

***SIR THOMAS GRESHAM CHARITY
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017***

Charity Number: 221982

SIR THOMAS GRESHAM CHARITY

Trustee's Annual Report and Financial Statements for the year ended 31 March 2017

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SIR THOMAS GRESHAM CHARITY

Trustee's Annual Report for the year ended 31 March 2017

1. Reference and Administration Details

Charity Name	Sir Thomas Gresham Charity
Registered Charity Number:	221982
Principal Address:	Guildhall, London EC2P 2EJ
Trustee:	The City of London Corporation
Chief Executive:	The Town Clerk of the City of London Corporation
Treasurer:	The Chamberlain of London
Solicitor:	The Comptroller and City Solicitor
Banker:	Lloyds TSB Bank plc City Office, PO Box 72 Bailey Drive Gillingham, Kent ME8 OLS
Investment Fund Managers:	Artemis Investment Management LLP
Auditor:	Moore Stephens LLP Chartered Accountants and Statutory Auditor 150 Aldersgate Street London EC1A 4AB

2. Structure, Governance and Management

The Governing Documents and constitution of the charity

The governing document is the will of Sir Thomas Gresham dated 5 July 1575.

Trustee selection methods

The Gresham Committee (City Side) of the City of London Corporation administers the charity on behalf of the Trustee. This committee comprises Aldermen and Common Councilmen elected to the City of London Corporation and appointed to this committee in accordance with the usual procedures of committee membership of the City of London Corporation.

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 Sir Thomas Gresham Charity.

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Trustee's Annual Report (continued)

2. Structure, Governance and Management (continued)

Organisational structure and decision making process

The charity is administered in accordance with the Charity's governing documents and the City of London Corporation's own corporate governance and administration framework including Committee Terms of Reference, Standing Orders, Financial Regulations and Officer Scheme of Delegations of the City of London Corporation. These governance documents are available from the Town Clerk of the City of London Corporation at the principal address..

Each elected Member by virtue of their membership of the Court of Common Council, its relevant committees and sub-committees, has a duty to support the City Corporation in the exercise of its duties as Trustee of the charity by faithfully acting in accordance with the Terms of Reference of the relevant committee or sub-committee, and the City Corporation's agreed corporate governance framework as noted above.

Risk identification

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

In order to embed sound practice a Risk Management Group of employed officers has been established by 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 elected 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 in the exercise of all its functions, including when acting as charity trustee.

Consequently, 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

The purpose of the charity is the provision of eight Almshouses known as the Gresham Almshouses; the annual payment of an allowance to the almsfolk; and the annual payment to the four Gresham college lecturers as detailed below.

The aims for the Sir Thomas Gresham Charity are:

- Ensure all of the properties continue to remain occupied and that the residents are satisfied with the management of their home;
- Ensure routine repairs are completed within specified response times;
- That all of the occupants of the Almshouses continue to meet the current eligibility criteria and adhere to their letter of appointment; and
- The annual payment of £100 to each of the four Gresham college lecturers in Divinity, Astronomy, Music and Geometry.

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

SIR THOMAS GRESHAM CHARITY

Trustee's Annual Report (continued)

4. Targets, Achievements and Performance for 2016/17

The targets for 2016/17 are listed below and these were successfully achieved during the year.

Gresham Lecturers

- To continue to provide a programme of public lectures.

Gresham Almshouses

- Achieve a 100 per cent occupancy rate.
- Provide all of the residents with a Christmas Hamper.
- Update the risk assessment and support plan with each resident.

5. Financial Review

The Almshouses were maintained during the year at a cost of £85,853 (2015/16: £57,149). Almsfolk allowances amounting to £10,266 (2015/16: £8,169) and Gresham Lecturers' fees of £400 (2015/16: £400) were paid in accordance with the terms of the Trust.

Investment income amounted to £23 (2015/16: £22). The excess of expenditure over income amounted to £95,056, excluding amortisation of £1,440, (2015/16: £64,256 excluding amortisation of £1,440) which was met from the City of London Corporation's City's Cash Fund as a contribution to income.

Going Concern

The Trustee considers the Charity to be a going concern for the foreseeable future as detailed in Accounting Policies note 1(b).

Reserves Policy

The charity is wholly supported by the City of London Corporation which owns and maintains all the fixed assets used by the charity.

Investment Policy

The Trust's investment in Charities Pool Units is compatible with its investment policy which is driven by the concept of total return over the long term. The purpose of this policy 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.

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Trustee's Annual Report (continued)

6. Plans for future Periods

The objectives for 2017/18 are:

Gresham Lecturers

- To continue to arrange a programme of public lectures which are made available to the public free of charge.
- To continue to broaden further the audience demographic by use of the Internet and partnerships with businesses and other institutions.

Gresham Almshouses

- To continue the 30 year building maintenance programme (plan approved by Trustee at the 27 July 2007 meeting).

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 judgements 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 enables the Trustee to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and provisions of the governing document. 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.

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Trustee's Annual Report (continued)

8. Adopted and signed for and on behalf of the Trustee on 15 November 2017

Jeremy Paul Mayhew MA MBA
Chairman of Finance Committee
Guildhall, London

Jamie Ingham Clark
Deputy Chairman of
Finance Committee

SIR THOMAS GRESHAM CHARITY

Independent Auditor's Report to the Trustees of Sir Thomas Gresham Charity

We have audited the financial statements of Sir Thomas Gresham Charity for the year ended 31 March 2017 which are set out on pages 9 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charity's trustee, 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 trustee 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 trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustee and auditor

As explained more fully in the Trustee's Responsibilities Statement set out on page 5, the trustee is 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 of 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 31 March 2017 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.

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 Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or

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- 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.

Moore Stephens LLP
Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

X October 2017

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 2017

	Note	Unrestricted Fund	Total 2016/17	Total 2015/16
		£	£	£
Income and endowments from:				
Income from investments				
Managed investment income		23	23	22
Other Income				
Contribution from the City of London Corporation		95,056	95,056	64,256
Total income and endowments	3	<u>95,079</u>	<u>95,079</u>	<u>64,278</u>
Expenditure on:				
Charitable activities				
Almshouses running costs		85,853	85,853	57,149
Almsfolk allowances		10,266	10,266	8,169
Mandatory Element of lecturers' fees		400	400	400
Total expenditure	4	<u>96,519</u>	<u>96,519</u>	<u>65,718</u>
Net gains(losses) on investments		69	69	(35)
Net income/(expenditure)		<u>(1,371)</u>	<u>(1,371)</u>	<u>(1,475)</u>
Transfers between funds		-	-	-
Other recognised gains/(losses)		-	-	-
Net movement in funds		<u>(1,371)</u>	<u>(1,371)</u>	<u>(1,475)</u>
Reconciliation of funds				
Total funds brought forward		150,336	150,336	151,811
Total funds carried forward	9	<u>148,965</u>	<u>148,965</u>	<u>150,336</u>

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 2017

	Notes	2017	2016
		£	£
Fixed Assets			
Managed Investments – 74 Charities Pool Units	7	<u>645</u>	<u>576</u>
		645	576
Long Term Assets			
Long term debtor – operating lease	7	<u>148,320</u>	<u>149,760</u>
		148,320	149,760
Total Assets		<u>148,965</u>	<u>150,336</u>
The funds of the charity:			
Unrestricted income funds	9	<u>148,965</u>	<u>150,336</u>
Total funds		<u>148,965</u>	<u>150,336</u>

Approved and signed for and on behalf of the Trustee.

The notes at pages 11 to 15 form part of these accounts.

Dr Peter Kane
Chamberlain of London
15 November 2017

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Notes to the Financial Statements for the year ended 31 March 2017

1. Accounting Policies

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

(a) *Basis of Preparation*

The 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 in accordance with the *Statement of Recommended Practice (SORP) Accounting and Reporting by Charities*, published in 2015, *Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS 102)* and the Charities Act 2011.

(b) *Going Concern*

The charity's future funding will arise from contributions from the City of London Corporation and the charity is considered a going concern for the foreseeable future because the Trustee has due regard to the level of contribution received and plan activities accordingly. The majority of the Charity's income is from a contribution made by the City of London Corporation.

(c) *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 unrealised loss on investments at the balance sheet date is included in the charity's funds.

(d) *Investment Income*

Investment income consists of dividends earned on investments held in the Charities Pool. 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

(e) *Expenditure Recognition*

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure.

Single and/or multi-year allowances are accounted for when the recipient has a reasonable expectation that they will receive the award and any conditions attached to the award are outside the control of the Trust.

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Notes to the Financial Statements for the year ended 31 March 2017

1. Accounting Policies (continued)

(f) *Fund Accounting*

The charity has one fund - the unrestricted income fund. This represents the investments held in the City of London Corporation's Charities Pool.

(g) *Lease of Almshouses site*

The City of London Almshouses Trust (COLAT) owns the site on which the Gresham Almshouses are situated. An agreement was entered into with COLAT dated 7 December 1994 for the lease of the site for the next 125 years for the sum of £180,000. The value of the lease is amortised on a straight-line basis to the end of the term in 2118/19, with the remaining value recorded as a long-term debtor.

(h) *Cash Flow Statement*

The Trust has taken advantage of the exemption in FRS102 (paragraph 1.12b) from the requirement to produce a statement of cash flows on the grounds that it is a qualifying entity.

2. Tax Status of the Charity

Sir Thomas Gresham Charity 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

The net cost of running the charity, £95,056 excluding amortisation of £1,440 (2015/16: £64,256 excluding amortisation of £1,440), is met from the City of London Corporation's City's Cash which receives the net income generated by the Gresham Estate and is paid to the charity. Incoming resources also include investment income derived from the investments held in the City of London Corporation's Charities Pool noted in 1(d) above. Total income for the year amounted to £95,079 (2015/16: £64,278) and is analysed as follows:

	Total 2016/17 £	Total 2015/16 £
Incoming Resources from Generating Funds		
Investment interest	23	22
Other incoming resources		
Contribution from the City of London Corporation	95,056	64,256
Total incoming resources	95,079	64,278

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Notes to the Financial Statements for the year ended 31 March 2017

4. Resources Expended

Resources expended consist entirely of activities undertaken directly by the charity. No support costs are charged by the City of London Corporation (see note 5 below).

Resources expended are analysed as follows:

	Total 2016/17	Total 2015/16
	£	£
Charitable activities		
Almshouses running costs	85,853	57,149
Almsfolk allowances	10,266	8,169
Mandatory element of lecturers' fees	400	400
Total resources expended	96,519	65,718

5. Support and Governance 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 this cost 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 non City Fund 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 a charge to its private funds. No other external financial services were provided to the charity during the year or in the previous year.

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 year.

SIR THOMAS GRESHAM CHARITY

Notes to the Financial Statements for the year ended 31 March 2017

7. Analysis of Net Assets by Fund at 31 March 2017

	Unrestricted Fund 2017	Unrestricted Fund 2016
	£	£
Investments	645	576
Fixed Assets	645	576
Long term debtor (1)	148,320	149,760
Long Term Assets	148,320	149,760
Total Net Current Assets	148,965	150,336

(1) The City of London Almshouses Trust (COLAT) owns the site on which the Gresham Almshouses are situated. An agreement was entered into with COLAT dated 7 December 1994 for the lease of the site for the next 125 years for the sum of £180,000. The value of the lease is amortised on a straight-line basis to the end of the term in 2118/19, with the remaining value recorded as a long-term debtor.

8. Investment Assets

The value and cost of investments is comprised as follows:

	Unrestricted Funds General £	Total 2017 £	Total 2016 £
Market Value 1 April	576	576	611
Net investment (loss)/gain	69	69	(35)
Market value 31 March	645	645	576
Cost when purchased	366	366	366
Units in Charities Pool (Units)	74	74	74

The geographical spread of listed investments at 31 March was as follows:

	2017 £	2016 £
Equities:		
UK	502	426
Overseas	91	88
Bonds: UK	3	15
Pooled Units: UK	32	24
Cash Held By Fund Manager	17	23
Total Funds	645	576

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Notes to the Financial Statements for the year ended 31 March 2017

8. Investment Assets (continued)

The majority of the charity's surplus funds are invested within the Charities Pool administered by the City of London Corporation and interest is received from the Chamberlain of London on cash balances held on behalf of the Trust. The investments are managed by Artemis Investment Management Limited and the performance of the fund is measured against the Fund manager benchmark (FTSE All Share Index).

As at 31 March 2017 the Fund achieved a return of +16.30% compared to the FTSE All Share Index return of +21.95%, an underperformance of 5.35%. However over three and five years the Fund has outperformed the index as follows:

	3 Years	5 Years
Fund	8.39%	10.98%
FTSE All Share	7.69%	9.67%
Out performance	0.71%	1.31%

9. Movement of Funds during the year to 31 March 2017

	Fund balances brought forward	Income	Expenditure	Transfers	Gains and losses	Fund balances carried forward
Income Fund:	£	£	£	£	£	£
Unrestricted:						
General	150,336	95,079	(96,519)	-	69	148,965
Total Funds	150,336	95,079	(96,519)	-	69	148,965

Notes to the funds:

Income Fund – Unrestricted: General

This represents the investments held in the City of London Corporation's Charities Pool.

10. Related Party Transactions

The City of London Corporation is also the Trustee of a number of other Charitable Trusts. These Trusts do not undertake transactions with the Sir Thomas Gresham Charity. A full list of these Trusts is available on application to the Chamberlain of London. The Trust has investments in the City of London Charities Pool of which the City of London Corporation is also the Trustee. Investment income from the Charities Pool in 2016/17 amounted to £23 (2015/16: £22). The Trust received a contribution from the City of London Corporation £95,056 (2015/16: £64,256) (note 3).