

Reports and Financial Statements

For the year ended 31st July 2018

The Guildhall School Trust

Company limited by guarantee
registration number 04041975
(England and Wales)

Charity registration number 1082472

The Guildhall School Trust

Company Information

President	The Rt Hon The Lord Mayor
Trustees	Deputy John Bennett (until May 2018) Stephen Bland (from September 2018) Alderman David Graves Richard Griffith-Jones (until June 2018) Lew Hodges (from September 2018) Michael Hoffman Vivienne Littlechild (from May 2018) Martin Moore Ken Ollerton Timothy Pethybridge (until January 2019) Melissa Scott Lynne Williams
Company Secretary	Niki Cornwell (until December 2018) Rachel Davis (from December 2018)
Company Registration Number	04041975
Registered Charity Number	1082472
Principal Address	c/o Guildhall School of Music & Drama Silk Street London EC2Y 8DT
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Barclays Bank plc 54 Lombard Street London EC3P 3AH Bank of Scotland 600 Gorgie Road Edinburgh EH11 3XB
Investment Managers	Cazenove Capital 100 Wood Street London EC2V 7ER Sarasin & Partners LLP Juxon House 100 St Pauls Churchyard London EC4M 8BU

The Guildhall School Trust

Company Information

Solicitors

Bates Wells Braithwaite
10 Queen Street Place
London EC4R 1BE

Stone King
13 Queen Square
Bath
BA1 2HJ

Governing Deed

Articles of Association

The Guildhall School Trust

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The Guildhall School Trust

REPORT OF THE TRUSTEES

1. Introduction to The Guildhall School Trust

The Guildhall School Trust (“the Trust”) was first registered with the Charity Commission on 20th September 2000 under Registration No.1082472, having previously been incorporated as a private limited company in England & Wales on 27th July 2000 (Number 04041975). Its primary object is to advance the education of students and intended students at The Guildhall School of Music & Drama (“the School”).

On 10 August 2001, The Charity Commission approved a Scheme under which the Trust took over the administration of some 68 trusts previously administered by Guildhall School of Music and Drama Trust Fund, Guildhall School of Music and Drama Foundation and Friends of the Guildhall School of Music and Drama Trust Limited. These three charities subsequently ceased to exist.

Over the past two years, Trustees have been working to modernise the Trust’s working arrangements alongside its constitution which, until this year, continued to be governed by its original Memorandum and Articles of Association. We have previously reported that the Objects of the Trust were updated with the consent of the Charity Commission in July 2016. The new objects are, for the public benefit, anywhere in the world:

- to advance the education of students and prospective students (“students”) of the Guildhall School of Music & Drama (“the Guildhall School”) in music or drama (including stage management and related production and design) and any other object considered by the Trustees to be beneficial to the promotion of music and drama (including stage management and related production and design) at the Guildhall School; and
- to support any charitable purpose in which the Guildhall School or any student may engage and which promotes music or drama (including stage management and related production and design).

During the course of this financial year revised Articles, based on the template published by the Charity Commission and incorporating the new Objects, were agreed by Trustees and submitted for approval by the Charity Commission in November 2017. The Charity Commission approved of the new Articles in February 2018. They were adopted by Special Resolution of Trustees in May 2018 and filed with Companies House.

The Trust also applied in July 2018 to the Ministry of Justice, seeking Trust Corporation status. If granted, this will enable the Trust to act as sole Trustee of any ongoing charitable trusts created by Will or otherwise and act as sole executor in relation to estates of charity donors and take out the Grant of Probate in its own name.

The Guildhall School Trust

How we make a difference:

Providing vital scholarship support so that many students are able to take up their hard-won places

Ellis Howard, BA Acting

Ellis has just finished his final year on the acting course and is the first person in his family to have attended university. His scholarship made it possible for him to focus on the main thing that brought him here: the opportunity to develop as an actor at a world-class institution. Ellis was originally planning to do a politics degree but his love of acting steered him into auditioning for drama school, even though his school didn't offer drama at either GCSE or A-level – *“I did the audition, and I think my passion for wanting to be here really over-rode any nerves about being in front of the audition panel. They got the best out of me.”* Now that he's graduated he wants to combine his performance and writing skills with his interest in politics – *“I want to do work which has some kind of social or political commentary. I've been given a huge amount here, working on so many projects in different styles and from different periods, and it's all hugely exciting to be part of.”*

2. Introduction to the Guildhall School of Music & Drama

The Guildhall School is a vibrant, international community of young musicians, actors and production artists in the heart of the City of London. Rated Gold in the Teaching Excellence Framework and ranked as the UK's top conservatoire in the Guardian University Guide 2019 league table for Music, the School is a global leader of creative and professional practice which promotes innovation, experiment and research, with over 1,000 students in higher education, drawn from nearly 60 countries around the world. It is also the UK's leading provider of specialist music training at the under-18 level with nearly 2,500 students in Junior Guildhall and Centre for Young Musicians.

3. Structure, Governance and Relationship with the School

Under its new constitution, the Trust is governed by a Board with a minimum of nine directors and a maximum of fifteen, including two Ex Officio Directors. The Ex Officio Directors are the Chair of the Governors of the Guildhall School and the Principal of the Guildhall School. Trustees may serve for a maximum of nine years and, amongst other things, ensure that the Trust's actions, and all actions taken on its behalf, are always in compliance with its governing document and all other appropriate laws and regulations. The Board understands fully the aims of the Trust and its responsibility to ensure these are delivered effectively and sustainably. They are also fully subscribed to the principles of good governance as described in the Charity Governance Code.

Trustees understand their responsibility to ensure safeguarding is a key governance priority and are working on a safeguarding policy and code of conduct for Trustees, which they will review regularly and update accordingly to ensure fitness for purpose.

The Guildhall School Trust

Stone King and Bates Wells Braithwaite have provided legal advice and guidance to Trustees on a wide variety of matters during the year.

Decisions are taken against a backdrop of acting prudently with integrity, and in the Trust's best interests. Trustees have complied with Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

All Trustees give their time voluntarily and receive no benefit from the Trust. A register of interests is kept up-to-date throughout the year and is reviewed at the start of each meeting of the Trustees. Trustees clearly understand the importance of avoiding situations where personal interests may conflict with their duty to the Trust.

Trustees are appointed for a term of three years and shall be eligible for two further terms of three years. Details of Trustees in office during the year, and the term of their appointment, are recorded below. In future years we propose to record Trustees' attendance at meetings in accordance with 'best practice' reporting standards and the principles enshrined in the Charity Commission Code.

Details of the Trustees who served during the year and the term of their appointment are:

Trustee	End of current term	Number of terms served
Alderman David Graves*	30 th June 2021	Two
Mr Richard Griffith-Jones**	June 2018	Two
Mr Michael Hoffman*	24 th September 2018	One
Mr Martin Moore	23 rd June 2020	Three
Mr Ken Ollerton*	11 th February 2021	Two
Mr Tim Pethybridge	14 th January 2019	Three
Ms Melissa Scott*	20 th June 2021	Three

* During the year, the appointments of Alderman Graves, Mr Ollerton and Ms Scott were renewed for a further three years. Since the end of the year, Mr Hoffman's appointment has been confirmed for a further three years.

** Sadly, Mr Richard Griffiths-Jones passed away in June 2018.

Since the year end two further Trustees, Stephen Bland and Lew Hodges, have been appointed.

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In addition our two Ex Officio Directors are the Principal of the School, Lynne Williams and the Chair of Governors of the Guildhall School. Deputy John Bennett retired as Chair of Governors in May 2018. We are very grateful for his significant support and contribution to the affairs of the Trust during his appointment and warmly welcome Vivienne Littlechild, who succeeds him.

Under the Trust's new Articles, a quorum, as defined, must comprise a majority of independent Trustees unaffiliated to the City of London.

Related Party Transactions: As noted above, Trustees include Lynne Williams, Principal of the School, Vivienne Littlechild, Chair of the Board of Governors of the School and Governors, Alderman David Graves and Michael Hoffman. The Finance Department of the Barbican Centre serves as accountants for the Trust, with the School's Development and Alumni Relations Office ("DARO") coordinating all fundraising activity in accordance with the Trust's charitable objectives. DARO also provides administrative support to the Trust, employing Ms Rachel Davis, the Trust's Manager. Grants and gifts in kind made to related parties are detailed in Note 12 of the Financial Statements.

Trustees bring the benefit of a wide range of different skills, experience and backgrounds to their work at the Trust, combining well as a Board to provide leadership to the Trust and constructive, thoughtful challenge to matters requiring a decision. The Board also has oversight of fundraising and other activities undertaken by DARO that relate to, or affect the Trust. Representatives of DARO attend quarterly Trustees' meetings.

Management Accounts are prepared and reviewed with the Trust's accountants at each meeting and a Finance Sub-Committee will be established at the beginning of the next reporting period to provide proactive support and challenge as they develop the future format and scope of financial reporting and supporting policies in areas such as treasury management, banking and management of reserves. In addition, the Investment Sub-Committee held its annual meeting with both Managers on Tuesday 28th November 2017 to receive an in-depth report on the performance of the Trust's investment portfolios and to review investment strategy. (See Section 6 Financial Management & Investment Management, subheading Investment Management and Policy).

Future Trustee appointments and succession management will have regard to the importance of maintaining a suitably resourced and diverse Board, whilst achieving an appropriate balance of skills to provide effective governance of the Trust as well as effective and proactive oversight of fundraising strategies and management activities provided on its behalf. Over the coming year, it is intended to review our Trustee recruitment process, letters of appointment, initial induction as well as the ongoing training of Trustees. It is also a future ambition to introduce a more formal periodic review of Board effectiveness.

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Risk Management: The Trust has an established risk register which broadly categorises the risks that the Trust is exposed to under the five main headings of Governance, Operational, Finance, Investment and Regulatory. The register is reviewed periodically by Trustees, the Finance Department of the Barbican Centre and the Development Office of the School. The periodic review, against an ever changing economic and regulatory backdrop, considers whether the register continues to be current and comprehensive, the likelihood and potential impact of risks and the continued efficacy of mitigating actions.

The primary risks faced by the Trust continue to centre on investment and regulation. The former relates to the ability of the Trust to sustain the real spending power of its endowed and non-endowed funds whilst generating the necessary annual dividends to support its grant giving capability at the desired level. Sarasin and Cazenove Capital are appointed by Trustees to manage the charity's funds; their performance is considered at the quarterly meeting of Trustees alongside an annual meeting with both investment managers to formally review the appropriateness of current investment strategy.

The second area of primary risk relates to the changing regulatory environment affecting charities. This is a continuing focus for Trustees and future actions proposed to strengthen governance and mitigate risks are covered in the next section of the Report about the Trust's relationship with the School.

Relationship with the School: The Trust continues to enjoy a close and productive relationship with the School. Unsurprisingly, over the years, interactions have become more complex and the regulatory environment more demanding. In response to this, and alongside initiatives to modernise working arrangements and the Trust's Constitution, Trustees have started a joint project with the School to create a new 'framework agreement', capturing key areas of interaction and redefining accountabilities. Amongst other things, the Trust started work on a new Privacy Policy, Data Sharing and Data Processing Agreements and its Fundraising Protocols. New Grant-Giving and Gift Acceptance policies are also being developed.

It is intended to complete the new framework agreement during the coming year. Already this wide-ranging piece of work is provoking constructive reconsideration of historic working arrangements, the results of which will be to the mutual benefit of the School and Trust over future years.

DARO is responsible on behalf of the Trust for most of the fundraising activity. The School employs professional fundraisers who are expected to comply with the Fundraising Regulator's Code of Practice, which is supported by the Institute of Fundraising and the Public Fundraising Association. As employees of the City of London Corporation, all staff at the School are also bound by the City of London staff code of conduct, which includes a requirement for employees to uphold the Nolan Principles on standards in public life.

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The Trust and the School started work on an agreement to ensure that both organisations are compliant with the existing Code of Fundraising Practice issued by the Fundraising Regulator. It is expected that the agreement will be implemented very shortly. The proposed agreement recognises the need to reconsider the position when the draft new Code issued by the Regulator is finalised and implemented. Once completed, Trustees intend to register and commit to pay the annual Fundraising Levy.

During the current year no complaints have been received by the School or the Trust relating to fundraising activity.

4. Key Activities and Achievements of the Development & Alumni Relations Office

This period saw a consolidation of staffing arrangements in the School's Development & Alumni Relations Office (DARO) after the previous year's changes, with the recruitment of a Deputy Head (Major Gifts) who arrived in January 2018, and the arrival of the Vice Principal & Director of Advancement in April. The Vice Principal is developing a business plan, linked to the Principal's new strategic plan, which will identify key fundraising targets and key projects for the coming years, and recruitment has been put in place to bring in a Head of Development in 2019 to lead the team on this work.

Despite the changes in staffing, donations to the Trust remained buoyant, with £1.12million in revenue donations and £366k of endowment gifts received during the year, exceeding the amount raised in the previous financial year. We are grateful to our family of supporters, with approximately 53% coming from trusts & foundations, 29% from Liveries, 13.5% from individuals and 4.5% from companies.

The School and the Trust held two major cultivation/fundraising events during the year – Take to the Stage and the Summer Gala evenings – as well as several successful stewardship events. This was also the first year of a new corporate partnership with a leading global law firm, which resulted in several benefits and opportunities for staff and students.

One of the most significant pieces of work during the year was the School's preparation for the incoming General Data Protection Regulations. In May 2018 the School contacted a substantial number of alumni and donors to seek their consent to continue to email them on fundraising matters, and had a 40% response rate to the appeal: broadly in line with expectations and with targets set by other arts organisations in London. The team will be focusing its efforts in the coming year on regaining consent from those individuals who did not respond to the initial appeal. The team has also been working closely with the Trust to create a data sharing agreement that will ensure compliance in sharing data between the School and the Trust as part of the wider framework agreement.

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5. Grant-giving Support Provided to the School

During the year, the Trust gave a grant of £1,743,517 (2017: £1,632,000) to the School for scholarship support. This formed the significant portion of the scholarship funds of the School and allowed a substantial number of students – the performers, teachers and leaders of the future - to study at the School regardless of their financial status or background. In any given year, over 40% of Guildhall School students receive scholarship support in this way. Many perform in public settings throughout their studies, enriching the cultural life of London and the nation.

In addition, the Trust also gave grants totalling £211,550 towards a variety of projects and initiatives at the School, including music masterclasses, outreach and Creative Learning projects led by students.

6. Financial Management and Investment Management

Financial Management

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 of the Financial Statements and comply with the Trust's Memorandum and Articles of Association. They are also in accordance with applicable laws and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Total income for the year amounted to £1,893,171 (2017: £1,905,032). Of this, £1,536,513 (2017: £1,457,127) was donations and legacies, £276,637 (2017: £408,140) was investment income, £44,021 (2017: £39,765) relates to income from events and £36,000 (2017: £Nil) relates to a one-off contribution to legal fees incurred by the Trust during the previous financial year.

Set off against this income was £2,108,355 (2017: £1,885,760) of expenditure, £75,003 (2017: £58,092) related to the cost of raising funds and £1,962,557 (2017: £1,732,059) related to charitable activities, including grants to the Guildhall School and associated support costs and £70,795 (2017: £95,609) related to other costs. Once expenditure is deducted from income, the charity shows a planned use of reserves of £215,184 (2017: surplus of £19,273). Gains of £325,990 (2017 gains of £850,310) on listed investments led to an overall increase in funds of £110,806 (2017: £869,583 increase).

Restricted Endowments: During the year the Trust started the next phase of its review of permanent endowments to determine whether it is appropriate, and possible pursuant to the Charities Act, for any of them to be re-classified as expendable. Although some progress has been made, it was not possible to complete the work during the course of the financial year. It is hoped to make further progress during the course of the

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2018/19 financial year. The Trust will continue to take advice from Bates Wells Braithwaite, and Charity Commission approval will be sought where required.

The Trust has also begun work to enable a potential change in accounting policy to account for endowments on a Total Return Accounting basis as is permitted by the Charity SORP FRS 102 and Section 104A(2) of the Charities Act 2011. A formal decision on whether or not to adopt such an approach will be taken during 2018/19 with appropriate professional advice being sought to ensure that the calculation of the permanent capital and unapplied total return elements of each fund has been managed correctly.

Litigation

The Trust issued proceedings against the former and the then current Trustees of the Will Trust of Philip George Smith (deceased) on 2 February 2017. The claim related to alleged breaches by the Will Trustees, including failure to invest funds which they held on trust for the Trust pursuant to provisions of the Will of P G Smith, and to distribute income. The claim was settled on confidential terms in January 2018. In conjunction with this, the Trust and one of its Trustees (Kenneth Graham Ollerton) were appointed trustees of the Philip George Smith Deceased Will Trust and the existing trustees resigned. A total sum of £222,466 was placed with Sarasin in a sub-fund for the Philip George Smith Will Trust. The Trustees of the Will Trust decided that it was appropriate that the assets of the Will Trust should be invested in a similar manner to the Trust's main portfolio and that the Investment Committee of the Trust should monitor the performance of the portfolio and report back to the Trustees of the Will Trust as appropriate.

Rationalisation of the Trust's Bank Accounts: At 31 July 2017, the Trust held three bank accounts, one at the Bank of Scotland (BOS) and two at Barclays Bank. Trustees agreed to rationalise the bank accounts in 2017, and the account at BOS has now been closed with all funds transferred to the main Barclays revenue account. The second historic Barclays account, used for subscription fees, remains active though it is intended that all remaining standing orders currently being paid into this account will be re-directed to the Trust's primary bank account.

Reserves Policy: The current policy of the Trustees is to maintain a level of reserves sufficient to cover the support costs and Investment Management fees of the Trust (excluding donated services) for a minimum period of 12 months. The average expenditure on such costs over the last two years has been £90,000 per annum and a similar level of expenditure is anticipated during 2018/19.

Beyond this, and having regard to the present objective of consistently meeting the annual pre-agreed Scholarship funding target for the School and its students, the Trust will maintain further free reserves (defined for the purposes of this policy as unrestricted funds excluding long-term investments) at a level equivalent to approximately 25% of the anticipated annual scholarship grant to the School. With an average award over the

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last two years of £1.688million, this amounts to £422,000. Taken together with the operating costs, this results in a target for free reserves of £512,000. As of 31 July 2018, the free reserves of the Trust stood at £503,774 (2017: £409,463).

During a period of heightened financial uncertainty, this Reserves Policy is considered prudent and should enable the Trust to consistently meet future Scholarship funding requests at or around the current level, compensating for any short-term reduction in philanthropic income as the School transitions to its new strategic plan.

Reviewing Grant-giving Policy: The current model for Scholarship funding is being discussed with the School and the appropriateness of the Trust's present Reserves Policy will be reconsidered during the coming year once any preferred revised arrangements are agreed by Trustees.

After the aforementioned review of endowed funds, the Trust had the following reserves and funds as at 31st July 2018:

- a) Unrestricted Funds of £1,758,428 (2017: £1,632,738)
- b) Restricted Funds of £1,077,479 (2017: £1,715,896)
- c) Endowment Funds of £9,071,504 (2017: £8,447,972)*

** These Funds include both restricted and unrestricted endowments*

Investment Management and Policy

Following the decision of the Trustees during the last reporting period to appoint Sarasin and Cazenove Capital to manage the assets of the Trust we can report that both portfolios are now fully established.

The Investment objectives of the Trust remain that of maintaining the real spending power of the assets while targeting a yield between 3% and 4%. A benchmark of CPI plus 4% was established for both portfolios.

Some outstanding administrative arrangements were finalised during the year. Trustees decided to start a formal and regular annual review process now that the portfolios have been established for a full 12-month period in order to allow some meaningful performance figures to be established. There is also regular contact between the managers and members of the Trustees Investment Committee, as well as online access to the portfolios so that ad hoc monitoring can take place.

At the end of the year total assets monitored by the Trust's Investment Committee amounted to c£10.7 million split more or less evenly between the two managers. Trustees are aware of a more difficult investment climate and lower forecast returns for most asset classes and there are regular updates at Board meetings from the Investment Committee.

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The Investment Committee also monitors the way in which the Managers consider environmental, social and governance factors in their investment decision making process, in order to ensure that their policies are aligned with the values which the Trust and the School promote and uphold in all their activities.

7. Trustees' Responsibilities for Producing Report and Accounts

The Trustees (who are also directors of The Guildhall School Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the income and expenditure of the Trust for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the Trust's auditor is unaware; and
- the Trustee has taken all the steps necessary to be aware of any relevant audit information and to establish that the Trust's auditor is aware of that information

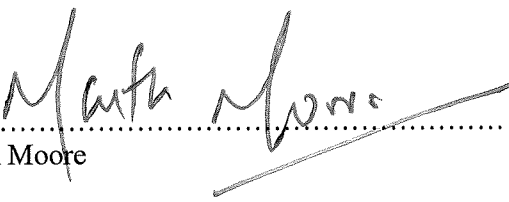
The Guildhall School Trust

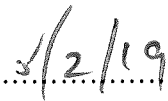
This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

The above report has been prepared in accordance with the special provisions within Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the Board of Trustees


.....
Martin Moore
Chair


.....
Date

The Guildhall School Trust
Silk Street
Barbican
London
EC2Y 8DT

Registered Company Number 04041975
Registered Charity Number 1082472

The Guildhall School Trust

Independent auditor's report to the members of The Guildhall School Trust

Opinion

We have audited the financial statements of The Guildhall School Trust (the 'charitable company') for the year ended 31 July 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 July 2018 and of its income and expenditure 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material

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misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of Trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the Trustees were not entitled to take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our Report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Katharine Patel (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

8 February 2019

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STATEMENT OF FINANCIAL ACTIVITIES

For the Year Ended 31st July 2018

Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total Funds 2018 £	Unrestricted funds £	Restricted funds £	Endowment funds £	Total Funds 2017 £
Income and Endowments from:								
<i>Donations and Legacies</i>								
	99,465	815,151	-	914,616	119,726	768,252	-	887,978
	-	169,206	-	169,206	-	57,101	-	57,101
	-	24,740	-	24,740	-	8,050	-	8,050
4	-	12,200	366,431	378,631	20,000	250,769	183,910	454,679
	49,320	-	-	49,320	49,320	-	-	49,320
<i>Income from Generating Funds</i>								
	-	44,021	-	44,021	-	39,765	-	39,765
<i>Investment Income</i>								
	-	10,500	-	10,500	-	10,500	-	10,500
	-	232,128	-	232,128	-	329,234	-	329,234
	34,009	-	-	34,009	47,590	-	-	47,590
	-	-	-	-	-	6,807	-	6,807
	-	-	-	-	-	14,009	-	14,009
	36,000	-	-	36,000	-	-	-	-
	218,794	1,307,946	366,431	1,893,171	236,636	1,484,487	183,910	1,905,033
Total income								
Expenditure on:								
<i>Expenditure on raising funds</i>								
	1,694	22,140	-	23,834	1,694	23,471	-	25,165
	15,000	-	-	15,000	15,000	-	-	15,000
	36,169	-	-	36,169	17,927	-	-	17,927
<i>Expenditure on Charitable Activities</i>								
	7,490	1,743,517	-	1,751,007	7,490	1,632,000	-	1,639,490
	-	198,823	-	198,823	-	71,110	-	71,110
	-	12,727	-	12,727	-	21,459	-	21,459
	70,795	-	-	70,795	95,609	-	-	95,609
	131,148	1,977,207	-	2,108,355	137,720	1,748,040	-	1,885,760
5								
Total expenditure								
	87,646	(669,261)	366,431	(215,184)	98,916	(263,553)	183,910	19,273
Net income / (expenditure)								
	280,185	(280,185)	-	-	278,334	270,388	(548,722)	-
Transfers between Funds								
	38,044	30,845	257,101	325,990	97,271	78,862	674,177	850,310
Adjustment for Gains/(losses) on Investments								
	405,875	(918,601)	623,532	110,806	474,521	85,697	309,365	869,583
Net Movement In Funds								
	1,632,738	1,715,895	8,447,972	11,796,605	1,158,217	1,630,198	8,138,607	10,927,022
Balance brought forward								
10	2,038,613	797,294	9,071,504	11,907,411	1,632,738	1,715,895	8,447,972	11,796,605
Balance carried forward								

All income and expenditure in the above two financial periods was derived from continuing operations. There were no recognised gains or losses other than those included above. The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The Guildhall School Trust

BALANCE SHEET

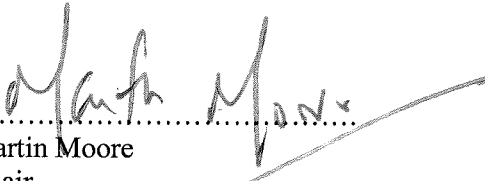
As at 31st July 2018

		31st July 2018		31st July 2017	
		£	£	£	£
FIXED ASSETS:					
Listed Investments	6		10,713,932		10,165,476
Investment Property	7		<u>305,000</u>		<u>305,000</u>
Total Fixed Assets			11,018,932		10,470,476
CURRENT ASSETS:					
Debtors and prepayments	8	68,229		352,199	
Cash at bank and in hand		1,153,338		1,421,941	
Total Current assets		<u>1,221,567</u>		<u>1,774,140</u>	
CURRENT LIABILITIES:					
Creditors: Amounts falling due within one year	9	(333,088)		(448,011)	
NET CURRENT ASSETS			<u>888,479</u>		<u>1,326,129</u>
NET ASSETS			<u><u>11,907,411</u></u>		<u><u>11,796,605</u></u>
THE FUNDS OF THE CHARITY					
CAPITAL FUNDS					
Endowments	10,11		9,071,504		8,447,972
INCOME FUNDS					
Restricted Funds	10,11		797,294		1,715,895
UNRESTRICTED FUNDS					
General Funds	10,11		2,038,613		1,632,738
			<u>11,907,411</u>		<u>11,796,605</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The notes on pages 18 - 25 form part of these financial statements

Approved by the Board of Trustees of the Guildhall School Trust, Company Registration Number 04041975 (England and Wales) and authorised for issue on 5 February 2019 and signed on its behalf by



 Martin Moore
 Chair

The Guildhall School Trust

STATEMENT OF CASH FLOWS

For the Year ended 31st July 2018

	Notes	2018 £	2017 £
Cash outflow from Operating Activities:			
Net cash used in operating activities	A	(328,406)	(414,986)
Cash inflow from investing activities:			
Dividends and interest from investments		288,524	329,275
Proceeds from disposals		5,236,243	4,453,085
Purchase of investments		(5,488,501)	(4,345,916)
Net Cash provided by investing activities		<u>36,266</u>	<u>436,444</u>
Change in cash and cash equivalents in year		(292,140)	21,458
Cash and cash equivalents at 1st August 2017	B	1,533,507	1,512,049
Cash and cash equivalents at 31st July 2018	B	<u>1,241,367</u>	<u>1,533,507</u>

Notes to cash flow statement for the year to 31st July 2018

A) Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net movement in funds (as per the statement of activities)	110,806	869,583
Gains on investments	(325,990)	(850,310)
Dividends and interest from investments	(282,269)	(408,140)
Decrease / (Increase) in debtors	283,970	(46,338)
(Decrease) / Increase in creditors	(114,923)	20,219
Net Cash used in operating activities	<u>(328,406)</u>	<u>(414,986)</u>

B) Analysis of cash and cash equivalents

Cash at Hand and in Bank	1,153,338	1,421,941
Cash held by Investment Managers	<u>88,029</u>	<u>111,566</u>
Total cash and cash equivalents	<u>1,241,367</u>	<u>1,533,507</u>

The Guildhall School Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2017

1 ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared for the year to 31 July 2018.

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 accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the value of investment property
- estimating the liability for multi-year grant commitments

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees are of the opinion that the Trust will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31st July 2019, the most significant areas that affect the carrying value of the assets held by the Trust are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' report for more information).

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

The Guildhall School Trust

Income comprises donations and legacies, investment income and other income from fundraising events.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the charity.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from fundraising events is usually recognised in the period the event takes place.

Expenditure recognition

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

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings dependent on the nature of the expenditure and the restriction that may apply to it according to the express wishes of the original donor. The classification between activities is as follows:

- Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees, the costs of hosting fundraising events, promotional expenditure, and an allocation of support costs.

The Guildhall School Trust

- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable grants, donations, scholarships and prizes, as well as an allocation of support costs including governance costs.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

Fixed asset investments

- Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The Trust does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the Trust is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

- Properties held for investment purposes are included in these accounts at open market value. The valuation has been determined by the Trustees, with professional assistance.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Trust anticipates it will pay to settle the debt.

Fund structure

Endowment funds comprise monies which must be held indefinitely as capital. Income therefrom is credited to general funds and applied for general purposes unless under the terms of the endowment such income must be used for specific purposes in which case it is credited to restricted funds.

The Guildhall School Trust

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

2 REMUNERATION AND REIMBURSED EXPENSES OF TRUSTEES AND KEY MANAGEMENT PERSONNEL

The Trustees consider that they comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day to day basis.

None of the Trustees received any reimbursed expenses or remuneration for their services during the year (2017: None).

3 STAFF COSTS

There were no employees or staff costs in the year (2017: none).

4 BEQUESTS AND ENDOWED GIFTS

	<u>31 July 2018</u>	<u>31 July 2017</u>
	£	£
Permanent Endowment:		
PG Smith	222,466	-
Colin Thomson	87,655	-
Harry Rabinowitz Memorial Scholarship	44,474	-
Gisela Stone	10,000	-
Others under £10,000	1,836	2,910
Deborah Law	-	120,000
Billy Newman	-	51,000
Ken Sephton	-	10,000
	<u>366,431</u>	<u>183,910</u>
Restricted Fund Legacies		
Jean Jaffa	10,000	-
Anne Wyburd	1,200	-
K W Skelton	1,000	-
Stella Currie	-	91,832
Muriel Green	-	158,936
	<u>12,200</u>	<u>250,769</u>
Unrestricted Fund Legacies		
Cecil Douglas Woodward	-	20,000
	<u>-</u>	<u>20,000</u>
Total Gifts & Bequests	<u>378,631</u>	<u>454,679</u>

The Guildhall School Trust

5 ANALYSIS OF EXPENDITURE

	Other £	Donated Service £	<u>31 July 2018</u> £	<u>31 July 2017</u> £
Expenditure on Raising Funds				
Fundraising & Events	22,140	1,694	23,834	25,165
Promotional expenditure	-	15,000	15,000	15,000
Investment Management Fees	36,169	-	36,169	17,927
	<u>58,309</u>	<u>16,694</u>	<u>75,003</u>	<u>58,092</u>
Charitable activities				
Scholarship Grant to Guildhall School	1,743,517	7,490	1,751,007	1,639,490
Grants for Non Scholarship Activity	198,823	-	198,823	71,110
Prizes	12,727	-	12,727	21,459
	<u>1,955,067</u>	<u>7,490</u>	<u>1,962,557</u>	<u>1,732,059</u>
Support Costs				
Accountancy Fees	-	15,000	15,000	15,000
Governance Costs:				
Audit Fees	12,570	-	12,570	13,187
Other Costs	33,089	2,542	35,631	59,815
Staff Costs and Other Related Costs	-	7,594	7,594	7,607
	<u>45,659</u>	<u>25,136</u>	<u>70,795</u>	<u>95,609</u>
	<u>2,059,035</u>	<u>49,320</u>	<u>2,108,355</u>	<u>1,885,760</u>

6 LISTED INVESTMENTS

Analysis of Investments:	<u>31 July 2018</u>	<u>31 July 2017</u>
	£	£
Investments at start of year	10,165,476	9,348,838
Additions	222,465	-
Interest & Dividends	288,524	489,064
Acquisitions	5,266,034	4,345,916
Disposals	(5,236,243)	(4,453,085)
(Losses) / Gains on disposal	(13,972)	445,558
Unrealised gains/(losses)	343,758	(445,558)
Distributions	(285,941)	(47,590)
Management Charges	(36,169)	(17,927)
Investments held	<u>10,713,931</u>	<u>9,665,216</u>
Historic Cost at 31st July	10,147,439	8,971,616

At the Balance Sheet date funds totalling £5,413,945 (2017: £5,054,938) were invested in the Sarasin Endowments Fund Class A Income fund. The remaining £5,299,987 is invested with Cazenove Capital where no single investment is worth more than 5% of the overall portfolio.

Included within the holding at Sarasin is £230,565 representing the value of the PG Smith Fund.

The Guildhall School Trust

6 LISTED INVESTMENTS (Continued)

Investments held at the year-end are classified as follows:

	<u>31 July 2018</u>	<u>31 July 2017</u>
	£	£
Equities	7,140,341	6,938,924
Fixed Income	743,345	773,766
Bonds	454,532	532,277
Property	535,387	-
Multi Asset Funds	473,645	420,543
Alternative Investments	1,174,658	781,635
Liquid Assets	103,994	606,765
Cash	88,029	111,566
	<u>10,713,931</u>	<u>10,165,476</u>

7 INVESTMENT PROPERTY

The historical cost of the investment property is not known. For the purpose of these financial statements the historical cost has been treated as £nil.

	£
Valuation at 1 August 2017	305,000
Revaluation during the year	<u>-</u>
Valuation at 1 August 2018	<u>305,000</u>

Since the Balance Sheet date, Trustees have received an offer of £325,000 for the sale of the property. The sale process is expected to be completed during 2018/19.

8 DEBTORS AND PREPAYMENTS

	<u>31 July 2018</u>	<u>31 July 2017</u>
	£	£
Gift Aid & Other Debtors	54,782	34,782
Funds Held by City of London	10,500	184,663
Investment income due	-	78,865
Cash In transit	2,947	53,889
	<u>68,229</u>	<u>352,199</u>

9 CREDITORS: Amounts falling due within one year

	<u>31 July 2018</u>	<u>31 July 2017</u>
	£	£
Accruals & Taxation	42,460	72,195
Bursary Grant (creditors)	1,500	50,550
Guildhall Connect and Community Fund	-	144,616
Deferred income (Note 13)	289,131	180,650
	<u>333,091</u>	<u>448,009</u>

The Guildhall School Trust

10 FUNDS

	Permanent Restricted Endowments	Permanent Unrestricted Endowments	Subtotal Endowments	Unrestricted Funds	Restricted Funds - Scholarship	Restricted Funds - Prizes	Total Funds
	£	£	£	£	£	£	£
At 1 August 2016	7,329,489	809,118	8,138,607	1,158,217	1,615,345	14,853	10,927,022
Income	132,910	51,000	183,910	236,636	1,469,630	14,857	1,905,033
Expenditure	-	-	-	(137,720)	(1,726,581)	(21,459)	(1,885,760)
Gains / (Losses) on Investments	617,632	56,545	674,177	97,271	78,862	-	850,310
Transfers	(548,722)	-	(548,722)	278,334	270,388	-	-
At 31 July 2017	7,531,309	916,663	8,447,972	1,632,738	1,707,644	8,251	11,796,605
Income	268,776	97,655	366,431	218,794	1,283,206	24,740	1,893,171
Expenditure	-	-	-	(131,148)	(1,964,480)	(12,727)	(2,108,355)
Gains / (Losses) on Investments	239,881	17,220	257,101	38,044	30,845	-	325,990
Transfers	-	-	-	280,185	(280,185)	-	-
At 31 July 2018	8,039,966	1,031,538	9,071,504	2,038,613	777,030	20,264	11,907,411

Restricted funds represent funds that have been donated for a specific purpose imposed by the donor and are available for distribution in accordance with the restriction subject to the agreement of Trustees. Scholarship funds are restricted to be used in the aid of paying tuition fees or maintenance of students. Prize funds are used for specific awards to students for excellence in a specified area.

The transfer from restricted funds to unrestricted funds relates to a fund established in 2012 in order to build up reserves following an extraordinary grant to the Guildhall School in 2011. Despite being funded from unrestricted reserves this was wrongly classified as a restricted fund with the financial statements.

The endowment funds are permanent and comprise legacies and endowments donated to the School over a number of years, the capital cannot be spent and the income is solely used for the purpose stated within the endowment.

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2018
	£	£	£	£
Fund balances at 31 July 2018 are represented by:				
Investments	1,534,839	737,022	8,747,071	11,018,932
Debtors	1,250	65,782	1,197	68,229
Cash	541,050	289,052	323,236	1,153,338
Current Liabilities	(38,526)	(294,562)	-	(333,088)
	2,038,613	797,294	9,071,504	11,907,411
Fund balances at 31 July 2017 are represented by:				
Investments	1,223,275	983,139	8,264,062	10,470,476
Debtors	35,502	263,987	-	352,199
Cash	388,159	902,582	183,910	1,421,941
Current Liabilities	(14,198)	(433,815)	-	(448,011)
	1,632,738	1,715,895	8,447,972	11,796,605

The Guildhall School Trust

Total unrealised gains at 31 July 2018 constitute movements on revaluation of investment properties and listed investments are as follows:

	31 July 2018	31 July 2017
	£	£
Unrealised gains at 1 August	1,387,294	2,657,579
Net gains on revaluation arising in the year	325,990	850,310
Losses in respect to disposals in the year	<u>(1,146,792)</u>	<u>(2,120,595)</u>
Unrealised gains at 31 July	<u>566,492</u>	<u>1,387,294</u>

12 RELATED PARTY TRANSACTIONS

Lynne Williams is Principal of the School. Alderman David Graves, Michael Hoffman and John Bennett acted as Governors of the Guildhall School (Guildhall School students being the beneficiaries of the Trust's grants).

Grants paid by the Trust to the School's Scholarship Fund (including the administration costs associated with the grant) amounted to £1,751,007 during the period to 31 July 2018 (2017: £1,639,490 (including administration costs)).

The Trust works with the Finance Department of the Barbican Centre and School as its accountants and benefits from promotional activity from the Guildhall School. No charge has been made to the Trust for these services which have been recognised in income and expenditure as a gift in kind for donated services with a value of £49,320 (2017: £49,320).

As at the 31st July 2018, the City of London owed the Trust £10,500 in respect of income generated by funds previously held by the City (2017: £10,500)

13 DEFERRED INCOME

The Trusts received donations totalling £289,131 (2017: £180,650) where use was specified for future years.

14 FUNDS HELD AS AGENT

The Trust acts as an agent in distributing sponsor led direct awards. As a result, payments of £3,500 (2017: £23,500) received on behalf of the Guildhall School have been excluded from the statement of financial activities as the charitable company does not have control over the application of the funds. Details of the sponsor led direct awards received during the year are as follows:

Donor	31 July 2018	31 July 2017
	£	£
Colin Menzies	3,000	-
Foundation of St Matthias	500	-
Serena M Fenwick	-	10,500
George Drexler Foundation	-	5,000
Mark Hawtin Charitable Trust	-	5,000
The John S Cohen Foundation	-	3,000
	<u>3,500</u>	<u>23,500</u>

An amount of £1,500 (2017: £50,500) is included in creditors relating to undistributed funds at the year end.

