corporation to further embed risk management throughout the organisation.

A key risk register has been prepared for this charity and has been reviewed by the Trustee. It identifies the potential impact of key risks and the measures which are in place to mitigate such risks.

3. Objectives and Activities for the public benefit

To advance the education and training of the public, in particular but not exclusively by the provision of library, archives, museum and gallery services.

The Trustee has due regard to the Charity Commission's public benefit guidance when setting objectives and planning activities.

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Trustee's Annual Report (continued)

Achievements and Performance

Key Targets for 2015/16 and review of achievement

The key target for 2015/16 was to continue to advance the education and training of the public in the provision of library, archive, museum and gallery services by the following objectives:

Objectives

- To receive donations toward the upkeep and conservation of special collections within Guildhall Library
- To build up an endowment fund to care for the special collections housed within Guildhall Library for the use of future generations
- To build up a fund which enables the purchase of rare, unique and expensive items which would complement the holdings of Guildhall Library for the public to enjoy

Achievements and performance – no suitable opportunities for spending the funds were identified in 2015/16.

4. Financial Review

Review of financial position

The income from investments during the year was £579 (2014/15: £610), and there were donations totalling £177 (2014/15: £500). In 2015/16 there was no expenditure (2014/15: £nil). The unrestricted income fund at the year-end had a balance of £9,522 (2014/15: £8,766) which will be expended if there are requirements to advance the education and training of the public in the provision of library, archive, museum and gallery services.

The majority of the charity's surplus funds are invested within the Charities Pool administered by the City of London Corporation and the interest is received from the Chamberlain of London on balances held on behalf of the Trust. The investments are managed by Artemis Investment Management LLP and the performance of the fund is measured against the fund manager benchmark (FTSE All Share Index). In addition the performance of the Fund is also measured against its peer group using the WM Charity Universe (ex-property).

As at 31 March 2016 the fund achieved a return of -1.1% compared to the FTSE All Share Index return of -3.9%. The WM Charity Universe return was -1.0% and the fund slightly underperformed this by 0.1%.

Reserves Policy

The Reserves Policy 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. The Trustee has the discretion to distribute the permanent endowment as grants should they deem this appropriate. The unrestricted reserve is accumulated to provide funds to advance the education and training of the public, in particular but not exclusively by the provision of library, archives, museum and gallery services.

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Trustee's Annual Report (continued)

Principal Funding Sources and explanation of how expenditure meets the charity's objectives

The principal funding source is from investments held with the City of London Corporation's Charities Pool.

Investment Policy

The charity's investments are held in units of the City of London Charities Pool. The investment policy of the Charities Pool is to provide a real increase in annual income in the long term whilst preserving the value of the capital base. The annual report and financial statements of the Charities Pool are available from the Chamberlain of London.

Going Concern

The Trustee considers the Trust Fund to be a going concern. Please see note 1(b) to the Financial Statements.

5. Plans for Future Periods

The future plans for the Charity are to:

Engage existing users to:

- Set up a donations web-page on the Guildhall Library website
- Advertise in Exhibitions and Events programme
- Produce donation leaflets and Just Giving site.

In addition, the Charity aims to establish a 'Friends of Guildhall Library' scheme to:

- Run an engagement programme
- Adopt-a-Book conservation scheme

The Charity also plans to cultivate relationships with an aim to establish fundraising "Ambassadors".

The Centenary Fund and giving will be incorporated into existing leaflets, websites and social media, with just a simple strap-line. This would relate to donations as well as legacies.

6. The Financial Statements

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and 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 from 1 January 2015. The financial statements consist of the following and include comparative figures for the previous year.

- **Statement of Financial Activities** showing all resources available and all expenditure incurred and reconciling all changes in the funds of the Fund.
- **Balance Sheet** setting out the assets, liabilities and funds of the Fund.

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- **Notes to the Financial Statements** explaining the accounting policies adopted and explanations of information contained in the financial statements.

Trustee's Annual Report (continued)

7. Statement of Trustee's Responsibilities

The Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with the Charities Act 2011 and 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 from 1 January 2015.

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable the Trustee to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the trust deed. The Trustee is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

8. Adopted and signed for on behalf of the Trustee on 15 November 2016.

Jeremy Paul Mayhew MA MBA
Chairman of Finance Committee

Roger A.H. Chadwick
Deputy Chairman of Finance Committee

Guildhall
London

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15 November 2015

Independent Auditor's Report to the Trustees of Guildhall Library Centenary Fund

We have audited the financial statements of Guildhall Library Centenary Fund for the year ended 31 March 2016 which are set out on pages 9 to 15. The financial reporting framework that has been applied in their preparation is applicable law and Section 1A "Small Entities" of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 145 the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at Year End and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Date 15 November 2016
Moore Stephens LLP
Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

Moore Stephens LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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Statement of Financial Activities for the year ended 31 March 2016

	Notes	Unrestricted Fund	Endowment Fund	Total 2015/16	Total 2014/15 see note 11
		£	£	£	£
Income and Endowments from:					
Donations and Legacies	3	177	-	177	500
Income from investments	3	579	-	579	610
			-		
Total income and endowments		756	-	756	1,110
Total expenditure		0	0	0	0
Net (losses)/gains on investments	7	-	(831)	(831)	884
Net income/(expenditure)		756	(831)	(75)	1,994
Transfers between funds		0	0	0	0
Other recognised gains/(losses)		0	0	0	0
Net movement in funds		756	(831)	(75)	1,994
Reconciliation of funds					
Funds brought forward	9	8,766	14,612	23,378	21,384
Funds carried forward	9	9,522	13,781	23,303	23,378

There are no recognised gains or losses other than as shown in the statement of financial activities above.

All incoming resources and resources expended derive from continuing activities.

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Balance Sheet as at 31 March 2016

	Notes	2016 £	2015 £
Fixed Assets			
Investments – 1,769 Charities Pool Units	7	13,781	14,612
Current Assets			
Cash at bank and in hand		9,522	8,766
Net Assets		<u>23,303</u>	<u>23,378</u>
The funds of the charity:			
Endowment fund	9	13,781	14,612
Unrestricted fund	9	9,522	8,766
Total Funds		<u>23,303</u>	<u>23,378</u>

Approved and signed for and on behalf of the Trustee.

The notes at pages 11 to 15 form a part of these financial statements.

Dr Peter Kane
Chamberlain of London
15 November 2016

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Notes to the Financial Statements for the year ended 31 March 2016

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements.

(a) ***Basis of Preparation***

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared for the first time in accordance with the new 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 from 1 January 2015 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. Section 1A of FRS 102 is applicable for accounting periods beginning on or after 1 January 2016, but may be applied early to periods beginning on or after 1 January 2015, if such entities qualify as 'small entities'. Guildhall Library Centenary Fund has taken the option to apply the standard early in the preparation of these financial statements.

(b) ***Going Concern***

The Trust is considered a going concern for the foreseeable future as the Trustee has due regard to maintaining the capital base and only the investment income is generally used in furtherance of the objectives of the Trust. The majority of the Charity's income is from investments in the Charities Pool administered by the City of London Corporation. The investment policy is set out in Section 4 of the annual report.

(c) ***Cash Flow Statement***

The Trust has taken advantage of the exemption in FRS102 from the requirement to produce a statement of cash flows on the grounds that it is a small entity.

(d) ***Income Recognition***

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

(e) ***Investment Income***

Investment income consists of distributions from the Charities Pool and interest receivable on cash balances. The Charities Pool is an investment mechanism operating in a similar way to a unit trust. It enables the City of London Corporation to "pool" small charitable investments together and consequently obtain better returns than would be the case if investments were made individually.

(f) ***Expenditure Recognition***

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Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Notes to the Financial Statements for the year ended 31 March 2016 (continued)

(g) *Managed Investments*

Investments are valued annually at the middle market price at the close of business on 31 March. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities. The net loss on investments shown in the Statement of Financial Activities represents the difference in the market value of investments between 1 April 2015 and 31 March 2016.

(h) *Fund Accounting*

The funds of the charity consist of a permanent endowment fund and an unrestricted income fund. The endowment fund holds the original endowment of the charity which is invested and shown at market value, whilst the unrestricted income fund contains any unspent annual income carried forward for use in future years.

2. Tax Status of the Charity

The Guildhall Library Centenary Fund is a registered charity and as such its income and gains are exempt from income tax to the extent that they are applied to its charitable purposes.

3. Incoming Resources

Income on investments for the year amounted to £579 (2014/15 £610). In addition there were donations totalling £177 (2014/15 £500).

4. Resources Expended

There was no expenditure incurred during the year as there were no opportunities to advance the education and training of the public.

5. Support Costs

Staff numbers and costs

The charity does not employ any staff. Officers of the City of London Corporation provide administrative assistance to the charity when required, but this is not considered material and is not separately calculated by the City of London Corporation. It is consequently not possible to quantify this assistance in the Statement of Financial Activities.

Auditor's remuneration and fees for external financial services

The City of London's external auditor audits this charity as one of the numerous charities administered by the City of London Corporation. The City of London Corporation does not attempt to apportion the audit fee between all the different charities but prefers to treat it as part of the cost to its private funds. No other external financial services were provided for the Fund during the year or in the previous year.

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Notes to the Financial Statements for the year ended 31 March 2016 (continued)

6. Other Items of Expenditure

Trustee's expenses

Members of the City of London Corporation acting on behalf of the Trustee received no remuneration or reimbursement of expenses during the current or previous years.

7. Investment Assets

The value and cost of investments comprises:

	Endowment Fund	
	2016	2015
	£	£
Market Value 1 April	14,612	13,728
Net investment gain / (loss)	(831)	884
Market value 31 March	13,781	14,612
Cost 31 March	1,769	1,769
Number of Charities Pool (Units)	1,769	1,769

The table below highlights the amount of investments held within the UK and overseas:

	2016	2015
	£	£
Equities		
UK	10,190	11,485
Overseas	2,097	2,177
Bonds - UK	369	365
Pooled Units - UK	573	468
Cash held by Fund Manager	552	117
Total Funds	13,781	14,612

The majority of the charity's surplus funds are invested within the Charities Pool administered by the City of London Corporation and the interest is received from the Chamberlain of London on balances held on behalf of the Trust. The investments are managed by Artemis Investment Management LLP and the performance of the fund is measured against the fund manager benchmark (FTSE All Share Index). In addition the performance of the Fund is also measured against its peer group using the WM Charity Universe (ex-property).

As at 31 March 2016 the fund achieved a return of -1.1% compared to the FTSE All Share Index return of -3.9%. The WM Charity Universe return was -1.0% and the fund slightly underperformed this by 0.1%.

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Notes to the Financial Statements for the year ended 31 March 2016 (continued)

8. Analysis of Net Assets by Fund at 31 March 2016

	Unrestricted Funds	Endowment	Total	Total
	General	Fund	2016	2015
	£	£	£	£
Fixed Assets				
Investments	-	13,781	13,781	14,612
Total Fixed Assets	-	13,781	13,781	14,612
Current Assets	9,522	-	9,522	8,766
Total Net Assets	9,522	13,781	23,303	23,378

9. Movement of Funds during the year to 31 March 2016

	Balance at 1 April 2015	Income	Losses	Balance at 31 March 2016
	£	£	£	£
Permanent Endowment Unrestricted Funds	14,612	-	(831)	13,781
General	8,766	756		9,522
Total Funds	23,378	756	(831)	23,303

Notes to the funds-

Capital Fund - Permanent Endowment

This fund represents the original endowment invested and shown at current market value. The purpose of the fund is:

- To build up an endowment fund to care for the special collections housed within Guildhall Library for the use of future generations
- To build up a fund which enables the purchase of rare, unique and expensive items which would complement the holdings of Guildhall Library for the public to enjoy

Income Fund –Unrestricted

This fund comprises the accumulation of revenue surpluses pending use of the fund by the Guildhall Librarian.

10. Details of related parties and wider networks

The City of London Corporation is also the Trustee of a number of other Charitable Trusts. With the exception of the City of London Charities Pool, these Trusts do not undertake transactions with the Guildhall Library Centenary Fund. A full list of these Trusts is available on application to the Chamberlain of London.

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The Trust has investments in the City of London Charities Pool of which the City of London Corporation is also the Trustee.

Notes to the Financial Statements for the year ended 31 March 2016 (continued)

The Charities Pool is an investment mechanism operating in a similar way to a unit trust. It enables the City of London to “pool” small charitable investments together and consequently obtain better returns than would be the case if investments were made individually. Investment income consists of distribution from the Charities Pool and interest receivable on cash balances

11. Transition to FRS 102

These financial statements for the year ended 31 March 2016 are the Charity’s first financial statements that comply with Financial Reporting Standard 102 (FRS 102) ‘the Financial Reporting Standard in the UK and Republic of Ireland’. The Charity’s date of transition to FRS 102 is 1 April 2014. The Charity’s last financial statements prepared in accordance with previous UK GAAP were for the year ended 31 March 2015.

The following explanatory notes to the accounts describe the differences between the funds and income and expenditure presented under the previous UK GAAP and the newly presented amounts under FRS 102 for the reporting period ended at 31 March 2015 (ie comparative information), as well as the funds presented in the opening statement of balance sheet (ie at 1 April 2014).

In the table below, funds determined in accordance with the FRS 102 is reconciled to funds determined in accordance with previous UK GAAP at both 1 April 2014 (the date of transition to FRS 102) and 31 March 2016.

Group	Note	<u>Funds as at 1 April 2014</u>	<u>Net income for the year ended 31 March 2015</u>	<u>Funds as at 31 March 2015</u>
		£	£	£
As previously stated under former UK GAAP		21,384	1,110	23,378
		<hr/>	<hr/>	<hr/>
Gains / (losses) on a) investments		-	884	-
		<hr/>	<hr/>	<hr/>
As stated in accordance with FRS 102		21,384	1,994	23,378
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Explanation of changes to previously reported net income:

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- a) FRS 102 requires that gains/(losses) on investments are now treated as a component of net income. Under previous UK GAAP, gain/(losses) on investments were shown after net income as part of other recognised gains/(losses).