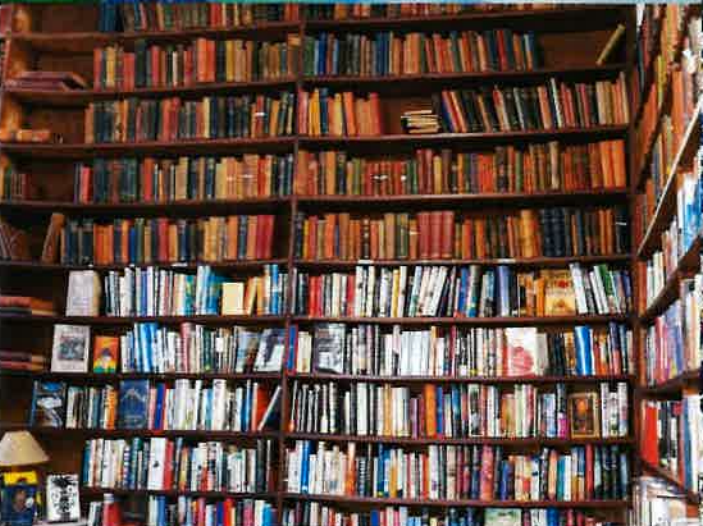




# REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2020 FOR THE GUILDFORD INSTITUTE



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## Report of the Trustees for the Year Ended 31<sup>st</sup> July 2020

*The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st July 2020. They have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard valid in the UK and Republic of Ireland (FRS 102) effective 1 January 2015.*

### Reference and Administrative Details

#### **Registered Company Number**

6571640  
(England and Wales)

#### **Registered Office**

Guildford Institute  
Ward Street  
Guildford  
GU1 4LH

#### **Registered Charity Number**

1125031

### Nature of Business

The Guildford Institute's principal business is the provision of education and cultural events to the adult community of Guildford through courses, activities and the provision of our Library. As the building is owned by the Institute, we act as landlords to the Royal Bank of Scotland as well as others on long-term leases. In addition, we offer a number of rooms for hire and contract with the *V Café at the Institute* caterers for the provision of a vegetarian restaurant for the community.



## Structure, Governance and Management

The Guildford Institute is governed by its Memorandum and Articles of Association. Its trustees are elected by its members at the Annual General Meeting and given such training as is necessary upon appointment. The trustees appoint the Chairperson and Vice-Chairperson from among their number.

The board of trustees usually meets every six weeks, with the Institute Manager and Programme Manager in attendance. The trustees are asked at the start of each meeting to declare any relevant interests.

Strategic planning and strategic decision making is the responsibility of the board of trustees. A formally agreed and regularly reviewed strategic plan informs and guides the work of the trustees, the manager and the professional team. Operational planning, management and management decision making is the responsibility of the manager. However, as the Institute is a small organisation, these demarcations are somewhat fluid. The manager is responsible for budgeting and general finances with the support of the trustees and the designated treasurer.

Trustees are recruited through advertising locally, by written application followed by informal and formal interview. Following appointment, there is a formal induction process.

## Aims and Strategic Planning

The aims of the Institute are set out in its Memorandum of Association [Article 3]. They may be summarised as follows:

- To promote and advance the education of all members of the community
- To contribute to the educational and cultural life and the heritage of Guildford and the surrounding area by:
  - Providing educational and cultural activities in a social atmosphere
  - Making facilities available for individuals and organisations to provide such activities

The strategic plan ensures that these objectives are met and that development happens in a structured way, with achievement being monitored regularly at board meetings.

The plan is divided into five strategic objectives, which can be summarised as follows:

- *SO1: Broaden the range of activities we offer*
- *SO2: Improve our image and make The Guildford Institute better known*
- *SO3: Strengthen our management and governance*
- *SO4: Strengthen our financial position*
- *SO5: Improve our building and facilities*

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including 'public benefit': running a charity (PB2).

## Achievement and Performance for 2019-2020

Given the significant impact of the coronavirus pandemic on the focus of the organisation during 2019-2020, this trustee report will use the following simplified structure to outline performance for this financial year:

- Our people
- Key developments before the Institute's building closure in March 2020
- Performance during the building's closure: From March 2020 to the financial year end
- Future developments

While 2019-2020 has been a challenging year, this report will highlight that, given the wider external circumstances, the Institute has had a successful year and although the pandemic has had a financial impact, it has also encouraged innovative changes which will go on to benefit the Institute into the future.

## Our People

The board of trustees is very conscious of the thanks it owes to one another, to the Institute's professional team, its volunteers, and its tutors, without whom the successful performance reported below could not have been achieved.

Outlined below are some key personnel changes that have taken place this year. A particularly significant change that deserves special mention is that Sandra Robinson stepped down as Chairperson in September 2019 and then, following the year-end, as a trustee in September 2020. During her seven years on the board, Sandra made a very considerable contribution to the Institute. The board would like to express thanks to Sandra for her work and the whole team continues to look forward to seeing Sandra at the Institute for various events, courses and talks.

### Timeline of changes



SEPTEMBER  
2019

SANDRA ROBINSON STEPPED DOWN  
AS CHAIRPERSON.



FORMER VICE-CHAIRPERSON JANET  
CROWE TOOK OVER THIS ROLE.



NOVEMBER  
2019

THE BOARD VOTED TO MAKE SARAH  
GEORGE (MARKETING & EVENTS  
ASSISTANT) A PERMANENT MEMBER  
OF THE STAFF TEAM, INCREASING  
THE INSTITUTE'S STAFFING LEVELS.



FEBRUARY  
2020

ANNIE GAWTHRONE AND  
ANDREA FOLEY JOINED AS  
RECEPTION VOLUNTEERS.

MARCH 2020

MIKE KIRBY WAS APPOINTED TO THE  
BOARD. AS A CHARTERED  
ACCOUNTANT, MIKE TOOK ON THE  
ROLE OF TREASURER.



JULY 2020

SARAH GEORGE LEFT HER  
MARKETING & EVENTS ASSISTANT  
POSITION



THE INSTITUTE SAID GOODBYE TO  
RECEPTION VOLUNTEERS SUE BAKER  
AND ELAINE MCGEE. LIBRARY  
VOLUNTEER NICK MCDUFF ALSO LEFT HIS  
ROLE AFTER NINE YEARS.



At the year-end, the board comprises eight trustees:



JANET CROWE  
CHAIRPERSON



BRIAN CREESE  
VICE-CHAIRPERSON



MIKE KIRBY  
TREASURER



MIKE ADAMS



SOPHIE CHAPMAN



DAVID CHEESEMAM



LISA TAYLOR



SUE YEARLY

At the year-end, the professional team was made up of two members of full-time staff:



AMY RICE  
INSTITUTE MANAGER



GARAZI DONLO  
PROGRAMME & DEPUTY MANAGER

Alongside five members of part-time staff:



AMY MASON  
MEMBERSHIP & EVENTS ASSISTANT



VICKY PURSEY  
VOLUNTEER & PROJECTS ASSISTANT



DAVID QUERZOLA  
MORNING CARETAKER & STEWARD



MARK FINN  
STEWARD



VINCE LA PORTE  
STEWARD

## Timeline of changes continued (beyond year-end)

AUGUST  
2020

JANET CROWE STEPPED DOWN AS  
CHAIRPERSON.



BRIAN CREESE STEPPED INTO THIS  
ROLE AND JANET WILL CONTINUE AS A  
TRUSTEE ON THE BOARD.



LISA TAYLOR BECAME VICE-  
CHAIRPERSON.



SEPTEMBER  
2020

SANDRA ROBINSON STEPPED DOWN  
AS A TRUSTEE AFTER SERVING ON  
THE BOARD FOR 7 YEARS.



EMMA WILKINSON JOINED THE  
PROFESSIONAL TEAM, AS MARKETING  
OFFICER.



## Key Developments Prior to The Guildford Institute's Building Closure in March 2020

### New Database & Website Launched

On 1<sup>st</sup> October 2019, the Institute launched a new website and database, with the goal of helping to grow the Institute's profile and to streamline processes for team members. The new website offers a more contemporary design and provides a wider range of features for the customer, including a blog, the ability to donate to the Institute online and the option for customers to make changes to their database record directly for the first time, including changing their personal details, membership renewals and waiting list submissions. Crucially, the new website provides greater opportunity for the Institute to make use of contemporary digital marketing techniques, including Google Analytics and Search Engine Optimization (SEO). The new database, which is directly connected to the new website, has succeeded in creating significant efficiencies for the Institute's team.

Further work on both the website and database has continued following the launch in October 2019 and will continue into 2020-2021, enabling further improvements to the customer experience of the website and to introduce further efficiencies for the Institute's team members.

### Significant Legacy Donation

In January 2020, the Institute received a significant legacy donation of £50,000 from late member and course attendee Judith Whitaker. Judith had sadly passed away in 2019, having previously attended a total of ninety-six courses at the Institute. The board of trustees were in discussions regarding a special project to undertake in order to reflect such an extraordinary contribution, however these discussions were put on hold as a result of the pandemic and will be resumed once the Institute is able to return to 'normal business'. The board of trustees would like to extend their gratitude to Judith Whitaker's family for their support and are extremely grateful to have received this special gift, particularly during a year in which income has been significantly impacted by the pandemic.



### The Guildford Institute's Historic Building: Facilities & Usage

In August 2019, the Institute had an extensive damp survey conducted, which revealed that significant problems were present throughout the building, including in the Royal Bank of Scotland's tenanted space on the ground floor. Given the scale of the damp, the board of trustees voted to create a special financial reserve of £75,000 in order to address these core building issues. The first stage of the required remedial work was completed in February 2020, during which the Institute's first-floor flat roof was replaced. The second stage of work, on the Institute's main roof, began following the financial year end in September 2020. Following changes to the Institute's reserves policy in January 2021 (see page 20 for full details) and due to the significant amount of work that remains to be conducted in this area, the roof works that took place in 2020 were not set against the Designated Fund for damp remedies: this fund will be used for all future work relating to the damp. Work to address the building's damp issues will be ongoing over the coming years to ensure that the Institute's Grade II listed site remains protected.

During the first half of the financial year, the Institute continued to be a popular venue for meetings, local events and training programmes, with both local charities and companies finding the rooms an affordable and friendly alternative to more commercial options. The Institute also continued to act as a base for many local societies and organisations, including long-standing groups such as the Chess Club and The Music Institute. Many of these societies meet in the evenings and indeed the Institute continued to operate a busy evening service. Developing the evening and weekend offering, in terms of the quality and range of services available, continues to be a goal of the board of trustees to ensure that the Institute building is effectively used during its opening hours and by a wide-range of the community.

Significantly, the Royal Bank of Scotland (RBS) continued to occupy prime space on the ground floor of the Institute for the duration of the financial year, although their tenancy lease expired in March 2020. While the pre-existing arrangement with RBS remained in a 'rolling over' capacity at the year-end, planning for an alternative use for this key ground-floor space is a central focus for the Institute's trustees and professional team. In light of the importance of the RBS rental income for the Institute, the board of trustees significantly increased its reserves policy in January 2020 in order to combat the increased risk of the loss of the RBS rent. As referenced above, this policy was then amended once again following the year end in January 2021 (see page 20 for full details).

#### V Café at the Institute's First Full Year at the Institute

Following the launch of our new catering offer in March 2019, *V Café at the Institute's* daily-changing menu of vegetarian and vegan fare became a firm favourite with Guildford Institute regulars this year, with positive feedback obtained on both the food available and customer service. The café was recognised by the community beyond too, having received the *Newcomer of the Year Award* in September 2019 at the *Surrey Life Food & Drink Awards*. This, and other positive pieces of publicity, such as being short-listed for the *V2 (Vegetarian and Vegan) Awards 2020*, succeeded in drawing many new visitors to The Guildford Institute's historic building. With support from the Institute office, the café has continued to work with many other local partners throughout the year including the Hallow Project, Surrey Hills Coffee, Guildford Farmer's Market and Experience Guildford and in doing so, has helped to enhance the profile of both the café and the Institute itself within the community.



## Newcomer 2019

**V CAFÉ AT THE INSTITUTE,  
GUILDFORD**

#SLFDA • SURREYLIFE.CO.UK

## Performance During the Building's Closure: From March 2020 to Beyond the Financial Year End

In accordance with Government advice, the Institute closed to the public on Friday 20 March and, from Monday 23 March, the Institute's professional team were required to work from home. At this point, all Institute programme activities faced being cancelled, alongside all room hire bookings. Closures were necessary for *V Café* and the Institute Library. The Institute's second-floor tenants were not permitted access to the building for the duration of the Institute's closure and, as a result, the board of trustees made the decision to cease charging these community-based organisations during this time period.

With the introduction of the furlough scheme, all staff members apart from Amy Rice (Institute Manager) and Garazi Donlo (Programme & Deputy Manager) were placed on furlough leave from the beginning of April. By the end of the financial year in July 2020, the Institute remained closed to the public and five of the seven members of the professional team remained on either full or 'flexible' furlough.

### Innovative Delivery of Course Programme & Communications

As a result of quick-thinking by the Institute's Programme & Deputy Manager, Garazi Donlo, some of the remaining spring courses and many of the summer courses were converted to online sessions following the Institute's closure, using the video communication tool Zoom. Using this platform, the Institute's courses had a unique selling point compared to many of the other online learning opportunities that became available during the pandemic's 'lockdown', in that the sessions were all conducted live and allowed for real-time audience involvement, thus enabling the courses to retain a social component.

The board of trustees would like to extend a special thanks to the professional team, the volunteers and the tutors who all worked tirelessly and with incredible flexibility to ensure that the Institute remained 'open for business', albeit in a virtual capacity, and able to continue providing educational and cultural opportunities.

As a result of uncertainty at the point of the summer brochure release in March, initial sales had been significantly reduced compared to previous years. Therefore considerable efforts were made to market the online sessions to regular Institute attendees and the community beyond. Strategies included articles and adverts in the local press, online bulletins, banners on the outside of the Institute's building and regular communications with the Institute's members and activity attendees through online newsletters. The online newsletters were sent with increased frequency throughout the lockdown and, in addition to advertising the online programme, acted as a method of spreading positive news and highlighting other cultural and social opportunities available beyond those organised by the Institute.

As a result of the above-mentioned efforts, the summer term courses succeeded in generating a healthy surplus for the Institute, with course fees obtained from students during summer 2020 holding at 79% of the level obtained in summer 2019 (our highest-ever grossing year in terms of course income).

In late July 2020, the Institute released its first digital-only brochure. Despite the building's continued closure, the advertised programme of autumn courses remained as full as ever with seventy courses available: the most courses that the Institute has ever scheduled in one term. The vast majority of these courses were scheduled for online delivery, via Zoom, although there were four courses scheduled for face-to-face delivery. As with the summer term of courses, sales of the autumn programme were positive, given the circumstances, and so, in addition to continuing to provide the community with access to a wealth of learning opportunities, the courses also succeeded in generating a surplus for the Institute.

The creation of a programme that was intended for online delivery also enabled the Institute to broaden its tutor base to experts outside of the local area: Guy de Ferrer and Ina Colizza added Creative Writing and Contemporary Dance sessions, respectively, to the programme, with both tutors being based a considerable distance from the Institute's Ward Street home. Similarly, offering the courses online has given the Institute the opportunity to expand its audience beyond those located in the local community and surrounding areas, and to those who may be unable to attend sessions in person, for example as a result of significant mobility issues.

Given the ongoing uncertainty generated by the pandemic that remains at the time of writing and the additional benefits that the online sessions provide, the board intend for online sessions to remain a permanent feature in the Institute's programme going forwards.



### [Support from Guildford Institute Members & Programme Attendees](#)

Given that access to membership benefits was greatly diminished during the 'lockdown', extensions were offered to all members on their membership. However, not a single member requested that this extension be applied. Furthermore, annual membership income figures for 2019-2020 rose by 25% compared to those figures reported for 2018-2019. While some of this increase is likely to be attributable to changes made to the membership year and the renewal process (as a result of the new website and database), the board of trustees are also aware that many people chose to renew their membership early this summer in order to support the Institute during its closure. The board would like to extend a special thank you for the huge support shown by the membership this year.

Despite initial summer term bookings being down immediately following the brochure release in March, at the point of closure there were still a great number of activity attendees who had paid for upcoming events that later went on to be cancelled. Supporting the Institute, many of these attendees decided to donate their activity fees to the Institute, or to refrain from accepting a cash refund by keeping their activity fee as a credit.

For those courses that did go ahead online, the trustees are grateful to attendees who were willing to try this experimental method of course delivery. With the vast majority of the Institute's students having never taken part in an online course previously, in 'trying something new' and attending sessions virtually this summer, they helped to ensure that the course programme continued to provide an income for the Institute while the building remained closed.



#### Financial Impact of the Pandemic

The above-reported performance has highlighted significant achievements for the Institute during the pandemic in terms of continuing to provide cultural learning and social opportunities, and retaining a healthy income from doing so. However, it is also important to highlight the significant amount of income that the Institute did lose this year as a result of the pandemic. For example, income from room hire was down by 36% compared to 2018-2019, marking a £20,000 decline in revenue in this area compared to the previous year. Similarly, income the Institute received from the rental of the restaurant space in 2019-2020 was down by 52% compared to 2018-2019. The Institute lost more than £7,500 in income from the second-floor tenants between March and the end of the financial year. Income from 'institute activities' during 2019-2020, including talks, visits and special events was reduced by 35% after these events were all put on hold or cancelled as a result of the closure.

The Institute did, however succeed in being awarded a £25,000 unrestricted grant from Guildford Borough Council in June 2020 in response to the pandemic, plus an additional £13,994 from the HMRC furlough scheme. The role that this and the £50,000 Judith Whitaker legacy that was received in January 2020 played in the Institute reporting a positive overall net income figure for 2019-2020 cannot be overstated (see page 20 for our financial report).

## Future Developments

As outlined above, planning surrounding the RBS lease will continue to be a central focus for the trustees and professional team in 2020-2021. In addition to having increased the Institute's financial reserves, the board of trustees plans to make use of a wide variety of professional advice services in order to ensure that a full range of innovative options are carefully considered for the future of this ground-floor space and the Institute as a whole, should RBS decide not to renew their lease.

In terms of the Institute's main business, following the results of a survey conducted on Institute members and activity attendees, the Institute reopened the doors to its historic building at the start of the autumn 2020 term, with *V Café at the Institute* and the Library reopening soon after. The opening hours of the Institute remained considerably reduced at first, with the building being open during weekday daytimes only initially in order to ensure the opening was as cost-effective as possible during this period of reduced footfall. Extensive work has been completed, and is regularly reviewed, in order to ensure the building is COVID-secure.

The majority of activities were online-based for the autumn term, with the professional team offering a limited range of onsite courses and talks where possible. At the date in which this report has been signed, there is a nation-wide 'lockdown' in place and therefore the previously-scheduled face to face activities for the spring 2021 term have had to be transferred back to being delivered online, delayed until a later date or cancelled. In order to avoid further disruption still, the majority of the upcoming summer programme will also be delivered via Zoom. Beyond this, it is intended that the Institute will offer a successful online activity provision into the future, alongside a face-to-face provision, providing greater security if further 'lockdowns' occur and, crucially, ensuring that a wider audience is able to access the Institute's programme going forwards.

The board of trustees aim to continue to use the changes that have been brought on by the pandemic in order to make further advancements within the Institute. For example, a new talks series, *Window on the World*, was introduced during the autumn 2020 term, offering attendees the opportunity to join weekday talks either face-to-face or virtually for the first time. It is intended that this talks series will replace the previous *Wednesday Talks* and, with a £5 entry fee, they will be another small source of income generation as the pandemic continues. The hybrid nature of delivery of this talks series provides greater flexibility for the professional team and attendees alike.

In addition to new events, it is hoped that the greater reliance on online-based communication that our organisation and attendees have relied upon during the pandemic will enable the Institute to continue to use this as a means of advertising new developments and activities in the future. In this way, events can be scheduled closer to the time of the activity, offering the Institute greater opportunities to respond to topical areas of interest. In particular, the board of trustees are keen that the Institute continues to offer activities aimed at a growing audience and to provide assistance in response to the current wider circumstances. A focus on 'professional skills' therefore featured in the spring 2021 programme, aimed at helping those who may have lost their employment during the pandemic.

We hope that the Institute members and people from the local community will continue to enjoy the services that we provide during the years ahead, and that we can continue to grow both the offering and the number of individuals we reach into the future. We very much welcome any suggestions and feedback.

## Financial Review

Total income this year was £368,295, an increase of 14.2% over last year (2019: £322,350). Although donations, including building fund donations, fell from £8,539 to £3,670, we received a generous legacy of £50,000 which significantly boosted our income. Grants receivable from local and central government totalling £38,994 also assisted us during this difficult year.

Total expenditure has shown a decrease of 3.7% from £300,484 last year to £289,826 in 2020. The main decreases were in legal and professional fees and cleaning, although there was an increase in staff costs.

Net income amounted to £78,469 (2019: £21,866) including net income of £1,006 (2019: £5,395) relating to Restricted Funds.

The Charity's Unrestricted Funds commenced the year at £490,790 (2019: £474,319) and have increased by £2,494 (2019: £16,471) to a balance at the year-end of £493,284 (2019: £490,790).

The Charity's Designated Fund had a balance brought forward of £31 at the start of the year. This was a historic balance and, being not material, has been transferred back to general unrestricted reserves during the year. However the £75,000 set aside to address significant damp issues as described below is an amount that the board has decided to classify as a designated reserve. Therefore, the total Designated Fund at the end of the year is £75,000.

The balance on the Charity's Restricted Funds at the commencement of the year was £468,969 (2019: £463,574) and it has increased by £1,006 (2019: £5,395) to leave a balance of £469,975 (2019: £468,969) at the year end.

### Reserves Policy

The Charity Commission expects trustees to decide, publish, implement and monitor a charity's reserves policy. In January 2020, the board of trustees created a new reserves policy, which outlined that the Institute should be keeping a minimum of £250,000 in reserves. This comprised of an operating reserve of £25,000, £150,000 to cover for potential loss of rental income from The Royal Bank of Scotland and £75,000 to address significant damp issues within the building, following a damp survey conducted in August 2019. This policy is to be effective until the Royal Bank of Scotland have signed a new tenancy lease with the Guildford Institute, or until the way forward with this lease becomes clearer. As of the date that the board of trustees approved this report, the Royal Bank of Scotland had not signed a new tenancy agreement, but has continued to pay rent and is still expected to sign an agreement in the coming months.

This reserves policy marks a change in the previous policy (effective from July 2018), which outlined that the Institute should be keeping a minimum of £150,000 in reserves. In January 2021, the board of trustees further reviewed the reserves policy and increased the operating reserve from £25,000 to £45,000, to cover roughly three months' of operating costs, in addition to transferring the £75,000 set aside for damp issues from general reserves to the Designated Fund. Thus, the total target reserves for Unrestricted Funds (including Designated Funds, which are a subset of total Unrestricted Funds) is £270,000.

As shown in the Balance Sheet at 31 July 2020, on page 26, the Charity has unrestricted net current assets of £336,339 (2019: £256,174) on Unrestricted Funds with long-term creditors of £15,803 (2019: £17,719) resulting in available reserves of £320,536 (2019: £238,455). Therefore, for the current year the target has been more than achieved. It should be noted, however, that in the current uncertain circumstances of the Covid-19 pandemic, it is likely, all other things being equal, that the current excess is likely to reduce by the end of the 2020 – 2021 financial year. The trustees, while not being complacent, believe that the charity is in a better position than most to emerge from the current pandemic in a relatively strong position.

The trustees remain committed to maintaining the charity's reserves to at least the level of its stated reserves policy and will continue to keep the situation under constant review. The results for the year are shown in the annexed Statement of Financial Activities.

### **Statement of Trustees' Responsibilities**

The trustees (who are also the directors of The Guildford Institute for the purposes of company law) are responsible for preparing the report of the trustees and the 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 incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing those financial statements, the trustees are required to:

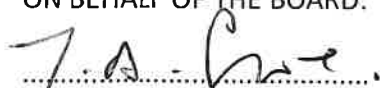
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charity SORP;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

### **Statement as to Disclosure of Information to Auditors**

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each Trustee has taken all the steps that he/she ought to have taken as a trustee in order to make him/herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

  
Janet Crowe – Trustee

Date: 2 February 2021

## Report of the Independent Auditors to the Trustees of The Guildford Institute

### Opinion

We have audited the financial statements of Guildford Institute (the 'charitable company') for the year ended 31 July 2020 on pages 25 to 35. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### 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 2020 and of its incoming resources and application of resources, including its result, 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 Auditors' 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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 21, the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

### **Our responsibilities for the audit of the financial statements**

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 a Report of the Independent Auditors 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

## Use of Our Report

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Bennewith 2018 Ltd (Statutory Auditors)

Eligible to act as auditors in terms of Section 1212 of the Companies Act 2006

3 Wey Court

Mary Road

Guildford

Surrey

GU1 4QU

 Bennewith & Co.

Date: 2 February.....2021

## Statement of Financial Activities for the Year Ended 31st July 2020

	Note	Unrestricted funds £	Designated funds £	Restricted funds £	31.07.20 Total funds £	31.07.19 Total funds £
<b>Income from:</b>						
Donations and legacies	2	52,314	-	1,356	53,670	8,539
Charitable activities:	3	100,471	-	-	100,471	111,897
Other trading activities	4	173,464	-	-	173,464	201,111
Investments	5	1,696	-	-	1,696	803
Other	6	38,994	-	-	38,994	-
<b>Total</b>		<b>366,939</b>	<b>-</b>	<b>1,356</b>	<b>368,295</b>	<b>322,350</b>
<b>Expenditure on:</b>						
Charitable activities:	7	289,476	-	350	289,826	300,484
<b>Total</b>		<b>289,476</b>	<b>-</b>	<b>350</b>	<b>289,826</b>	<b>300,484</b>
<b>Net income</b>		<b>77,463</b>	<b>-</b>	<b>1,006</b>	<b>78,469</b>	<b>21,866</b>
<b>Transfers between funds</b>	16	<b>(74,969)</b>	<b>74,969</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>2,494</b>	<b>74,969</b>	<b>1,006</b>	<b>78,469</b>	<b>21,866</b>
<b>Reconciliation of funds:</b>						
<b>Total funds brought forward</b>		<b>490,790</b>	<b>31</b>	<b>468,969</b>	<b>959,790</b>	<b>937,924</b>
<b>Total funds carried forward</b>		<b>493,284</b>	<b>75,000</b>	<b>469,975</b>	<b>1,038,259</b>	<b>959,790</b>

The notes form part of these financial statements

## Balance Sheet at 31st July 2020

	Note	Unrestricted funds £	Designated funds £	Restricted funds £	31.07.20 Total funds £	31.07.19 Total funds £
<b>Fixed assets:</b>						
Tangible assets	12	247,748	-	451,061	698,809	703,427
<i>Total fixed assets</i>		<b>247,748</b>	<b>-</b>	<b>451,061</b>	<b>698,809</b>	<b>703,427</b>
<b>Current assets:</b>						
Stocks		1,456	-	-	1,456	1,235
Debtors	13	13,944	-	1,505	15,449	26,112
Cash at bank and in hand		313,476	75,000	17,759	406,235	347,439
<i>Total current assets</i>		<b>328,876</b>	<b>75,000</b>	<b>19,264</b>	<b>423,140</b>	<b>347,786</b>
<b>Liabilities:</b>						
Creditors: Amounts falling due within one year	14	(67,537)	-	(350)	(67,887)	(100,704)
<i>Net current assets</i>		<b>261,339</b>	<b>75,000</b>	<b>18,914</b>	<b>355,253</b>	<b>274,082</b>
<i>Total assets less current liabilities</i>		<b>509,087</b>	<b>75,000</b>	<b>469,975</b>	<b>1,054,062</b>	<b>977,509</b>
Creditors: Amounts falling due after more than one year	15	(15,803)	-	-	(15,803)	(17,719)
<i>Total net assets</i>		<b>493,284</b>	<b>75,000</b>	<b>469,975</b>	<b>1,038,259</b>	<b>959,790</b>
<b>The funds of the charity:</b>						
Unrestricted funds:						
General fund					493,284	490,790
Designated funds					75,000	31
<i>Total unrestricted funds</i>		<b>493,284</b>	<b>75,000</b>		<b>568,284</b>	<b>490,821</b>
Restricted funds:						
Building funds	16			469,975	469,975	468,969
<i>Total charity funds</i>		<b>493,284</b>	<b>75,000</b>	<b>469,975</b>	<b>1,038,259</b>	<b>959,790</b>

The notes form part of these financial statements

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2020.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for:

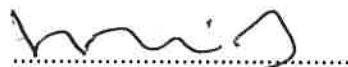
- a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 144 of the Charities Act 2011.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard 102 (effective 1 January 2015).

The financial statements were approved by the board of trustees on 2 February... 2021 and were signed on its behalf by:

  
Janet Crowe - Trustee

  
Michael Kirby - Trustee

The notes form part of these financial statements

# Notes to the Financial Statements for the Year Ended 31st July

## 1. Accounting Policies

### **Basis of preparing the financial statements**

The financial statements of the charity have been prepared in accordance with the Companies Act 2006, the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

### **Income**

All income is included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Lifetime Memberships are credited to the Statement of Financial Activities over a period of 10 years.

### **Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

### **Tangible fixed assets**

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

- Land & buildings – Not Provided
- Computer Equipment – Straight line over 3 years
- Furniture & fixtures – Straight Line over 3 years

### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

### **Taxation**

The Charity is exempt from corporation tax on its charitable activities.

### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds have been set aside by the trustees for future expenditure as noted in the trustees' report.

Restricted funds can only be used for particular restricted purposes within the objectives of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

## 2. Donations and legacies

	31.07.20	31.07.19
	£	£
Donations	2,314	959
Building fund donations	1,356	7,580
Legacy	50,000	-
	<b>53,670</b>	<b>8,539</b>

## 3. Charitable activities - income

		31.07.20	31.07.19
	Activity	£	£
Library	Library	-	20
Institute Activities	Institute Activities	11,238	17,111
Courses	Courses	89,233	94,766
		<b>100,471</b>	<b>111,897</b>

## 4. Other trading activities - income

		31.07.20	31.07.19
	Activity	£	£
Bar	Bar	10,548	14,078
Room and Equipment Hire	Bar	4,580	9,454
Annual Membership	General Activities	16,288	13,035
Lifetime Membership	General Activities	916	1,419
Other Income	General Activities	367	1,115
Room and Equipment Hire	Premises	36,792	57,374
Rental Income	Premises	103,973	104,636
		<b>173,464</b>	<b>201,111</b>

## 5. Investments

	31.07.20	31.07.19
	£	£
Deposit account interest	1,696	803
	<b>1,696</b>	<b>803</b>

## 6. Other Income

	31.07.20	31.07.19
	£	£
Grants receivable - government grants	38,994	-
	<b>38,994</b>	<b>-</b>

## 7. Charitable activities - expenditure

	31.07.20	31.07.19
	£	£
Library	6,017	3,498
Institute Activities	5,633	9,766
Bar	4,954	7,575
Courses	34,079	33,041
General Activities	205,566	210,201
Premises	33,577	36,403
	<b>289,826</b>	<b>300,484</b>

## 8. Net income

Net income is stated after charging	31.07.20	31.07.19
	£	£
Remuneration payable to auditors: for audit services	4,200	4,200
Remuneration payable to auditors: for accountancy services	1,800	4,210
Depreciation – owned assets	5,218	7,020

## 9. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 July 2020 nor for the year ended 31 July 2019.

### Trustees' Expenses

A total of £233 was paid in expenses to four trustees in respect of travel and sustenance during the year ended 31 July 2020 (year ended 31 July 2019: £113 to two trustees in respect of travel and sustenance).

## 10. Related party transactions

Some of the building loans have been provided by existing and previous trustees who are regarded as related parties and, under FRS 102, must be disclosed. The amounts outstanding at the year-end are as follows:

Michael Adams                      £10,000 (2019: £10,000)

## 11. Staff costs

	31.07.20	31.07.19
	£	£
Wages and salaries	129,819	118,836
Pension contributions to direct contribution scheme	4,418	4,079
Social Security costs	6,337	5,958
	<b>140,574</b>	<b>128,873</b>
Average number of staff	8	8

No member of staff earned more than £60,000 during the current or preceding year.

## 12. Fixed assets – Tangible assets

	Freehold property £	Furniture & Fixtures £	Computer equipment £	Totals £
<b>COST</b>				
At 1 August 2019	696,587	29,400	22,661	748,648
Additions	-	-	600	600
Disposals	-	-	-	-
<b>At 31 July 2020</b>	<b>696,587</b>	<b>29,400</b>	<b>23,261</b>	<b>749,248</b>
<b>DEPRECIATION</b>				
At 1 August 2019	-	23,331	21,890	45,221
Charge for year	-	4,330	888	5,218
Disposals	-	-	-	-
<b>At 31 July 2020</b>	<b>-</b>	<b>27,661</b>	<b>22,778</b>	<b>50,439</b>
<b>NET BOOK VALUE</b>				
<b>At 31 July 2020</b>	<b>696,587</b>	<b>1,739</b>	<b>483</b>	<b>698,809</b>
<b>At 31 July 2019</b>	<b>696,587</b>	<b>6,069</b>	<b>771</b>	<b>703,427</b>

## 13. Debtors

	31.07.20 £	31.07.19 £
Trade debtors	224	9,132
Other debtors	12,607	9,568
Prepayments	2,618	7,412
	<b>15,449</b>	<b>26,112</b>

## 14. Creditors: Amounts falling due within one year

	31.07.20 £	31.07.19 £
Deferred income	25,287	56,149
Accrued expenses	15,399	19,946
Other creditors	1,358	683
	<b>67,887</b>	<b>100,704</b>

During the project for redevelopment of the charity's building in 2013, a number of individuals made interest-free loans to the charity in order to assist the financing of the development. These loans are repayable on differing terms and those which are repayable, despite the original period of the loan, at the instigation of the lender, are shown as amounts falling due within one year.

Deferred income represents income received in advance of the period to which it relates.

#### 15. Creditors: Amounts falling due after more than one year

	31.07.20 £	31.07.19 £
Building project loans	13,000	14,000
Lifetime Members	2,803	3,719
	<b>15,803</b>	<b>17,719</b>

#### 16. Total charity funds

	At 01.08.19 £	Net movement in funds £	Transfers between funds £	At 31.07.20 £
<b>Unrestricted funds</b>				
General fund	490,790	77,463	-74,969	493,284
Designated funds	31	-	74,969	75,000
<b>Restricted funds</b>				
Building fund	468,969	1,006	-	469,975
<b>TOTAL FUNDS</b>	<b>959,790</b>	<b>78,469</b>	<b>-</b>	<b>1,038,259</b>

Net movement in funds, included in the above, is as follows:

	Income £	Expenditure £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	366,939	(289,476)	77,463
Designated funds	-	-	-
	366,939	(289,476)	77,463
<b>Restricted funds</b>			
Building fund	1,356	(350)	1,006
	<b>368,295</b>	<b>(289,826)</b>	<b>78,469</b>

#### 17. Funds

##### Designated Funds

This comprises funds set aside in respect of anticipated expenditure on rectifying damp problems in the Institute premises.

##### Restricted funds

The Building fund was established for the purposes of redeveloping the existing building and facilities. Donations towards it and expenditure relating to it are shown above in Note 15. This fund also includes specific donations that have been made to the *Treasures of the Guildford Institute Library Appeal*.

#### 18. Commitments

At the balance sheet date, the charity had no significant commitments (2019: there was a commitment to pay a further £3,700 in respect of the database development project, over and above what had already been accrued).

## 19. Comparatives for the Statement of Financial Activities

	Unrestricted funds £	Designated funds £	Restricted funds £	31.07.19 Total funds £
<b>Income from:</b>				
Donations and legacies	959	-	7,580	8,539
Charitable activities:	111,897	-	-	111,897
Other trading activities	201,111	-	-	201,111
Investments	803	-	-	803
<b>Total</b>	<b>314,770</b>	<b>-</b>	<b>7,580</b>	<b>322,350</b>
<b>Expenditure on:</b>				
Charitable activities:	298,299	-	2,185	300,484
<b>Total</b>	<b>298,299</b>	<b>-</b>	<b>2,185</b>	<b>300,484</b>
<b>Net income/(expenditure)</b>	<b>16,471</b>	<b>-</b>	<b>5,395</b>	<b>21,866</b>
<b>Transfers between funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>	<b>16,471</b>	<b>-</b>	<b>5,395</b>	<b>21,866</b>
<b>Reconciliation of funds:</b>				
<b>Total funds brought forward</b>	<b>474,319</b>	<b>31</b>	<b>463,574</b>	<b>937,924</b>
<b>Total funds carried forward</b>	<b>490,790</b>	<b>31</b>	<b>468,969</b>	<b>959,790</b>

## Detailed Statement of Financial Activities for the Year Ended 31<sup>st</sup> July 2020

<b>INCOMING RESOURCES</b>	<b>31.07.20</b>	<b>31.07.19</b>
	<b>£</b>	<b>£</b>
<b>Voluntary income</b>		
Donations	2,314	959
Building fund donations	1,356	7,580
Legacy	50,000	-
	<b>53,670</b>	<b>8,539</b>
<b>Investment income</b>		
Deposit account interest	1,696	803
	<b>1,696</b>	<b>803</b>
<b>Income from charitable activities</b>		
Institute activities	11,238	17,111
Courses	89,233	94,766
Library	-	20
	<b>100,471</b>	<b>111,897</b>
<b>Income from other trading activities</b>		
Bar	10,548	14,078
Room and equipment hire	41,372	66,828
Annual Membership	16,288	13,035
Lifetime Membership	916	1,419
Rental income	103,973	104,636
Other income	367	1,115
	<b>173,464</b>	<b>201,111</b>
<b>Other income</b>		
Grants receivable- government grants	38,994	-
	<b>38,994</b>	<b>-</b>
<b>Total income</b>	<b>368,295</b>	<b>322,350</b>
<b>Expenditure</b>		
Wages and salaries	129,819	118,836
Pension contributions	4,418	4,079
Social security	6,337	5,958
Temporary staff	30	333
Water	756	815
Insurance	2,126	1,779
Light and heat	9,280	7,406
Telephone	4,715	4,238
Postage and stationery	2,955	3,341
Advertising	12,350	11,142
IT and website costs	8,172	6,848
<b>BALANCE CARRIED FORWARD</b>	<b>180,958</b>	<b>164,775</b>

	31.07.20 £	31.07.19 £
<b>Expenditure-continued</b>		
<i>BALANCE BROUGHT FORWARD</i>	180,958	164,775
Books	1,808	971
Newspapers	648	1,000
Photocopying	2,738	2,837
Subscriptions	80	60
Equipment	1,211	613
Travel	601	398
Bar supplies	4,832	7,027
Other costs	710	1,376
Licences	325	1,128
Cleaning	8,414	11,828
Training and recruitment	1,261	1,890
Institute activities	5,633	9,756
Tutor fees	33,978	33,001
Repairs and renewals	19,866	17,155
Furniture and Fixtures depreciation	4,330	4,806
Computer equipment depreciation	888	2,214
Bank charges	2,134	2,349
Bad debts	404	682
Other expenses	15	36
Accountancy	3,345	5,966
Legal and professional fees	11,447	26,176
Auditors' remuneration	4,200	4,440
<b>Total expenditure</b>	<b>289,826</b>	<b>300,484</b>
<b>Net income</b>	<b>78,469</b>	<b>21,866</b>

THIS PAGE DOES NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS

