

City and Guilds of London Art School Limited

Annual Report and Financial Statements

31 August 2019

Company Limited by Guarantee
Registration Number
07817519 (England and Wales)

Charity Registration Number
1144708

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Reference and administrative information

Trustees

Andrew Allen
Marjorie Allthorpe-Guyton
Anne Beckwith-Smith LVO
Laurence Benson (Chair)
Jyoti Bharwani appointed 17/09/19
Nina Bilbey appointed 02/10/19
Dr Virginia Brooke appointed 25/11/19
Dr Caroline Campbell
Mark Cazalet
Brendan Finucane QC
Gabriel Gbadamosi appointed 17/09/19
Martin Hatfull
James Kelly appointed 30/07/19
Russell Martin
Tamiko O'Brien appointed 30/01/19
Michael Osbaldeston appointed 31/10/19
Prof Jane Rapley OBE
James Roundell
Prof Elizabeth Rouse appointed 30/07/19
Andrew Sich
Tim Statham
Benjamin Tucker appointed 07/11/19

Secretary

Wesley Schol appointed 24/10/18

Senior Management Team

Principal

Tamiko O'Brien

Head of Finance

Shahzad Asghar

Head of Historic Carving

Tim Crawley

Head of Art Histories

Tom Groves

Head of Fine Art

Robin Mason

Head of Foundation

Keith Price

Head of Academic Affairs & Quality

Wesley Schol

Head of Conservation

Dr Marina Sokhan

Reference and administrative information

Registered and principal office	124 Kennington Park Road London SE11 4DJ
Telephone	020 7735 2306
Website	www.cityandguildsartschool.ac.uk
e-mail	office@cityandguildsartschool.ac.uk
Company registration number	07817519 (England and Wales)
Charity registration number	1144708
UKPRN	10039082
Bankers	Barclays Bank plc Southwark Branch 29 Borough High Street London SE1 1LY
Investment Managers	Cazenove Capital Management Limited 1 London Wall Place London EC2Y 5AU
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Trustees' report Year to 31 August 2019

Introduction

The Board of Trustees ("the Board") of City and Guilds of London Art School Limited ("the Art School" or "the Charity" or "the charitable company") presents its annual report and the audited financial statements for the year ended 31 August 2019.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and is also the report of the directors for the purposes of the Companies Act 2006.

The financial statements have been prepared under the accounting policies set out therein and comply with applicable law 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 United Kingdom and Republic of Ireland (FRS 102), and comply with the Office for Students' Accounts Direction 2018 Part B.

Constitution

The Art School is a charitable company, limited by guarantee, not having a share capital. The Art School's governance is determined by its Articles of Association, dated 22 May 2019. As set out in the Articles the Directors of the Art School charitable company form the Art School Board of Trustees. To assist in exercising their duties, the Board has a number of Committees, which are detailed and governed by the How We Work: Governance & Management Handbook.

The Art School was incorporated on 20 October 2011 to continue the educational activities that were transferred from the Property Trust on 31 March 2012 as part of a business transfer agreement.

The Art School is a Higher Education Provider registered with the Office for Students (OfS) in the Approved Category.

Principal aims and activities

Founded in 1879, the Art School is one of the UK's oldest art educational institutions specialising in art, craft and conservation. Its original mission was to provide quality instruction in applied art and design for local people. This broadened over time and since World War II has encompassed restoration and conservation to assist, initially, with the effort to repair London's architecture. Through this, it developed a strong reputation for excellence in both art and craft.

The Art School's mission today is to nurture individual talent by providing an immersive learning environment with an emphasis on the dialogue between the eye, the hand and the material, informed by the study and analysis of historical and contemporary art and craft. This is delivered through a number of specialist courses including undergraduate and postgraduate courses in Fine Art, Historic Carving (architectural stone and ornamental wood carving & gilding), Conservation of cultural artefacts (with a focus on three-dimensional objects, gilded and other decorative surfaces), as well as a Foundation Diploma in Art & Design. This activity is consistent with the objects contained within the Art School's Articles of Association.

Principal aims and activities (continued)

The Art School sets out to educate artists, craftspeople and conservators who will go on to make a significant contribution in their fields, through the pursuit of excellence in traditional skills as well as through creative innovation and enterprise and a commitment to offering students a high level of contact time working with some of the country's leading specialist practitioners.

Convinced of the social value and necessity of its subjects, not only for the creative and heritage sectors, but for society at large, the Art School champions the roles that art and craft play by engaging in national and international collaborations and through public facing events.

The Art School is committed to supporting the development of individuals from all backgrounds who have the potential to succeed in its subjects and motivating students to be inquisitive and resourceful, equipping them to go on learning through practice for the rest of their lives.

Public benefit

The Trustees confirm that they have complied with their duties under section 4 of the Charities Act 2011. They have considered the public benefit guidance published by the Charity Commission and believe that they have followed its guidance in this area. The Trustees' report gives a description of the activities undertaken by the Art School during the period to further its charitable purposes, and the Trustees are satisfied that such activities provide public benefit.

Governance, structure and management

Review

The *Higher Education & Research Act 2017* created a new regulator for Higher Education, the *Office for Students* (OfS), which was launched in April 2018 and replaced the *Higher Education Funding Council for England* (HEFCE) and the *Office for Fair Access* (OFFA). In order for the Art School to maintain students' access to Student Loans, as well as to recruit international students, the Art School applied for Registration with the OfS. An Application was submitted in August 2018 and registration, in the Approved category, was confirmed in March 2019 with enhanced monitoring requiring the Art School to formally complete various changes to governance necessitated by the new requirements of the OfS.

The process of applying to be included on the *OfS Register of Higher Education Providers* required some formal changes to the Art School's governance in order to fully comply with both the *Higher Education Code of Governance* and the *Charity Governance Code*. These changes comprised amendments to the Articles of Association to:

- ♦ update the charitable objects;
- ♦ enshrine the academic authority of the Academic Board;
- ♦ establish both a Student Trustee and a Staff Trustee, along with an Ex Officio Trustee;
- ♦ establish the principle that a Term of Office is for a maximum period of three years, and a maximum of three terms may be served;

Governance, structure and management (continued)

Review (continued)

- ♦ other amendments as necessary to eliminate potential conflicts between the original and new provisions.

In addition, a comprehensive review of the Art School's *Governance Statement* led to the production of a new *Art School Management & Governance Handbook: How We Work*. Both the new Handbook and the amended Articles were adopted from 1 July 2019.

Organisation

The Trustees are directors of the Charity for the purposes of the Companies Act 2006 and are Trustees of the Charity for the purposes of Charity legislation.

The Board is the policy-making body of the Art School. It is assisted by the Secretary, who is appointed by the Board. The Board also operates through a number of committees, including: Audit & Risk Committee; Remuneration Committee; Investment Committee; and Nominations Committee.

Though the Board retains responsibility for the assurance of institutional quality and standards, the control of Academic matters, including the structures, processes and regulatory frameworks through which academic matters are decided and overseen, resides with academic staff. Academic authority is exercised through the Academic Board, advised and supported by professional /administrative colleagues and with the involvement of students. The Academic Board is supported by the various Boards of Studies for each of the Academic Departments and the Health & Safety Committee: from October 2019, with an expanded remit and retitled the *Site & Environment Sub Committee*. This will also report to the Trustees through its parent, the Audit & Risk Committee.

Additionally, there is a Joint Development Advisory Working Group that supports the fundraising activity of both the Art School charity and the Property Trust, a separate charity and landlord to the Art School.

Key management personnel

The Principal of the Art School, who is *Ex Officio Trustee*, is charged with carrying out the policies agreed with the Trustees and with managing the Art School's academic activities and directing and running the organisation on a day-to-day basis. She is assisted in this by the Heads of Department for each of: Academic Affairs & Quality; Finance; Access to Learning; Art Histories; Conservation; Fine Art; Foundation; and Historic Carving; who, along with the Development & External Relations Manager, form the Senior Management Team.

In addition, there are functional heads responsible for supervising certain key shared facilities such as the Site Manager, Drawing Studio Manager and Print Room Manager.

The remuneration of key management personnel as well as the overall scheme for all staff is set and approved by the Trustees, through the Remuneration Committee. Remuneration is reviewed annually, paying due regard to market rates and sector benchmarks.

Governance, structure and management (continued)

Personnel

In line with the Art School's policy whereby students are taught by practising specialist professionals, tutors are engaged on an annual or term-by-term basis for a specified number of days. In this way, students are exposed to a wide variety of specialist skills, creative models and critical opinions, whilst continuity of academic progress is ensured by the Heads of Department. The Art School's non-academic activities (including administration, finance and development), are run by a small administrative team reporting to the Principal.

Risk management

The Trustees have assessed the major risks to which the Art School is exposed. In particular, these relate to: academic standards and reputation; student recruitment and financial sustainability; and compliance with statutory and regulatory requirements, in particular those relating to: *OfS Registration; Course validation and designation; Home Office Tier 4 Sponsorship Duties; General Data Protection Regulations; and Health & Safety.*

All areas of risk are monitored through the Art School's governance structure which identifies the lines of responsibility and decision making for each aspect of the Art School's operation, with the *Audit & Risk Committee* responsible for reviewing Risk Registers and reporting to the Board.

The Trustees and Senior Management Team ensure that the Art School's operations are protected against significant risk through annual monitoring, action planning and risk assessment procedures. The Art School has comprehensive insurance cover against key areas of risk; in addition to Public Liability Insurance cover of up to £10m and Directors' Liability cover of up to £2m, the Art School also has a business interruption insurance covering up to 24 months of fee income. The Art School's accommodation is insured by the City & Guilds Art School Property Trust, at its full re-instatement value.

In addition, as part of the OfS application process, the Art School devised and put in place *Student Protection Plans*, which details how the Art School will support students to complete their studies, should the Art School face an extreme challenge leading to total or practical closure.

The Board is satisfied that systems are in place to mitigate, or control where possible, the Art School's exposure to the risks mentioned above.

Fundraising statement

The Art School adheres to good standards of ethical fundraising. The Art School greatly values the support it receives from donors. The majority of its donations are received from institutions, which the Art School approaches from time to time. A small number of donations are received from individuals, including student alumni, who are approached from time to time via written correspondence, email or at events.

Governance, structure and management (continued)

Fundraising statement (continued)

The Art School does not approach individuals for donations who are not known by the Art School, and does not canvas on the street for donations. The Art School does not employ any third parties to fundraise on its behalf, and no complaints have been received about its fundraising activity. Donors' personal data is not shared with any third party, and is stored safely and securely in line with the General Data Protection Regulations.

The Board approved a Gift Acceptance Policy that formalises the Art School's practices and ethical fundraising position on 17 July 2019.

Statement of Trustees' responsibilities

The Trustees (who are also directors of the Art School for the purposes of company law) are responsible for preparing the Trustees' report 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 charitable company and of the income and expenditure of the charitable company 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 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);
- ◆ 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 charitable company 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 charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Governance, structure and management (continued)

Statement of Trustees' responsibilities (continued)

Each of the Trustees confirms that:

- ◆ so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Board of Trustees

The members who are in office at the date of this report are listed on page 1 with their dates of new appointment and resignation since 1 September 2018. The Board notes the retirement of Ms Clare Dudeney, Mr Robin Holland-Martin, Sir Jonathan Marsden KCVO, Mr John Taylor OBE and Mr Alister Warman and records its gratitude for their commitment and involvement during their period of appointment. Robert George Holland-Martin, known by many as Robin, was appointed a Director of the City and Guilds of London Art School Limited (company no., 992490) on 22 February 2001 becoming Chair of the Board in the July of the following year. In 2012, that Company changed its name to become City and Guilds Art School Property Trust: its educational activities were transferred to a recently incorporated company taking the name City and Guilds of London Art School Limited (07817519) and Robin also transferred to that company, where he served an additional seven years as Chair.

Throughout the year the Art School recruited a number of new Trustees through the work of the Nominations Committee that sought applications through a specialist Trustee Recruitment portal. Specific areas of experience and skillsets were sought to complement the Board and the Art School welcomed a number of newly recruited Trustees to its meetings.

No Trustee has received any remuneration for services as a member of the Board.

The table on the next page sets out the Trustees who were in office for the year ended 31 August 2019 and up until the date of approval of the financial statements (unless otherwise indicated).

Trustees' report Year to 31 August 2019

Governance, structure and management (continued)

Board of Trustees (continued)

Trustee	Appointed / Resigned
Andrew Allen	
Marjorie Allthorpe-Guyton	
Anne Beckwith-Smith LVO	
Laurence Benson (Chair)	
Jyoti Bharwani	Appointed 17 September 2019
Nina Bilbey	Appointed 2 October 2019
Dr Virginia Brooke	Appointed 25 November 2019
Dr Caroline Campbell	
Mark Cazalet	
Clare Dudeney	Resigned 1st October 2019
Ema Epps*	Appointed 2 October 2019 Resigned 16 October 2019
Brendan Finucane QC	
Gabriel Gbadamosi	Appointed 17 September 2019
Martin Hatfull	
Robin Holland-Martin	Resigned 26 April 2019
Sir Jonathan Marsden KCVO	Resigned 17 July 2019
James Kelly	Appointed 30 July 2019
Russell Martin	
Tamiko O'Brien	Appointed 30 January 2019
Michael Osbaldeston	Appointed 31 October 2019
Prof Jane Rapley OBE	
James Roundell	
Prof Elizabeth Rouse	Appointment 30 July 2019
Andrew Sich	
Tim Statham	
John Taylor MBE	Resigned 26 April 2019
Benjamin Tucker	Appointed 7 November 2019
Alister Warman	Resigned 26 April 2019

*This appointment was due to clerical error

Governance, structure and management (continued)

Objectives and relevant policies

The Art School's objectives are set to reflect its educational aims and ethos. In setting these, the Trustees have given due consideration to the Charity Commission's general guidance on public benefit and to its supplementary benefit guidance on fee charging.

The Art School's key objectives for the year included:

- ◆ to be placed on the Register of Higher Education Providers of the Office for Students, and to ensure ongoing full compliance with OfS expectations, the UK Quality Code and other relevant legislation;
- ◆ to complete the validation of its presently non-validated courses in Historic Carving and further expansion of its academic portfolio;
- ◆ to engage further in public facing initiatives, in collaboration with other organisations, to raise the Art School's profile and engage actively in the broader dialogue about art, craft and education;
- ◆ to continue to nurture and extend the number of high-quality partnerships and initiatives for student participation and engagement, and to support the development of professional practice and progression into employment upon graduation;
- ◆ to enhance further the availability of bursary support and financial assistance for students with financial needs; and
- ◆ to work closely with the Property Trust on progressing with the development of the Art School's Kennington site, with a particular emphasis on improving the Historic Carving Department's facilities and studios.

Access and Equality & Diversity

The Art School is committed to supporting the development of individuals from all backgrounds who have the potential to succeed in its subjects. It believes in the importance of a diverse student community. The Art School charges fees at a level commensurate with the majority of other institutions that offer higher education in art and design. Not all of the Art School's students are eligible for student loan support, so it seeks to provide financial support through bursaries from its own investment income, from funds raised specifically for this purpose from a wide range of charitable sources and by supporting students in their own search for financial support. The Board's policy is to provide fee bursaries on the basis of need and educational ability, subject to such restrictions as may have been imposed by the donors of the funds at its disposal, and within the capacity of the funds available.

The Art School is committed to promoting and upholding equality and diversity and is committed to a working environment which is free from discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. It anticipates the needs for a diverse range of learning styles and makes reasonable adjustments to meet the specific needs of students and staff who are, or become disabled, functionally disabled or possess some other protected status.

Governance, structure and management (continued)

Investment

The Art School's investments are managed by Cazenove Capital Management Limited. The Art School has a portfolio of investments with a market value including cash as at 31 August 2019 of £1,188,737 (2018: £787,522).

There are no extra-statutory restrictions on the Art School's power to invest. The investment strategy is set by the Board of Trustees and considers capital growth and income requirements, the risk profile and the investment managers' view of the market prospects in the medium term. The overall investment policy is to provide the level of income sought by the Trustees whilst endeavouring to ensure that longer term capital values more than cover the impact of inflation. The performance of the portfolio is reviewed regularly by the Investment Committee.

Activities and achievements

Student numbers and academic achievements

The number of students enrolled at the beginning of the 2018/19 academic year totalled 235 (226 in 2017/18).

Foundation Studies

83 students (89 in 2017/18) successfully completed their year of study and were awarded a Foundation Diploma in Art & Design from UAL Awarding Body, with many able to secure a place on the university course of their choice.

Fine Art

18 students (24 in 2017/18) were awarded BA (Hons) degrees in Fine Art; nine Firsts and eight Upper Seconds.

16 students (12 in 2017/18) successfully completed their MA Fine Arts degree; 12 with Distinction and three with Merit.

Conservation

Eight students (six in 2017/18) were awarded BA (Hons) Conservation Studies; one First, and three Upper Seconds.

Three students started on the part time MA Conservation, though one interrupted their studies part way through the year.

Historic Carving

Ten students (ten in 2017/18) completed their Diploma in Historic Carving; four Distinctions; and four Merits.

Activities and achievements (continued)

Bursaries and scholarships

The continued generosity of the Art School's many benefactors enabled fee bursary awards of **£285,831** (£275,512 for the previous 12 months). Contributions made by way of direct applications for support by students amounted to an additional **£36,000** for the academic year (£31,400 in the previous year). In the course of the 12 months to 31 August 2019, fee bursaries were given to a total of **69** students (62 in the previous year), representing more than one in three students on the Art School's undergraduate and postgraduate courses towards which bursary and scholarship support is primarily directed. New pledges for coming years have also been secured. Trustees continue to regard increasing the amount of bursary and scholarship funding available for students as a priority.

Academic Portfolio

Following receipt of institutional approval from Ravensbourne University London (RUL) in May 2018 and their full adoption of the existing Student Handbooks, it was possible for students progressing into the 2nd and 3rd year of the relevant courses to have their registration transferred from Birmingham City University (BCU), the previous validating partner for the Art School's BA and MA Fine Art and BA Conservation Studies and MA Conservation, to RUL. SMT determined the process for consultation and all students registered to progress with BCU were briefed on the possibility of transferring to RUL for the start of the next academic session, and on the implications for them in transferring or remaining with BCU. These briefing events generated a number of questions that, along with the responses, became supplementary information for briefing documents that were distributed to all relevant students along with a request for them to complete an online poll to ascertain their preference. Following the unanimous decision of each cohort of students, registration transferred from BCU to RUL for the academic year 2018/19.

During the academic year 2018/19 the remaining academic matters related to BCU were completed with an MA Exam Board of September 2018 and their approval of the relevant Annual Programme Monitoring Reports for the year 2017/18. Following 18 February 2019, all academic matters had been resolved with BCU.

On 20 September 2018 a validation event with RUL saw the validation of a new course MA Art & Material Histories. The course relates to the Art School's Material Matters research platform and provides an opportunity for graduates from backgrounds in art history, craft based courses and fine art to work alongside each other with outcomes ranging from practice based projects to curatorial practice and writing.

The same validation event saw the conversion of the Art School's longstanding Diploma and PG Diploma Historic Carving courses, following further development, into BA (Hons) Historic Carving and MA Carving. This is a major development for the subject area that has no other qualifications at this level and recognises the standard of Historic Carving graduates' work.

A Graduate Diploma Arts with pathways in Art Histories, Conservation, Fine Art and Historic Carving was also validated providing a bridging course into specialist study at MA level for applicants who are unable to meet some of the selection criteria for the Art School's MA courses, but who clearly demonstrate a high standard in other areas of the criteria.

Activities and achievements (continued)

Academic Portfolio (continued)

This academic portfolio development work that will be reviewed during the 2019/20 academic year is intended to strengthen the postgraduate provision leading to opportunities for collaboration across the postgraduate community.

Following the University of the Arts London decision to suspend and close its MA Conservation course at Camberwell College of Art, that specialised in the conservation of books and archival materials, the Art School researched the development of a new course offer in Books & Paper conservation. This has led to a course development that will be presented for validation in the academic year 2019/20 with a plan to recruit from Autumn 2020. This plan is further described under Future Plans below.

Outreach and collaborative projects

In July 2019, the Art School held its second Summer School, offering seven, five day short courses, and one, three day course, in its specialist subjects over a period of two weeks. With a total of ca 50 participants, the courses received unanimously positive feedback with some courses left with a waiting list. The Summer Schools received support from the Andrew Lloyd Webber Foundation with bursaries available for young people, aged 18 to 21, covering the cost of the course fees and travel, and this supported an applicant to study on the Stone Carving for Beginners course. The Michelangelo Foundation selected the Art School as one of the participants in its inaugural Summer School programme, supporting eight of their European Network of Young Ambassadors to take up fully funded places on the Summer School's courses. Both of these collaborations will be built upon in the forthcoming year.

The Art School's departments continue to pro-actively seek out opportunities to both instigate and be involved in collaborative projects and partnerships to enhance the student experience and support staff research.

The Conservation Department has continued to build on existing and develop new partnerships for student projects, placements and internships. The new collaboration with Tbilisi Art Academy's Conservation Department in Georgia gave first year students an opportunity to work on a fourteenth century Cathedral in Nikortsminda under supervision of their tutors and alongside Georgian conservators. The new partnership with Chatsworth House provided second year students with placement opportunities that offered not only practical conservation projects, but also experience in collection management and exhibition development. The partnership provided conservation material for final year students major project work. The Conservation Department continued its long term partnerships with the Abbey of San Giorgio Maggiore in Venice and Venice in Peril, the National Trust at Knole House, as well as ongoing collaborations including the British Museum, the Museum of London, the Natural History Museum, the Royal Collection, Tate, the Victoria & Albert Museum and Westminster Abbey.

Activities and achievements (continued)

Outreach and collaborative projects (continued)

Since 2017, the Art School has been an active member of the network of the newly established Michelangelo Foundation for the promotion of excellence in craft in Europe. Carving and Conservation students and alumni were selected as Young Ambassadors for the new Craft Biennial established by the Michelangelo Foundation titled 'Homo Faber', held at Fondazione Giorgio Cini, San Giorgio, Venice in the Summer and Autumn of 2018. The four 'Young Ambassadors' selected from the Art School were available in the galleries throughout the exhibition to discuss and explain artefacts and processes to the public and to give demonstrations. The Art School was also invited to the Homo Faber inaugural Symposium in September 2018 and has since been involved in meetings of experts.

The Historic Carving Department, with its courses successfully validated in Autumn 2018, as BA (Hons) and MA to run from the 2019/20 Academic Year, has been active in developing external projects, events and collaborations.

Students and recent graduates from the Historic Carving Department were commissioned by the Fishmongers' and the Haberdashers' Companies to design and carve new memorials to commemorate the centenary of the end of 1st World War in November 2018, with works including a carved coat of arms and a carved and gilded lettering memorial.

In July and August 2019 students from the Historic Carving Department were hosted by Southwark Cathedral to work on a new commission of Romanesque inspired capitals for a residence in France. The project was an opportunity for students to experience a live project, calling for design origination, pitching and commission and to be paid for their work. Meanwhile during the academic year 2018/19 the commission for new grotesques for St. George's Chapel Windsor reached its twelfth and final year, with the last three of 48 sculptures being completed. This was followed in November 2018 by the installation of six of the completed grotesques on the south aisle of the nave.

For the fourth year running, the Art School participated in London Craft Week in May 2019, with two days of exhibitions and events on site, and a live stone carving competition. The *Material Matters* project platform that the Art School established in 2016 organised a symposium for the Saturday of London Craft Week. This event brought together artists, curators, conservators and anthropologists to talk about pigment from a wide range of perspectives and was the first such public event organised by the Art School and all places were taken up.

During the year the Fine Art department continued developing its partnership with specialist art supplier, *Winsor & Newton* who provided financial support for the student hardship fund and sponsorship of the MA show catalogue as well as in kind sponsorship and opportunities for studio internships for MA students and recent graduates. Winsor & Newton also participated in the Art School's Pigment Symposium.

Final year Fine Art students were provided with opportunities to apply for studio awards from the Artists' Collecting Society who also financed a materials award for a second-year student entering their final year. The *Worshipful Company of Painter Stainers* continued with their financing of two painting scholarships alongside their sponsorship of the Decorative Surfaces Fellowship which is open to applications from graduating students.

Activities and achievements (continued)

Outreach and collaborative projects (continued)

The Art School was once again invited to take part in the *Clyde & Co Annual Art Award*, alongside other major Art Schools, offering a range of professional experience opportunities for graduating students. Organisers of the *Ingram Purchase Prize* visited to encourage graduating students to enter their annual competition with a number of recent graduates selected as finalists and participating in the annual exhibition. 'Exceptional 2019', at the Collier Bristow Gallery, included several of the Art School's recent graduates.

In October 2018 the Art School delivered its first Big Draw event as a free drop in 'Saturday Drawing fest' with a tutor from the Drawing Studio and current students. This will become part of the annual programme of external-facing activities.

The second half of the knowledge exchange project with Tokyo University of the Arts' Sculpture Restoration Lab took place in November 2018 with a two-week visit from a group of the Art School's specialists and an Art School alumnus now working as a conservator at the British Museum. The first week of the visit focused on presentations of different techniques, interviews with craft experts and a roundtable discussion on approaches to conservation in the UK and Japan, that included the five members of the visiting panel and seven specialists from TUA. The second week of the project provided opportunities to visit projects undertaken by the TUA Lab team and a trip to view artefacts with Japanese experts at historic locations in Nara and Kyoto. This staff development and learning opportunity, funded by the Toshiba International Foundation and the Great Britain Sasakawa Foundation, resulted in new teaching material for students, with a plan to build upon this developing educational network in future years.

Development project

The Development Project that is focused on the renewal of the Art School's physical infrastructure is the prime responsibility of the City & Guilds Art School Property Trust, a separate charity and landlord to the Art School. During the year, the Property Trust was able to complete a further phase of the masterplan for the Art School's site: the refurbishment and extension of the studio, workshop and related facilities serving the Art School's courses in architectural stone carving and ornamental wood carving. The works, phased over a period of two summers, started in July 2018 with the creation of a new woodcarving studio and a sound insulated stone cutting chamber, as well as the re-organisation of storage facilities. The project was completed in Summer 2019 with the refurbishment and extension of the stone carving studios. In this financial year, the project received further funding through additional grants and donations provided by the Wolfson Foundation, HB Allen Charitable Trust, Band Trust, Drapers' Company, Goldsmiths' Company, a gift in memory of John Robinson Sculptor and Sheepdrove Trust.

Work also progressed on the development of plans for the final phase of the Property Trust's masterplan, the full refurbishment and partial redevelopment of the Victorian studio buildings at the rear of 118-124 Kennington Park Road, working closely with Alan Higgs Architects. During the year the scheme was finalised and submitted for planning and listed building consent. Consent was received in October 2019.

Activities and achievements (continued)

Investment performance

During the year to 31 August 2019 the Charity's investments produced an overall income of £21,221 (2017/18: £21,784) and a net capital loss of £9,216 (2017/18: gain of £20,776). The investment managers continued to invest in accordance with the Trustees' investment policy, which is reviewed by the Investment Committee and the Board annually, and which is based on an ethical investment approach. The Trustees are satisfied that their investment objectives are being met by the performance of the investments in the context of existing economic and investment conditions.

Financial review

Results for the year

The Art School recorded a deficit of £119,382 (2018: surplus of £459,713) for the year. This was due, in the main, to a shortfall in unrestricted donations during the year.

Realised losses of £5,764 (2018: gains of £9,472) and unrealised losses of £3,452 (2018: gains on £11,304) on the Art School's investments were recorded in its restricted and endowment funds.

Reserves

The Board has examined the requirement for free reserves i.e. those funds not invested in tangible fixed assets, not designated for specific purposes, not restricted and not otherwise committed. The Board intends to achieve, as circumstances permit, an increase in the free reserves from present levels in order to provide liquidity to meet any future temporary shortfalls in income and to provide adequate working capital as the activities of the Art School grow. In the meantime the Trustees have taken the view that the expendable endowments and free reserves should be considered together and are satisfied that this is in line with the reserves policy. A target of three months' operating expenditure would be deemed appropriate.

Financial position

The balance sheet shows total funds of £1,299,727 (2018: £1,428,325). These funds include endowment funds of £863,346 (2018: £913,217). Whilst the income from these funds may be used for the general purposes of the Art School, most of the endowment fund balances themselves are regarded as long term capital.

Also included in total funds is an amount of £325,667, which is restricted (2018: £325,921). These monies have either been raised for, and their use is restricted to, specific purposes or they comprise donations subject to donor-imposed conditions. Details and an analysis of movements in the year of these endowment and restricted funds can be found in notes 13 and 14 to the financial statements.

Financial review (continued)

Financial position (continued)

Unrestricted funds of the Art School at 31 August 19 total £110,713 (2018: £189,187). These funds are represented by general fund tangible fixed assets of £262,170 (2018: 226,238) and by a deficit of free reserves of £151,457 (2018: deficit of £37,051). The operating deficit of £113,474 is reduced to £78,474 through a transfer from the Ballardie endowment of 35,000 which represents total returns accrued over the period since receipt of the bequest in 2017/18. The income shortfall is partially due to an increased target for unrestricted funds after a very good year in 2017/18 of unrestricted fundraising and endowments. The Property Trust, that would have been expected to make a donation to the Art School charity, was instead required to prioritise the completion of projects in hand, including gaining planning permission for the final phase of the masterplan. The Trustees have considered the position in the context of known future sources of income, and also expendable endowments of £705,431 (2018: £750,325) which are available to provide additional financial support and liquidity to the School if needed, and thus consider the reserve position to be acceptable in the context of the reserves policy.

Future plans

With the retirement of the Chair of the Board, the Deputy Chair Laurence Benson took on the role of Interim Chair for a period of one year. During the year 2019/20 recruitment for a new Chair will be a key focus with the intention to have an appointment in place for March 2020.

The Art School is working towards the validation of new awards in Conservation in January 2020, replacing the existing BA (Hons) Conservation Studies with two new award titles: BA (Hons) Conservation: Stone, Wood & Decorative Surfaces and BA (Hons) Conservation: Books & Paper. Meanwhile the MA Conservation will be revalidated to include book and paper conservation as potential research and practical project material. This curriculum development will eventually see an increase in the number of undergraduate students in the Conservation Department after recruitment of all three year groups. It is intended that this will support the sustainability of the department while enriching the learning environment and curriculum and offering opportunities for collaboration with the Print Studio and Fine Art Department. University of the Arts London is gifting specialist equipment and learning resources and offering a number of bursaries for students from backgrounds underrepresented in higher education to support this new course development.

In order to secure for London the continuation of books and paper conservation education, vital for the heritage and conservation industry, the Art School together with the Property Trust will raise funds to convert facilities to house the new course.

Alongside this academic portfolio development, the Art School will be working to develop new international links with relevant institutions identified in the US and China, with a view to increase international student recruitment and further internationalise the learning environment.

The successful development of the Summer School will be built upon, with an extra week for the existing Summer School, and a new three-week International Summer School offer planned for 2020, to recruit from December 2019.

Trustees' report Year to 31 August 2019

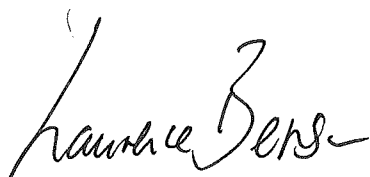
Future plans (continued)

The Art School will also work with the Property Trust on the scoping of a fundraising campaign to: build its reserves; and secure a regular contribution to core costs associated with delivering unique specialist courses as well as raise funds for the final phase of the Property Trust's Masterplan.

The Charity's assets

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the financial statements.

Approved by the Board on 29 January 2020 and signed on its behalf by:



Chair

Independent auditor's report Year to 31 August 2019

Independent auditor's report to the members of City and Guilds of London Art School Limited

Opinion

We have audited the financial statements of City and Guilds of London Art School Limited ('the charitable company') for the year ended 31 August 2019 which comprise the statement of financial activities (including the statement of changes in reserves), the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 August 2019 and of its income and expenditure, changes in reserves and cash flows for the year then ended;
- ◆ have been properly prepared in accordance with the financial reporting standards (FRS102);
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006;
- ◆ where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- ◆ where applicable, funds provided by HEFCE, the OfS and by Research England have been applied in accordance with the relevant terms and conditions; and
- ◆ meet the requirements of the Office for Student's Accounts Direction 2018 Part B.

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.

Independent auditor's report Year to 31 August 2019

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 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Independent auditor's report Year to 31 August 2019

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.

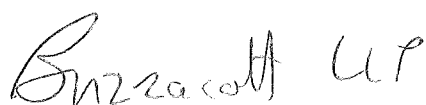
Auditor's responsibilities for the audit of the financial statements

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.

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.



Hugh Swainson, Senior Statutory Auditor
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

5 February 2020

Statement of financial activities (including income and expenditure statement, which includes statement of changes in reserves) Year to 31 August 2019

	Notes	General fund £	Restricted funds £	Endowment funds £	Year to 31 August 2019 Total funds £	Year to 31 August 2018 Total funds £
Income and expenditure						
Income and endowments from:						
Donations and legacies		173,047	324,502	—	497,549	1,003,673
Investments	1	14,634	6,587	—	21,221	21,784
Other trading activities		900	—	—	900	6,300
Charitable activities						
.. Art School fees		1,949,013	—	—	1,949,013	1,880,880
Other		42,253	—	—	42,253	37,811
Total income		2,179,847	331,089	—	2,510,936	2,950,448
Expenditure on:						
Charitable activities						
.. Costs of operating the Art School						
.. Premises		345,381	—	—	345,381	346,367
.. Teaching staff and personnel	5	972,899	—	—	972,899	933,383
.. Support costs	3	884,834	917	2,212	887,963	822,292
.. Promotions and publicity	2	90,207	—	—	90,207	86,035
.. Bursaries, scholarships and prizes	4	—	323,980	9,888	333,868	302,658
Total expenditure		2,293,321	324,897	12,100	2,630,318	2,490,735
Net (expenditure) income before gains on investments and transfers	4	(113,474)	6,192	(12,100)	(119,382)	459,713
Transfers between funds		35,000	—	(35,000)	—	—
Net (losses) gains on investments	9	—	(6,445)	(2,771)	(9,216)	20,776
Net (expenditure) / income and net movement in funds		(78,474)	(253)	(49,871)	(128,598)	480,489
STATEMENT OF CHANGES IN RESERVES						
Net (expenditure) / income and net movement in funds		(78,474)	(253)	(49,871)	(128,598)	480,489
Reconciliation of Funds						
Fund balances brought forward on 1 September 2018		189,187	325,921	913,217	1,428,325	947,836
Fund balances carried forward at 31 August 2019		110,713	325,668	863,346	1,299,727	1,428,325

All of the charitable company's activities are derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the above statement of financial activities.

Balance sheet 31 August 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	8		262,170		226,238
Investments	9		1,188,736		787,522
			<u>1,450,906</u>		<u>1,013,760</u>
Current assets					
Stocks	10	18,674		20,696	
Debtors	11	193,173		689,437	
Cash at bank and in hand		338,201		452,704	
		<u>550,048</u>		<u>1,162,837</u>	
Creditors: amounts falling due within one year	12	<u>(701,227)</u>		<u>(748,272)</u>	
Net current (liabilities) assets			<u>(151,179)</u>		<u>414,565</u>
Total net assets			<u>1,299,727</u>		<u>1,428,325</u>
Represented by:					
The Funds of the Charity					
Endowment funds	13		863,346		913,217
Income funds:					
Restricted funds	14		325,669		325,921
Unrestricted funds:					
General fund			110,713		189,187
			<u>1,299,727</u>		<u>1,428,325</u>

Approved by the Board on 29 January 2020 and signed on its behalf by:



Chairman

City and Guilds of London Art School Limited: A company limited by guarantee, Company Registration No. 07817519 (England and Wales)

Statement of cash flows 31 August 2019

	Notes	Year to 31 August 2019 £	Year to 31 August 2018 £
Net cash flows from operating activities	A	362,968	(65,350)
Net cash flows from investing activities	B	(497,066)	(49,425)
Change in cash and cash equivalents in the year		(134,099)	(114,775)
Cash and cash equivalents at the beginning of the year		482,249	597,024
Cash and cash equivalents at the end of the year	C	348,150	482,249

Notes to the statement of cash flows for the year to 31 August 2019

A Reconciliation of net (expenditure) income to net cash provided by (used in) operating activities

	2019 £	2018 £
Net income (expenditure)	(119,381)	459,713
Depreciation charge	55,457	53,021
Dividends, interest and rents from investments	(21,221)	(35,597)
Effect of capitalisation of investment manager's fees	(3,129)	(3,282)
Decrease (increase) in stocks	2,022	(691)
Decrease (increase) in debtors	496,264	(573,879)
(Decrease) increase in creditors	(47,045)	35,365
Net cash (used in) provided by operating activities	362,968	(65,350)

B Cash flows from investing activities:

	2019 £	2018 £
Dividends and interest from investments	21,221	35,597
Purchase of tangible fixed assets	(91,389)	(101,539)
Payments to acquire investments	(505,673)	(323,628)
Receipts from the disposal of investments	78,775	340,145
Net cash used in investing activities	(497,066)	(49,425)

C Analysis of cash and cash equivalents

	31 August 2019 £	31 August 2018 £
Cash at bank and in hand	338,201	452,704
Cash held by investment managers	9,949	29,545
	348,150	482,249

Basis of accounting

The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements have been prepared in accordance with 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) ('Charities FRS 102 SORP 2015'), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Office for Students' Accounts Direction 2018 Part B.

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

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

Critical accounting estimates and areas of judgement

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

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

- ◆ the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- ◆ the provision against doubtful and bad debts in respect to Art School fees; and
- ◆ estimates in respect of accrued expenditure.

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 of a period of one year from the date of approval of these financial statements.

The Art School held negative free reserves of £151,457 as at 31 August 2019 (2018 – negative free reserves of £37,051). The Board intends to achieve, as circumstances permit, an increase in the free reserves from present levels in order to provide liquidity to meet any future temporary shortfalls in income and to provide adequate working capital. The Art School now holds expendable endowments totalling £705,431 (2018: £750,325). These expendable endowments are available to provide additional financial support and liquidity to the School.

In light of the above, 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 Art School to continue as a going concern.

Income

Income is recognised in the period in which the Art School is entitled to receipt and the amount can be measured with reasonable certainty.

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable include contributions received from restricted funds for scholarships, bursaries and other grants.

Donations are recognised when received and are only accrued where the Art School can demonstrate entitlement to receipt and the amount is measurable and receipt is probable.

Investment income comprises dividends and interest receivable. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. Interest payable on investment assets is recognised on an accruals basis.

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.

Expenditure

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered. Expenditure comprises the following:

- 1 The costs of charitable activities involving expenditure on the Art School's primary charitable purpose, i.e. the operation of the Art School. In addition bursaries, scholarships and prizes are given to students.
 - 1.1 The costs of operating the Art School include the costs of premises, teaching staff and personnel, support costs including governance costs, and costs of promoting and publicising the Art School and its activities.

Included within support costs are 50% of the fees incurred in managing the School's investment portfolio. The remaining 50% of investment manager's fees are debited to the value of cash held by investment manager on the balance sheet (note 9) and also deducted from unrealised investment gains.
 - 1.2 Bursaries, scholarships and prizes payable by the restricted funds are included in the statement of financial activities when approved, and when set off against the fees to which they relate.

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. Expenditure includes any attributable VAT which cannot be recovered. All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs.

Tangible fixed assets

All assets costing more than £250 and with an expected useful life exceeding one year are capitalised.

Assets are included in these financial statements at cost at the date of acquisition together with the cost of additions and improvements to date.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

♦ Fixtures and fittings	10% on cost
♦ Tools and equipment	20% on cost
♦ Computer and hi-tech equipment	33% on cost
♦ Website	20% on cost

Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

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

Creditors 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 are recognised at the amount the Charity anticipates it will pay to settle the debt.

Investments

Investments are included on the balance sheet at their market value at the end of the financial period. Realised and unrealised gains and losses are credited, or debited, to the statement of financial activities in the year in which they arise.

Financial instruments

The Art School only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Art School and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 11. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial instruments (continued)

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 12. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Stocks

Stocks, comprising artists' materials for resale, are stated at cost.

Fund accounting

The general fund comprises those monies which may be used towards meeting the charitable objectives of the Art School at the discretion of the Board.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to conditions imposed by the donor.

The endowment funds comprise both permanent and expendable endowments. Permanent endowments are monies which must be held as capital indefinitely. The income therefrom can be used for general purposes and is credited directly to unrestricted funds.

Expendable endowments are monies which were given to the Art School as capital but there is no restriction on them being converted into expendable income.

Leased assets

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged on a straight-line basis over the lease term.

Pension costs

Contributions to employees' personal pension plans are debited to the statement of financial activities in the year in which they are payable to the relevant plans.

Notes to the financial statements 31 August 2019

1 Investment income and interest receivable

	General fund £	Restricted and endowment funds £	Year to 31 August 2019 total £
Income from UK investments			
. Unit trusts and common investment funds	13,855	6,562	20,417
Bank interest	779	25	804
	<u>14,634</u>	<u>6,587</u>	<u>21,221</u>
	General fund £	Restricted and endowment funds £	Year to 31 August 2018 total £
<i>Income from UK investments</i>			
<i>. Unit trusts and common investment funds</i>	14,464	7,127	21,591
<i>Bank interest</i>	192	1	193
	<u>14,656</u>	<u>7,128</u>	<u>21,784</u>

2 Promotion and publicity

	General fund £	Restricted and endowment funds £	Year to 31 August 2019 total £
Marketing	59,620	—	59,620
Exhibitions	30,587	—	30,587
	<u>90,207</u>	<u>—</u>	<u>90,207</u>
	General fund £	Restricted and endowment funds £	Year to 31 August 2018 total £
<i>Marketing</i>	45,195	—	45,195
<i>Exhibitions</i>	40,840	—	40,840
	<u>86,035</u>	<u>—</u>	<u>86,035</u>

Notes to the financial statements 31 August 2019

3 Support costs

	General fund £	Restricted and endowment funds £	Year to 31 August 2019 total £
Staff costs	498,479	—	498,479
Equipment, IT and depreciation	148,142	—	148,142
Student materials and project expenses	85,380	—	85,380
Other support costs	122,011	3,129	125,140
Governance costs:			
. Legal and professional fees	16,080	—	16,080
. Statutory audit services	13,590	—	13,590
. Non statutory audit services	1,152	—	1,152
	884,834	3,129	887,963
	General fund £	Restricted and endowment funds £	Year to 31 August 2018 total £
Staff costs	503,877	—	503,877
Equipment, IT and depreciation	137,737	—	137,737
Student materials and project expenses	84,006	—	84,006
Other support costs	66,495	3,282	69,777
Governance costs:			
. Legal and professional fees	12,039	—	12,039
. Statutory audit services	13,800	—	13,800
. Non statutory audit services	1,056	—	1,056
	819,010	3,282	822,292

4 Net expenditure

This is stated after charging:

	General fund £	Restricted and endowment funds £	Year to 31 August 2019 total £
Staff costs (note 5)	1,471,378	—	1,471,378
Auditor's remuneration:			
. Statutory audit services	13,590	—	13,590
. Non-statutory audit services	1,152	—	1,152
Depreciation and loss on disposals	55,457	—	55,457
Operating lease rentals			
. Land and buildings	228,803	—	228,803
. Equipment	12,487	—	12,487
Bursaries, scholarships and prizes	—	323,980	323,980

Notes to the financial statements 31 August 2019

4 Net expenditure (continued)

This is stated after charging:

	General fund £	Restricted and endowment funds £	Year to 31 August 2018 total £
Staff costs (note 5)	1,437,260	—	1,437,260
Auditor's remuneration:			
. Statutory audit services	13,800	—	13,800
. Non statutory audit services	1,056	—	1,056
Depreciation and loss on disposals	53,021	—	53,021
Operating lease rentals			
. Land and buildings	227,450	—	227,450
. Equipment	7,368	—	7,368
Bursaries, scholarships and prizes	—	302,658	302,658

Bursaries were paid to 65 individuals (2018 – 62) during the year.

5 Staff costs and Trustees' remuneration

	Year to 31 August 2019 £	Year to 31 August 2018 £
Staff costs during the year were as follows:		
Salaries	1,157,846	1,135,723
Social security costs	85,982	89,220
Pension	54,715	54,060
	1,298,543	1,279,003
Self employed tutors	156,141	134,515
Other staff costs	16,694	23,742
	1,471,378	1,437,260

Staff costs analysed by function were as follows:

	Year to 31 August 2019 £	Year to 31 August 2018 £
Teaching	972,899	933,383
Support, administration and management	498,479	503,877
	1,471,378	1,437,260

The average number of employees, all of whom are engaged in the operation of the Art School, analysed by function and on a full time equivalent basis was:

	Year to 31 August 2019	Year to 31 August 2018
Teaching	24	23
Support, administration and management	11	12
	35	35

The average number of employees, all of whom are engaged in the operation of the Art School, was 72 (2018 – 72) for the year ended 31 August 2019. Many of these are employed on a part-time basis.

Notes to the financial statements 31 August 2019

5 Staff costs and Trustees' remuneration (continued)

The Principal's total remuneration in the year ended 31 August 2019 was as follows:

	2019 £	2018 £
Basic salary	70,000	66,967
Pension contribution	3,500	3,348
	73,500	70,315

The Board of Trustees Remuneration Committee chaired by the Chair of the Board of Trustees considers the case for annual pay increases. The Principal is line managed by the Chair of the Board and their salary, together with all other salaries, is considered by the Remuneration Committee with proposals made to the full Board. During the financial year 2017/18 a salary increase of 2% was proposed and approved by the Board for all staff, including the Principal, to take effect from 1 January 2018. Following a review of the Principal's work load during 2017/18, appraisal of achievements in relation to the strategic plan, and with reference to sector pay levels, the Remuneration Committee recommended that the Principal's fractional post increase from FTE 0.8 to FTE 0.9 from 1 January 2018. Therefore the 2017/18 figure reflects a year where 4 month's salary was set at FTE 0.8 and prior to the 2% increase.

During the 2018/19 financial year due to various factors the Remuneration Committee proposed a pay freeze for all staff with an increase planned from January 2020. Since March 2019 the Remuneration Committee has been further formalised. The Chair of Students (Student Trustee) is now a member of the Remuneration Committee while the Principal and Head of Finance now attend to provide information. The Company Secretary is the clerk to the committee. The Principal, Head of Finance and Company Secretary are not members of the Remuneration Committee, and do not attend when their own salaries are under consideration.

As at 31 August 2019, the Accountable Officer's basic salary is 2.33 times the median pay of staff, where the median pay is calculated on a full time equivalent basis for all staff contracted on an annual salary basis. There were no performance related payments made to the accountable officer in 2018/19.

No Trustees received any remuneration or other emoluments in respect of their services as a member of the Board during the year (2018 – none).

£nil expenses were reimbursed to Trustees during the year (2018 – none).

The numbers of employees earning greater than £60,000 during the year were as follows:

	2019 No.	2018 No.
£60,001 - £65,000	—	1
£65,001 - £70,000	1	1
	1	2

Pension contributions in respect of these employees amounted to £3,500 (2018 – £6,434).

Notes to the financial statements 31 August 2019

5 Staff costs and Trustees' remuneration (continued)

The aggregate remuneration, including employer's pension contributions paid to key management personnel and employer's national insurance, was £432,445 (2018 – £428,756). Key management personnel during the year consisted of the Principal, seven Heads of Department, Head of Finance and the Academic Registrar.

The Art School has purchased insurance to protect itself from any loss arising from the neglect or defaults of its Trustees, employees and agents and to indemnify the Trustees or other officers against the consequences of any neglect or default on their part. The insurance premium provided cover of up to a maximum of £2 million.

6 Comparative information

Analysis of income and expenditure in the year ended 31 August 2018 between restricted, endowment and unrestricted funds:

	General fund £	Restricted funds £	Endowment funds £	Year to 31 August 2018 Total funds £
Income and expenditure				
Income and endowments from:				
Donations and legacies	226,246	284,341	493,086	1,003,673
Investments	14,656	7,128	—	21,784
Other trading activities	6,300	—	—	6,300
Charitable activities				
.. Art School fees	1,880,880	—	—	1,880,880
Other	37,811	—	—	37,811
Total income	2,165,893	291,469	493,086	2,950,448
Expenditure on:				
Charitable activities				
.. Costs of operating the Art School				
.. Premises	346,367	—	—	346,367
.. Teaching staff and personnel	933,383	—	—	933,383
.. Support costs	819,010	807	2,475	822,292
.. Promotions and publicity	86,035	—	—	86,035
.. Bursaries, scholarships and prizes	—	293,189	9,469	302,658
Total expenditure	2,184,795	293,996	11,944	2,490,735
Net (expenditure) income before gains on investments	(18,902)	(2,527)	481,142	459,713
Net gains on investments	—	11,046	9,730	20,776
Net (expenditure) / income and net movement in funds	(18,902)	8,519	490,872	480,489
Reconciliation of Funds				
Fund balances brought forward on 1 September 2017	208,089	317,402	422,345	947,836
Fund balances carried forward at 31 August 2018	189,187	325,921	913,217	1,428,325

Notes to the financial statements 31 August 2019

7 Taxation

City and Guilds of London Art School Limited is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

8 Tangible fixed assets

	Fixtures, fittings, tools, computer equipment £
Cost	
At 1 September 2018	664,939
Additions	91,389
At 31 August 2019	756,328
Depreciation	
At 1 September 2018	438,701
Charge for year	55,457
At 31 August 2019	494,158
Net book values	
At 31 August 2019	262,170
At 1 September 2018	226,238

9 Investments

	2019 £	2018 £
Listed investments		
Opening market value at 1 September	757,977	750,436
Additions	505,673	323,628
Disposals (including realised losses of £5,764)	(84,539)	(330,673)
Capitalised investment manager's fees	3,129	3,282
Unrealised investment (losses) gains	(3,452)	11,304
	1,178,788	757,977
Cash held by investment manager	9,949	29,545
Total market value of investments at 31 August	1,188,737	787,522
 Cost of listed investments - 31 August	1,131,990	682,858

Notes to the financial statements 31 August 2019

9 Investments (continued)

Listed investments held at 31 August 2019 comprised the following:

	2019 £	2018 £
UK equity funds	163,412	90,967
Overseas equity funds	47,947	67,336
Fixed interest	122,868	—
Multi Asset Fund	844,560	596,392
	1,178,787	754,695
Cash held by investment managers	9,949	32,827
	1,188,736	787,522

All investments were dealt in on a recognised stock exchange.

At 31 August 2019, the following individual holdings were deemed material in the light of the market value of the portfolios:

	% of portfolio	Market value £
Cazenove Charity Multi Asset Fund	49.3	586,470
St James' Place Global Equity Fund – Acc	9.4	112,127
St James' Place Strategic Managed Fund – Acc	8.1	96,037
St James' Place Managed Growth Fund – Acc	6.8	81,126
St James' Place Balanced Managed Fund – Acc	6.8	80,929
St James' Place Corporate Bond – Acc	6.7	79,235

At 31 August 2018, the following individual holdings were deemed material in the light of the market value of the portfolios:

	% of portfolio	Market value £
Schroder Charity Multi Asset Fund	79.1	599,634

10 Stocks

	2019 £	2018 £
Materials for resale	18,674	20,696

11 Debtors

	2019 £	2018 £
Student fees outstanding	31,800	35,617
Other debtors	2,177	3,670
City and Guilds Art School Property Trust	17,978	62,567
Accrued legacy income	—	493,086
Prepayments	141,218	94,497
	193,173	689,437

12 Creditors: amounts falling due within one year

	2019 £	2018 £
Student fees in advance	579,907	679,918
Trade creditors	42,812	11,752
Taxation and social security	26,775	23,905
Other creditors	18,587	16,753
Accruals and other deferred income	33,146	15,944
	701,227	748,272

13 Endowment funds

The capital funds of the Art School include permanent endowments and expendable endowments. The permanent endowments are comprised of monies which must be retained as capital indefinitely. The expendable endowments are comprised of monies which were given to the Art School as capital but there is no restriction on them being converted into expendable income.

	At 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	At 31 August 2019 £
Permanent endowments					
Edward Chadwyck-Healey Bequest and Memorial Appeal Fund	162,934	—	(858)	(4,161)	157,915
	162,934	—	(858)	(4,161)	157,915
Expendable endowments					
Ballardie bequest	493,086	—	—	(30,091)	462,995
Other endowments	257,197	—	(11,243)	(3,518)	242,436
Total endowments	913,217	—	(12,101)	(37,770)	863,346

The income from the endowment funds is included in unrestricted general funds. Reflected in the above is a transfer from the Ballardie bequest expendable endowment fund of £35,000 to unrestricted general funds, which was approved by the Board, representing accrued total returns since receipt of the bequest in 2017/18.

	At 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	At 31 August 2018 £
<i>Permanent endowments</i>					
<i>Edward Chadwyck-Healey Bequest and Memorial Appeal Fund</i>	163,740	—	(4,578)	3,772	162,934
	163,740	—	(4,578)	3,772	162,934
<i>Expendable endowments</i>					
<i>Ballardie bequest</i>	—	493,086	—	—	493,086
<i>Other endowments</i>	258,605	—	(7,366)	5,958	257,197
Total endowments	422,345	493,086	(11,944)	9,730	913,217

Notes to the financial statements 31 August 2019

14 Restricted funds

The income funds of the Art School include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes:

	Balance at 1 September 2018 £	Income from invest- ments £	Donations £	Expenditure £	Realised/ unrealised gains on invest- ments £	Balance at 31 August 2019 £
Annual Bursaries Fund	95,891	—	306,637	(291,782)	—	110,746
Saul Bursary Fund	35,765	1,036	—	(188)	(1,014)	35,599
Charles Noble/Peter Chance Scholarship Fund	22,570	654	—	(118)	(640)	22,466
Rodney Burn RA Scholarship Fund	41,608	1,206	—	(4,719)	(1,180)	36,915
Simon Birch Memorial Bursary Fund	72,423	2,099	—	(7,455)	(2,053)	65,014
Edith and Stephen Burnett Memorial Fund	3,466	100	—	(18)	(98)	3,450
David Ballardie Memorial Award Fund	36,739	1,065	—	(1,193)	(1,042)	35,569
Idun Ravndal Travel Award	2,710	—	1,500	(2,251)	—	1,959
Other prize and special funds	14,749	427	16,365	(17,173)	(418)	13,950
	<u>325,921</u>	<u>6,587</u>	<u>324,502</u>	<u>(324,897)</u>	<u>(6,445)</u>	<u>325,668</u>

The specific purposes for which the funds are to be applied are given by their descriptions in the table above. The main purposes are the awarding of scholarships, bursaries and prizes.

	Balance at 1 September 2017 £	Income from invest- ments £	Donations £	Expenditure £	Realised/ unrealised gains on invest- ments £	Balance at 31 August 2018 £
Annual Bursaries Fund	86,441	—	273,541	(264,091)	—	95,891
Saul Bursary Fund	37,978	1,197	—	(5,266)	1,856	35,765
Charles Noble/Peter Chance Scholarship Fund	22,501	706	—	(1,731)	1,094	22,570
Rodney Burn RA Scholarship Fund	38,620	1,212	—	(102)	1,878	41,608
Simon Birch Memorial Bursary Fund	72,567	2,281	—	(5,959)	3,534	72,423
Edith and Stephen Burnett Memorial Fund	3,238	99	—	(26)	155	3,466
David Ballardie Memorial Award Fund	36,566	1,148	—	(2,753)	1,778	36,739
Idun Ravndal Travel Award	4,050	—	1,500	(2,840)	—	2,710
Other prize and special funds	15,441	485	9,300	(11,228)	751	14,749
	<u>317,402</u>	<u>7,128</u>	<u>284,341</u>	<u>(293,996)</u>	<u>11,046</u>	<u>325,921</u>

Notes to the financial statements 31 August 2019

15 Analysis of net assets between funds

	General fund £	Restricted funds £	Endowment funds £	Total 2019 £
Fund balances at 31 August 2019				
are represented by:				
Tangible fixed assets	262,170	—	—	262,170
Investments	—	331,031	857,706	1,188,737
Current assets	549,773	(5,363)	5,640	550,050
Creditors: amounts falling due within one year	(701,230)	—	—	(701,230)
Total net assets	110,713	325,668	863,346	1,299,727
<hr/>				
	General fund £	Restricted funds £	Endowment funds £	Total 2018 £
Fund balances at 31 August 2018				
are represented by:				
Tangible fixed assets	226,238	—	—	226,238
Investments	41,470	325,921	420,131	787,522
Current assets	669,751	—	493,086	1,162,837
Creditors: amounts falling due within one year	(748,272)	—	—	(748,272)
Total net assets	189,187	325,921	913,217	1,428,325

The total unrealised gains as at 31 August 2019 constitute movement on revaluation and are as follows:

	2019 £	2018 £
Unrealised gains included above		
On listed investments as at 31 August	166,781	170,233
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 September 2018	170,233	158,929
Unrealised (losses) gains on listed investments arising in the year	(3,452)	11,304
Total unrealised gains at 31 August 2019	166,781	170,233

16 Liability of members

The Charity is constituted as a company limited by guarantee. In the event of the Art School being wound up members are required to contribute an amount not exceeding £1 each.

Notes to the financial statements 31 August 2019

17 Leasing commitments

Operating leases

At 31 August 2019 the Art School had the following commitments under non-cancellable operating leases:

	Land and buildings		Equipment	
	2019	2018	2019	2018
	£	£	£	£
Operating leases which expire:				
Within one year	233,438	228,861	9,095	8,587
Between two and five years	981,382	962,139	18,318	18,466
Over five years	1,341,260	1,178,206	—	—
	2,556,080	2,369,206	27,413	27,053

The land and buildings operating leases relate to the site at Kennington Park Road and the sub-lease of premises in the Old Vauxhall Telephone Exchange in nearby Kennings Way from the Property Trust for the period up to the first break clause.

18 Related party transactions

The Property Trust has 1 Trustee (B. Finucane) in common with the Art School. The Art School charged a management fee of £54,642 (2018 – £67,951) to the Property Trust during the year. The Property Trust charged the Art School rent, including VAT, of £229,092 (2018 – £225,617). £nil grants were received from the Property Trust in respect of the year (2018 – £40,000).

An amount of £435 was received from one Trustee as a Summer School payment (2018: £nil).

List of donations Year to 31 August 2019

This page does not form part of the statutory financial statements

The Trustees are highly appreciative of the generosity, encouragement and loyal support given by the Art School's benefactors. Without this continuing support, vital bursaries would not be available for students to take advantage of the Art School's exceptional education and training offer. Donations have also been critical to upgrade the Art School's facilities and equipment, and to sustain the Art School's tradition of awarding prizes to its most talented and otherwise deserving students. Where possible, the School claims Gift Aid on donations.

	2018-2019 £
Donations to bursaries fund	
Drapers' Company / City & Guilds of London Institute	25,950
Skinners' Company - Lawrence Atwell Trust / City & Guilds of London Institute	20,000
Leverhulme Trust	16,000
Clothworkers' Foundation / City & Guilds of London Institute	14,000
Worshipful Company of Grocers	12,500
Worshipful Company of Joiners & Ceilers / City & Guilds of London Institute	10,800
Andrew Lloyd Webber Foundation	10,717
d'Oyly Carte Charitable Trust	10,000
Royal Female School of Art	10,000
Worshipful Company of Masons - Craft Fund	10,000
Merchant Taylors' Company	10,000
de Laszlo Foundation	9,000
Worshipful Company of Dyers / City & Guilds of London Institute	8,000
Sheepdrove Trust	8,000
Leche Trust	7,500
Carpenters' Company - Norton Folgate Charitable Trust	6,000
Derek Hill Foundation	5,000
Stanley Picker Trust	5,000
Behrens Foundation	5,000
The Skinners' Company - Art Memorial Trust	4,900
Stuart Heath Charitable Settlement	4,000
Ernest Cook Trust	3,987
South Square Trust	3,500
Venice in Peril Fund	3,250
Charlotte Bonham-Carter Charitable Trust	2,000
Radcliffe Trust	2,000
Mrs. Philip Le Cras	2,000
Drake Trust	1,500
	230,604

List of donations Year to 31 August 2019

This page does not form part of the statutory financial statements

	2018-2019 £
Donations to other unrestricted funds	
Swire Charitable Trust	50,000
Fishmongers' Company	50,000
Robinson Bequest	20,000
de Laszlo Foundation	16,000
Painters Stainers' Company - Decorative Surfaces Fellowship	10,000
Richard Broyd Trust	8,000
Golden Bottle Trust	3,200
Masons Company Craft Fund	2,500
Gilders Company Charitable Trust	2,350
ColArt	2,000
Other Donations	1,000
	165,050
Awards paid directly to students and not entered through the Art School's financial statements	2018-2019 £
The Golden Bottle Trust	6,800
Brinsley Ford Rome Award	2,500
Carpenters Company - Norton Folgate Charitable Trust	1,500
	10,800
Prize Award donations paid to the Art School	2018-2019 £
Honourable Society of the Knights of the Round Table Awards	7,500
Fishmongers' Company (Travel award & Prize for 2019-20)	5,350
Nina Lobanov Rostovski	4,000
Richard L Onians - Prizes for 2020	2,500
Idun Ravndal Travel Award for a Project	1,500
The Merlin Entertainment	1,500
JE Vaughan	1,000
Harriet Anstruther	1,000
ACS - Artist Collecting Prize	1,000
Builders' Merchants' Company	750
	26,100
Bursaries and Scholarships paid directly to the Art School on behalf of pre-specified students	2018-2019 £
Queen Elizabeth Scholarship Trust	15,250
Painter-Stainers' Scholarships	10,000
Fishmongers' Company Beckwith Scholarship for Sculpture (fee part)	4,250
Barbara Whatmore Charitable Trust	4,000
Masons' Company – Sydney Mason Scholarship	2,500
	36,000

Detailed income and expenditure (General fund) Year to 31 August 2019

This page does not form part of the statutory financial statements

	Total 2019 £	Total 2018 £
Income		
Turnover		
Students' fees	1,949,013	1,880,880
Other operating income		
Sales of artists' materials	28,009	30,078
Miscellaneous receipts	14,244	7,733
	<u>42,253</u>	<u>37,811</u>
Project income	900	6,300
Donations	173,048	226,246
	<u>173,948</u>	<u>232,546</u>
Income from investments	20,417	21,593
Less: amounts allocated to specific funds	(6,562)	(7,129)
	<u>13,855</u>	<u>14,464</u>
Bank interest receivable	778	193
	<u>2,179,847</u>	<u>2,165,894</u>
Expenditure		
Cost of sales of artists' materials		
Opening stock	20,696	20,005
Closing stock	(18,674)	(20,696)
Purchases in the year	23,320	24,431
	<u>25,342</u>	<u>23,740</u>
Staff costs		
Salaries, lecturers' and models' fees	1,157,846	1,135,723
Social security costs	85,982	89,220
Pension costs	54,715	54,060
	<u>1,298,543</u>	<u>1,279,003</u>
Other staff costs	16,694	23,742
Self-employed tutors and models	156,141	134,515
	<u>1,471,378</u>	<u>1,437,260</u>
Balances carried forward	<u>1,496,720</u>	<u>1,461,000</u>

Detailed income and expenditure (General fund) Year to 31 August 2019

This page does not form part of the statutory financial statements

	Total 2019 £	Total 2018 £
Balances brought forward	1,496,720	1,461,000
IHE & Creative Industries Federation fees	3,219	3,150
Birmingham City University validation fees	16,679	—
UALAB fees	13,020	11,700
Quality Assurance Agency	6,272	6,705
Validation of Courses – Training	—	1,899
HESA	4,174	3,064
Materials purchased for school use	47,857	46,483
Library purchases	12,182	13,663
Membership and subscription fees	315	615
Marketing	49,632	45,195
Exhibitions	30,587	40,940
Property rent payable	228,803	227,450
Repairs to premises	15,604	16,035
Repairs to furniture and equipment	10,358	13,241
Light and heat	44,906	47,308
Rates including water	31,530	28,952
Cleaning	16,777	14,998
Health and safety	38,593	31,087
Capital items under £250 each	6,969	7,429
Lease of equipment	12,487	7,368
Computer expenses	18,992	20,020
Printing and stationery	4,743	2,815
Postage and telephone	15,764	10,830
General expenses	4,159	1,297
Insurance	24,534	26,622
Audit and accountancy	14,742	14,856
Other professional fees	16,080	13,250
Bank charges	5,460	4,118
Project expenses	—	—
Depreciation	55,457	53,021
Hire of equipment	5,284	5,571
Catering costs	3,800	4,113
Other costs	—	—
	796,599	723,795
Total expenditure	2,293,321	2,184,795
Deficit		
for the year transferred to unrestricted funds	(113,474)	(18,902)