

Guildhall Library Centenary Fund

Annual Report and Financial Statements for the year
ended 31 March 2023

Charity registration number 206950

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ORIGINS OF THE CHARITY

The Charity in its current form is a merger of three very small charities following a review of these within the City Corporation in 2011. 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.

It covers all the City of London collections outlined under *Objectives and Activities for the public benefit*. The key overall target is for the funds to be acquired and used for the purchase and conservation of items for and in these collections as the need arises. Additionally, the Fund will seek to identify small projects that deliver on the cross-collection nature of the charity and in particular the education of the public, potentially using funds as partner funding for external grant applications.

TRUSTEE'S ANNUAL REPORT

STRUCTURE AND GOVERNANCE

GOVERNING DOCUMENTS

The governing document of the charity 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 transfer of the assets of the English Philological Endowment Fund (Charity number 306000) and the Alderman Samuel Wilson's Gift of Harbinger's Portraits (unregistered). The charity is constituted as a charitable trust.

GOVERNANCE ARRANGEMENTS

The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate and politic, is the Trustee of Guildhall Library Centenary Fund. The City Corporation is Trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and management of this charity to various committees and sub-committees of the Common Council, membership of which is drawn from 125 elected Members of the Common Council and external appointees to those committees. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after due advertisement and rigorous selection to fill gaps in skills.

Members of the Court of Common Council are unpaid and are elected by the electorate of the City of London. The Key Committees which had responsibility for directly managing matters related to the charity during 2021/22 were as follows:

- **Policy and Resources Committee** – responsible for allocating resources and administering the charity.
- **Investment Committee** – responsible for the strategic oversight and monitoring of the performance of the charity's investments which are managed by three separate sub-committees, namely the Financial Investment Board, the Property Investment Board and the Social Investment Board.
- **Audit and Risk Management Committee** – responsible for overseeing systems of internal control and making recommendations to the Finance Committee relating to the approval of the Annual Report and Financial Statements of the charity.
- **Culture, Heritage and Libraries Committee** – responsible for the activities undertaken by the Guildhall Library Centenary Fund charity and acting as Trustee of the charity.

The Culture, Heritage and Libraries Committee 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 who are

appointed to this committee in accordance with the usual procedures of committee membership of the City of London Corporation.

All the above committees are ultimately responsible to the Court of Common Council of the City of London. Committee meetings are held at the Trustee's discretion in public (except where it is considered not to be in the charity's best interests to do so), supporting a decision-making process which is clear, transparent and publicly accountable.

The Trustee believes that good governance is fundamental to the success of the charity. A comprehensive review of governance was carried out resulting in the recommendation that the charity be closed. Reference was made to the good practices recommended within the Charity Governance Code throughout this review, with a focus on ensuring regulatory compliance and delivering an efficient and effective portfolio of charities that maximise impact for beneficiaries where possible.

OBJECTIVES AND ACTIVITIES

The objective for Guildhall Library Centenary Fund is to advance the education and training of the public through the provision and conservation of library, archive, museum and gallery collections. Following the agreement to close the charity (see 'Achievements and Performance' below, the funds of the charity will be spent out on this objective before the charity is closed.

Public benefit statement

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Guildhall Library Centenary Fund's aims and objectives and in planning future activities. The purpose of the charity is to advance the education and training of the public, in particular but not exclusively by the purchase of works of art, books, prints and articles of historical, archaeological or literary interest for the Guildhall Library.

Consequently, the Trustee considers that Guildhall Library Centenary Fund operates to benefit the general public and satisfies the public benefit test.

REFERENCE AND ADMINISTRATIVE DETAILS

The administrative details of the charity are stated on page 19.

ACHIEVEMENTS AND PERFORMANCE

A decision was taken in January 2022 to close the charity given the charity's modest funds and the resulting challenges the charity will face in continuing to meet its charitable purpose in the future. The funds will be spent out in furtherance of the of the charitable purposes of the GLCF, being to advance the education and training of the public, in particular but not exclusively by the provision of library, archives, museum and gallery services. Once spent, the charity will be wound up and removed from the Register of Charities.

PLANS FOR FUTURE PERIODS

The restricted fund relates to a grant of £5,000 to the charity in 2019/2020 to support the conservation and boxing of the Charles Lamb Society Collection. These funds will need to be spent in accordance with the terms of that grant before the charity can be closed.

It is expected that the charity will be closed by 2024/25 at the latest, and therefore the charity is no longer considered to be a going concern.

FINANCIAL REVIEW

Overview of Financial Performance

Income

In 2022/23 the charity's total income for the year was £324, an overall decrease of £319 against the previous year (2021/22: £643) all of which relates to dividends and interest.

Expenditure

In 2022/23 the charity's total expenditure for the year was £854. Total expenditure for 2021/22 was £4,236 the decrease of £3,382 predominately relates to a reduction in legal fees. The expenditure in the 2022/23 year relates to internal legal fees relating to the proposed closure of the charity of £204 (2021/22: £4,236) and administrative support of £650 (2021/22: £1,200): from 2021/22, the City Corporation, as Trustee, took a decision to seek reimbursement for the administration fees incurred from each of its charities which were charged for the first time in 2021/22.

Investments

All investments were disposed of during the year as part of plans to close the charity (2021/22: £11,423 held in investments).

Funds held

The charity's total funds held decreased by £541 to £17,176 as at 31 March 2023 (2021/22: £17,717).

Unrestricted Funds decreased in the year to £12,176 (2021/22: £12,717) reflecting net expenditure in the year. There was no change to the Restricted Funds.

Details of all funds held, including their purposes, is set out within note 9 to the financial statements.

Reserves policy

The free reserves of the charity are held to cover working capital needs. The Trustee believes that a minimum amount of £2,000 should be held at present, which will be subject to annual review. As at 31 March 2023 the charity held £12,176 as free reserves, which will be spent out as part of the winding up of the charity as detailed above on page 3.

Principal Risks and Uncertainties

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the senior leadership team ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. A key risk register has been prepared for the charity, which has been reviewed by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks.

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2023

| | Notes | Unrestricted Funds £ | Restricted Funds £ | 2022/23 Total Funds £ | 2021/22 Total Funds £ |
|---|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | |
| Investments | 2 | 324 | - | 324 | 643 |
| Total income | | 324 | - | 324 | 643 |
| Expenditure on: | | | | | |
| Charitable activities | 3 | 854 | - | 854 | 4,236 |
| Total expenditure | | 854 | - | 854 | 4,236 |
| Net gains/(losses) on investments | 8 | - | - | - | 520 |
| Net unrealised gains/(loss) on investments | 8 | (11) | - | (11) | (68) |
| Net income and net movement in funds | | (541) | - | (541) | (3,141) |
| Transfers between funds | | - | - | - | - |
| Net movement in funds | | (541) | - | (541) | (3,141) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | 10 | 12,717 | 5,000 | 17,717 | 20,858 |
| Total funds carried forward | 10 | 12,176 | 5,000 | 17,176 | 17,717 |

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 8 to 14 form part of these financial statements.

BALANCE SHEET

AS AT 31 MARCH 2023

| | Notes | 2023 Total £ | 2022 Total £ |
|----------------------------------|-------|--------------------|--------------------|
| Fixed assets: | | | |
| Investments | 8 | - | 11,423 |
| Total fixed assets | | - | 11,423 |
| Current assets | | | |
| Cash at bank and in hand | | 17,176 | 6,295 |
| Total current assets | | 17,176 | 6,295 |
| Total net assets | | 17,176 | 17,718 |
| The funds of the charity: | | | |
| Restricted income funds | 10 | 5,000 | 5,000 |
| Unrestricted income funds | 10 | 12,176 | 12,717 |
| Total funds | | 17,176 | 17,717 |

The notes on pages 8 to 14 form part of these financial statements.

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain of London and Chief Financial Officer

XX December 2023

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

The financial statements are not prepared on a going concern basis due to the anticipated closure of the charity.

(b) Key management judgements and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of decisions about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Management do not consider there to be any material revisions requiring disclosure.

(c) Statement of Cash Flows

As per section 14.1 of the Charities SORP the Charity is not required to produce a statement of cash flows on the grounds that it is a small entity.

(d) Income

All income is included in the Statements of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of managed investments.

(e) Expenditure

Expenditure is accounted for on an accruals basis and has been classified under the principal category of 'expenditure on charitable activities'. 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.

The charity does not employ any staff. Officers of the City Corporation provide administrative assistance to the charity when required. From 2021/22, the City Corporation, as Trustee, took a decision to seek reimbursement for the administration fees incurred from each of its charities.

(f) Taxation

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

(g) Heritage Assets

On acquisition, heritage assets are initially recorded in the balance sheet at cost (for those acquired by purchase) or at valuation (for those acquired by donation), where such information is available.

In 2020/21, it was discovered that three paintings hung in Guildhall Art Gallery were legally owned by the Guildhall Library Centenary Fund, following a transfer from another charity in a 2011 scheme (which did not specifically name the assets). The paintings are held to advance education and training of the public in line with the objects of the Charity.

The Trustee does not consider that reliable cost or valuation information can be obtained for the paintings because of their unique features and the lack of comparable market values, and the lack of a valuation at the original date of transfer. Furthermore, the Trustee believes that the cost of obtaining a valuation of these assets would be onerous compared with the benefit that would be derived by users of the financial statements in assessing their stewardship of the assets. The Charity does not therefore recognise these assets on its balance sheet.

In accordance with the requirement of Section 34 of FRS 102 and Section 18 of SORP FRS 102, note 7 to the financial statements provides additional disclosures on the nature and significance of the charity's heritage assets, and access information.

(h) Investments

Investments are made in the City of London Charities Pool (charity number 1021138) which is an investment mechanism operating in a comparable way to a unit trust. This 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.

Investments are valued at bid-price. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities.

(i) Funds structure

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

Permanent endowment fund – this fund consists of funds which are held in perpetuity for the benefit of the charity as a result of conditions imposed by the original donors and trusts. Income generated from the investments which represent these funds can be spent on the charitable purpose of the charity, hence is allocated to the unrestricted income fund. Gains/losses on the underlying assets remain as part of the endowment.

Restricted funds – These include income that is subject to specific restrictions imposed by donors, with related expenditure deducted when incurred.

Unrestricted income funds – these funds can be used in accordance with the charitable objects at the discretion of the Trustee and include both income generated by assets held within the permanent endowment fund and from those representing unrestricted funds. Specifically, this represents the surplus of income over expenditure for the charity which is carried forward to meet the requirements of future years, known as free reserves.

(j) Indemnity insurance

The City of London Corporation takes out indemnity insurance in respect of all its activities. The charity does not contribute to the cost of that insurance.

2. INCOME FROM INVESTMENTS

| | Unrestricted funds 2022/23 £ | Unrestricted funds 2021/22 £ |
|--------------|---|---|
| Interest | 324 | 643 |
| Total | 324 | 643 |

3. EXPENDITURE

| | Unrestricted funds | | | Unrestricted funds | | |
|--------------|--------------------|--------------------|--------------------------------|--------------------|--------------------|-----------------------|
| | Direct costs £ | Support costs £ | Total 2022/23 £ | Direct costs £ | Support costs £ | Total 2021/22 £ |
| Other | 204 | 650 | 854 | 3,036 | 1,200 | 4,236 |
| Total | 204 | 650 | 854 | 3,036 | 1,200 | 4,236 |

The expenditure in the 2022/23 year includes legal fees of £204 (2021/22: £3,036) and administrative support of £650 (2020/21: £1,200), see note 4.

4. SUPPORT COSTS

| | Charitable activities £ | 2022/23 £ | 2021/22 £ |
|---------------------|-------------------------------|---------------------|---------------------|
| Department: | | | |
| Chamberlain | 650 | 650 | 1,200 |
| Sub-total | 650 | 650 | 1,200 |
| <hr/> | | | |
| Total support costs | 650 | 650 | 1,200 |

5. TRUSTEE EXPENSES

The members of the Culture, Heritage and Libraries Committee of the City of London Corporation acting on behalf of the Trustee did not receive any remuneration or reimbursement of expenses during 2022/23 (2021/22: nil).

6. HERITAGE ASSETS

The Guildhall Library Centenary Fund holds three items which meet the definition of heritage assets, being two paintings by Alexander Ripplingille and one by Sir John Newton, referred to as the 'Harbinger paintings'.

The three paintings are held by the Guildhall Art Gallery which is free to the public and accessible during opening hours; and they are preserved and managed by the staff of the Gallery who are considered to be experts in this field. One painting is currently hanging whilst the other two are in store; members of the public can request a viewing of any paintings not on current display by contacting the Gallery team, and all paintings held in the collection are accessible online via the London Picture Archive.

The paintings are held on a long term basis for use in the charity's objects.

Whilst no reliable cost or valuation information is available, and obtaining such valuation would be onerous given the size and activities of the charity, it is helpful (as per Charity SORP 18.26) for the users of the financial statements to be aware that the insurance values of the three paintings is £20,463.

7. INVESTMENTS

The investments are held in the City of London Corporation Charities Pool, a charity registered in the UK with the Charities Commission (charity number 1021138). The Charities Pool is a UK registered unit trust.

The value of investments held by the charity are as follows:

| | 2023 | 2022 |
|------------------------------|----------|---------------|
| | £ | £ |
| Market value 1 April | 11,423 | 10,902 |
| Additions | - | - |
| Disposals | - | - |
| Gain/(Loss) for the year | - | 520 |
| Market value 31 March | - | 11,422 |
| Cost 31 March | - | 1,233 |
| Units held in Charities Pool | - | 1,233 |

During 2022/23 existing charity pool units were disposed of and the proceeds are now held as cash.

8. ANALYSIS OF NET ASSETS BY FUND

| At 31 March 2023 | Unrestricted funds General funds £ | Restricted funds £ | Total at 31 March 2023 £ |
|------------------|--|--------------------------|--------------------------------|
| Current assets | 12,176 | 5,000 | 17,176 |
| Total | 12,176 | 5,000 | 17,176 |

| At 31 March 2022 | Unrestricted funds General funds £ | Restricted funds £ | Total at 31 March 2022 £ |
|----------------------------|--|--------------------------|--------------------------------|
| Fixed assets - investments | 11,422 | - | 11,422 |
| Current assets | 1,295 | 5,000 | 6,295 |
| Total | 12,717 | 5,000 | 17,717 |

9. MOVEMENT IN FUNDS

| At 31 March 2023 | Total as at 1 April 2022 £ | Income £ | Expenditure £ | Gains & (losses) £ | Unrealised gains & (losses) £ | Transfers £ | Total as at 31 March 2023 £ |
|---------------------|----------------------------------|-------------|------------------|--------------------------|--|----------------|--------------------------------------|
| Restricted funds: | 5,000 | - | - | - | - | - | 5,000 |
| Unrestricted funds: | | | | | | | |
| General funds | 12,717 | 324 | (854) | - | (11) | - | 12,176 |
| Total funds | 17,717 | 324 | (854) | - | (11) | - | 17,176 |

| At 31 March 2022 | Total as at 1 April 2021 £ | Income £ | Expenditure £ | Gains & (losses) £ | Unrealised gains & (losses) £ | Transfers £ | Total as at 31 March 2022 £ |
|---------------------|----------------------------------|-------------|------------------|--------------------------|--|----------------|--------------------------------------|
| Endowment funds: | | | | | | | |
| Permanent endowment | 10,902 | - | - | 520 | - | (11,422) | - |
| Restricted funds: | 5,000 | - | - | - | - | - | 5,000 |
| Unrestricted funds: | | | | | | | |
| General funds | 4,956 | 643 | (4,236) | - | (68) | 11,422 | 12,717 |
| Total funds | 20,858 | 643 | (4,236) | 520 | (68) | - | 17,717 |

Purpose of endowment funds

The permanent endowment fund is held in perpetuity as a capital fund to generate income for the activities of the charity and represents the original assets of the charity, reported at current market value. Any income from this fund is accounted for within unrestricted income funds.

In 2021/22 restrictions were lifted from the endowment fund and it was transferred to unrestricted funds.

Purpose of restricted funds

In 2019/20 the charity received a grant of £5,000 to contribute towards specific works at the Guildhall Library, therefore the grant is being held in a Restricted Fund until the works are able to take place.

10. RELATED PARTY TRANSACTIONS

The City Corporation is the sole Trustee of the charity, as described on page 2.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are required to disclose their interests, and these can be viewed online at www.cityoflondon.gov.uk.

Members and senior staff are requested to disclose all related party transactions, including instances where their close family has made such transactions.

Figures in brackets represent the amounts due at the balance sheet date.

| Related party | Connected party | 2022/23 £ | 2021/22 £ | Detail of transaction |
|----------------------------|---|----------------------------|---------------------|--------------------------------------|
| City of London Corporation | The City of London Corporation is the Trustee for the charity | 324 (nil) | 643 (nil) | Distribution from the Charities Pool |

REFERENCE AND ADMINISTRATION DETAILS

CHARITY NAME: Guildhall Library Centenary Fund

Registered charity number: 206950

PRINCIPAL OFFICE OF THE CHARITY & THE CITY CORPORATION:

Guildhall, London, EC2P 2EJ

TRUSTEE:

The Mayor and Commonalty & Citizens of the City of London

SENIOR MANAGEMENT:

Chief Executive

Ian Thomas - The Town Clerk and Chief Executive of the City of London Corporation (appointed 06 February 2023)

John Barradell OBE - The Town Clerk and Chief Executive of the City of London Corporation (retired 31 December 2022)

Treasurer

Caroline Al-Beyerty - The Chamberlain and Chief Financial Officer of the City of London Corporation

Solicitor

Michael Cogher - The Comptroller and City Solicitor of the City of London Corporation

BANKERS:

Lloyds Bank Plc., P.O. 1000 BX1 1LT

INVESTMENT ADVISORS:

Artemis Investment Management Limited, Cassini House, 57 St. James's Street, London, SW1A 1LD

Contact for The Chamberlain & Chief Financial Officer, to request copies of governance documents:

CHBOffice-BusinessSupport@cityoflondon.gov.uk