

***GUILDHALL LIBRARY CENTENARY FUND  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017***

**Charity Number: 206950**

# **GUILDHALL LIBRARY CENTENARY FUND**

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

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# **GUILDHALL LIBRARY CENTENARY FUND**

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

### **1. Reference and Administration Details**

Charity Name	Guildhall Library Centenary Fund
Registered Charity Number:	206950
Principal Address:	Guildhall, London EC2P 2EJ
Trustees:	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 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 Charity on behalf of the Trustees. 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.

# **GUILDHALL LIBRARY CENTENARY FUND**

## **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 Trustees are 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.

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 of 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**

To advance the education and training of the public through the provision and conservation of library, archive, museum and gallery collections.

# GUILDHALL LIBRARY CENTENARY FUND

## Trustee's Annual Report (continued)

### 3. Objectives and Activities for the public benefit (continued)

The Trustees have due regard to the Charity Commission's public benefit guidance when setting objectives and planning activities

#### Achievements and Performance

##### Key Targets for 2017/18 and review of achievement

The key target for 2017/18 is to continue to advance the education and training of the public in the provision of library, archive, museum and gallery collections 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; and
- 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 2016/17.

### 4. Financial Review

#### Review of financial position

The income from investments during the year was £607 (2015/16: £579), and there were donations totalling £279 (2015/16: £177). In 2016/17 there was no expenditure (2015/16: £nil). The unrestricted income fund at the year-end had a balance of £10,408 (2015/16: £9,522) 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 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%

# **GUILDHALL LIBRARY CENTENARY FUND**

## **Trustee's Annual Report (continued)**

### **4. Financial Review (continued)**

#### **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 Trustees have 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.

#### **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 Charities Pool (1021138) ("the Charities Pool"), the City Corporation also being the sole trustee of this charity, and some cash which is invested on the London Money Market.

#### **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 Charity in its current form is a merger of 3 very small charities following a review of these within the City Corporation.

#### **Engage existing users**

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

#### **Establish a 'Friends of Guildhall Library' scheme**

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

Cultivate relationships with an aim to establish fundraising "Ambassadors".

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

# **GUILDHALL LIBRARY CENTENARY FUND**

## **Trustee's Annual Report (continued)**

### **5. Plans for Future Periods (continued)**

Progress on these future plans has been delayed owing to the reorganisation of the former Culture, Heritage and Libraries Department.

### **6. 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 and 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 Charity's scheme. 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.

### **7. Adopted and signed for on behalf of the Trustee on 21 November 2017.**

Jeremy Paul Mayhew MA MBA  
Chairman of Finance Committee

Jamie Ingham Clark  
Deputy Chairman of Finance Committee

Guildhall  
London  
21 November 2017

# **GUILDHALL LIBRARY CENTENARY FUND**

## **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 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 trustees and auditor**

As explained more fully in the Trustee's Responsibilities Statement set out on page 6, 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](http://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.



## **GUILDHALL LIBRARY CENTENARY FUND**

### **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
- 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

December 2017

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

# GUILDHALL LIBRARY CENTENARY FUND

## Statement of Financial Activities for the year ended 31 March 2017

	Notes	Unrestricted Fund £	Endowment Fund £	Total 2016/17 £	Total 2015/16 £
<b>Income and Endowments from:</b>					
Donations and Legacies	3	279	-	<b>279</b>	177
Income from investments	3	607	-	<b>607</b>	579
			-		
<b>Total income and endowments</b>		886	-	<b>886</b>	756
Net gains/(losses) on investments	7	-	1,645	<b>1,645</b>	(831)
<b>Net income/(expenditure)</b>		886	1,645	<b>2,531</b>	(75)
<b>Net movement in funds</b>		886	1,645	<b>2,531</b>	(75)
<b>Reconciliation of funds</b>					
Funds brought forward	9	9,522	13,781	<b>23,303</b>	23,378
<b>Funds carried forward</b>	9	10,408	15,426	<b>25,834</b>	23,303

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.

# GUILDHALL LIBRARY CENTENARY FUND

## Balance Sheet as at 31 March 2017

	Notes	2017 £	2016 £
<b>Fixed Assets</b>			
Investments – 1,769 Charities Pool Units	7	15,426	13,781
<b>Current Assets</b>			
Cash at bank and in hand		10,408	9,522
<b>Net Assets</b>		<u>25,834</u>	<u>23,303</u>
<b>The funds of the charity:</b>			
Endowment fund	9	15,426	13,781
Unrestricted fund	9	10,408	9,522
<b>Total Funds</b>		<u>25,834</u>	<u>23,303</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.

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Dr Peter Kane  
Chamberlain of London  
21 November 2017

# GUILDHALL LIBRARY CENTENARY FUND

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

### 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***

Guildhall Library Centenary Fund is a public benefit entity and 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 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 Charity. 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. There are no material uncertainties about the entity's ability to continue as a going concern.

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

The Charity 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, a common investment fund and a registered charity, 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***

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.

# GUILDHALL LIBRARY CENTENARY FUND

## Notes to the Financial Statements for the year ended 31 March 2017 (continued)

### 1. Accounting Policies (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 gain on investments shown in the Statement of Financial Activities represents the difference in the market value of investments between 1 April 2016 and 31 March 2017.

(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

Incoming resources from generated funds consists of investment income derived from investments in the Charities Pool noted in 1 (e) above and interest received on cash balances. Income for the year amounted to £607 (2015/16 £579). In addition there were donations totalling £279 (2015/16 £177).

### 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.

# GUILDHALL LIBRARY CENTENARY FUND

## Notes to the Financial Statements for the year ended 31 March 2017 (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:

	<b>Endowment Fund</b>	
	<b>2017</b>	<b>2016</b>
	£	£
Market Value 1 April	13,781	14,612
Net investment gain / (loss)	1,645	(831)
<b>Market value 31 March</b>	<b>15,426</b>	<b>13,781</b>
<b>Cost 31 March</b>	<b>1,769</b>	<b>1,769</b>
Number of Charities Pool (Units)	1,769	1,769

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

	<b>2017</b>	<b>2016</b>
	£	£
Equities		
UK	<b>12,010</b>	10,190
Overseas	<b>2,170</b>	2,097
Bonds - UK & Overseas	<b>85</b>	369
Pooled Units - UK	<b>764</b>	573
Cash held by Fund Manager	<b>397</b>	552
<b>Total Funds</b>	<b>15,426</b>	13,781

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:

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

# GUILDHALL LIBRARY CENTENARY FUND

## Notes to the Financial Statements for the year ended 31 March 2017 (continued)

### 8. Analysis of Net Assets by Fund at 31 March 2017

	Unrestricted Funds	Endowment	Total	Total
	General	Fund	2017	2016
	£	£	£	£
<b>Fixed Assets</b>				
Investments	-	15,426	15,426	13,781
<b>Total Fixed Assets</b>	-	<b>15,426</b>	<b>15,426</b>	<b>13,781</b>
Current Assets	10,408	-	10,408	9,522
<b>Total Net Assets</b>	<b>10,408</b>	<b>15,426</b>	<b>25,834</b>	<b>23,303</b>

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

	Balance at 1 April 2016	Income	Losses	Balance at 31 March 2017
	£	£	£	£
<b>Permanent Endowment</b>	13,781	1,645	-	<b>15,426</b>
<b>Unrestricted Funds</b>				
General	9,522	886	-	<b>10,408</b>
<b>Total Funds</b>	<b>23,303</b>	<b>2,531</b>	-	<b>25,834</b>

#### 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 Charities Pool, these charities do not undertake transactions with the Guildhall Library Centenary Fund. A full list of these charities is available on application to the Chamberlain of London.

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

## **GUILDHALL LIBRARY CENTENARY FUND**

### **Notes to the Financial Statements for the year ended 31 March 2017 (continued)**

#### **10. Details of related parties and wider networks (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