

**The Cutlers' Hall Preservation Trust Limited (a company
limited by guarantee)**

Financial statements

For the year ended 1 October 2013



Company no: 01655467
Charity no: 513038

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Financial statements for the year ended 1 October 2013

Company information

Company registration number: 01655467

Charity registration number: 513038

Registered office: The Cutlers' Hall
Church Street
SHEFFIELD
S1 1HG

Bankers: Royal Bank of Scotland
5 Church Street
SHEFFIELD
S1 1HF

Natwest
42 High Street
SHEFFIELD
S1 1QG

Solicitors: HLW Keeble Hawson
St James' Row
SHEFFIELD
S1 1XA

Auditors: Grant Thornton UK LLP
Statutory Auditors
Chartered Accountants
2 Broadfield Court
SHEFFIELD
S8 0XF

Investment advisors: Investec Wealth & Investment Limited
Beech House
61 Napier Street
SHEFFIELD
S11 8HA

Council of management: C J Jewitt
Mrs P E Liversidge
N A MacDonald (appointed 3 October 2012)
A P Pedder
D R Stone (resigned 1 October 2013)

Company secretary: G A Kilburn

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Report of the Council of Management

The Council of Management present their report together with financial statements for the year ended 1 October 2013

History and objectives

The Cutlers' Hall Preservation Trust which was incorporated on 30 July 1982, is a company limited by guarantee and is a registered charity

The objects of the Trust are to preserve and maintain for the benefit of the townspeople of Sheffield in the County of York and for the nation at large, the historical, architectural and constructional heritage of the Cutlers' Hall. This primary objective together with a further supporting 19 objectives is set out in the Memorandum and Articles of Association, which is the Trust's governing document

Achievements and performance

During the year income totalled £118,152 (2012 £136,350) and expenditure of £152,931 (2012 £134,250) was directed towards the principal objective of preserving, insuring and maintaining the Cutlers' Hall

The Cutlers' Hall and its artefacts have been protected and maintained throughout the year. There has been an increase in the interest in the Hall. This along with the open day held in February have increased the number of people visiting the Hall by more than 100%

Access Organised tours of the Hall have been available for some time. Advertising, the Open Day and additional interest have resulted in an increased number of visitors. There has also been a large number of informal tours this year.

Security The Hall is permanently manned whilst it is open and an alarm system provides security when the Hall is closed. Fully maintained fire alarms and security systems as well as the appropriate procedures are in place. In addition the Hall and its artefacts are fully insured. This year the Beadle's Flat has been refurbished and it is now occupied by the Deputy Beadle. As a consequence, he is now 'on hand' during the silent hours improving the security of the building.

Maintenance Essential repairs to the Hall have been carried out as required with priority given to safety issues followed by the maintenance of the integrity of the building and then to renovations and refurbishments. This year, there has been some refurbishment of the collection in the Hall. The cost of renovations and refurbishment was £46,161 (2012 £32,624).

Education The trust has supported students and apprentices through the Joint Awards scheme which allows engineers and design students to visit facilities and factories abroad. These awards are targeted at those who would not otherwise be able to benefit from this experience. The Company of Cutlers "Made in Sheffield" Programme has continued this year in order to give young people the opportunity to focus their learning in order to prepare them for life after school and a work environment. This is now embedded in 4 schools in Sheffield and is being rolled out amongst other sectors.

Other Charities The Trust has made donations to other Charities, in particular the Lord Mayor of London's appeal.

Future plans

The Trust will continue to encourage a larger number of visitors and greater publicity for the Hall. It is planned to link the Open Day to National Heritage Day in 2014 in order to increase visitors. The Trust will also fund appropriate security and insurance and it anticipates receiving applications for grants totalling £39,000 for the ensuing year for the general maintenance and preservation of the Cutlers' Hall.

It is planned to run an educational award scheme again this year and to continue to support the Company of Cutlers "Made in Sheffield" programme.

Report of the Council of Management

Financial Review

The results of the year are set out in the statement of financial activities on page 9 and reflect the economic downturn. The grant made to The Company of Cutlers to help maintain the Cutlers' Hall under the terms of the objects was £46,161 (2012 £32,624). Gross income decreased by 13.3%, expenditure on charitable activities increased by 14.2% and governance costs remained stable.

Investment policy

The Council of Management investment powers are set out in the Memorandum and Articles of Association, as supplemented by the Trustees Act 2000. The Council of Management have considered their duties under the Act and have decided that the funds of the Trust should remain invested through Investec Wealth & Investment Limited with the aims being that

- all Charity's investments are properly diversified,
- the level of risk is no higher than medium, and
- the overall return exceeds specific benchmarks agreed with the Fund Manager

The Council of Management have instructed the investment manager to manage the portfolio on a fully discretionary basis and have entered into a formal agreement with Investec Wealth & Investment Limited for this purpose. The Council of Management review this strategy annually or as circumstances dictate.

Structure, governance and management

Governing document

The Cutlers' Hall Preservation Trust was incorporated on 30 July 1982, is a company limited by guarantee and is a registered charity. The Trust was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the Trust being wound up all of the 33 Members are required to contribute an amount not exceeding £100.

Recruitment and Appointment of the Council of Management

The management of the Trust is vested in the Council of Management who, for Companies Act purposes, are equivalent to directors and are also charity trustees for the purposes of charity law. The Council of Management is drawn from the 33 Members of the Trust. Under the requirements of the Memorandum and Articles of Association, at the AGM one third of the members of Council shall retire from office. A retiring member of Council is eligible for re-election.

Council of Management induction and training

All the Council of Management are very familiar with the practical work of the charity as they have been Members of the Trust for several years beforehand and have attended a number of AGMs before being elected to the Council of Management. Some are also Trustees of other charities. In addition all the Council of Management have been given copies of the Charity Commission publication 'The Essential Trustee: What you need to know'.

Risk management

The Council of Management have examined the major strategic and operational risks to which the Trust is exposed. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the external risks the trust faces. Internal control risks are minimised by the implementation of various procedures for authorisation of transactions and the safeguarding of assets. Overall they are satisfied there are adequate systems to mitigate those risks.

Reserves policy

The principal purpose of the Preservation Trust is the care and maintenance of the Hall. The reserves policy therefore takes account of a possible need for a major repair at relatively short notice. In addition, the Trust must be able to operate for 12 months if deprived of all its income.

Report of the Council of Management

Statement of the Council of Management responsibilities

The Council of Management (who are also directors of The Cutlers' Hall Preservation Trust Limited for the purposes of company law) are responsible for preparing the Report of the Council of Management and the financial statements in accordance with applicable law and regulations

Company law requires the Council of Management to prepare financial statements for each financial year. Under that law, the Council of Management have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Council of Management must not approve the financial statements unless they are satisfied that they 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 these financial statements, the Council of Management are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 business.

The Council of Management are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

The Council of Management confirm that

- so far as each member is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Council of Management have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Council of Management are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Council of Management confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's aims and objectives and in planning future activities and setting the grant making policy for the year.

Report of the Council of Management

Auditors

The Charity's articles require annual reappointment of the auditors. Grant Thornton UK LLP have expressed willingness to continue in office. In accordance with s485(4) of the Companies Act 2006 a resolution to reappoint Grant Thornton UK LLP as auditors will be proposed at the Annual General Meeting.

Small Company Exemptions

In preparing this report, the Council of Management have taken advantage of the small companies exemption in Part 15 of the Companies Act 2006.

BY ORDER OF THE COUNCIL OF MANAGEMENT



G A Kilburn
Secretary
6 March 2014



Independent auditor's report to the members of The Cutlers' Hall Preservation Trust Limited (a company limited by guarantee)

We have audited the financial statements of The Cutlers' Hall Preservation Trust Limited for the year ended 1 October 2013 which comprise the principal accounting policies, the statement of financial activities, the balance sheet and the related notes. 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).

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Council of Management and auditors

As explained more fully in the Statement of the Council of Management responsibilities set out on page 3, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 1 October 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Council of Management for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent auditor's report to the members of The Cutlers' Hall Preservation Trust Limited (a company limited by guarantee)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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' exemption in preparing the Report of the Council of Management

A handwritten signature in black ink, appearing to read "Grant Thornton UK LLP".

Peter Edwards
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
SHEFFIELD
6 March 2014

Principal accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (revised 2005), applicable accounting standards and the Companies Act 2006. They have been prepared under the historical cost convention, except that investments are carried at valuation, as described below.

The principal accounting policies have remained unchanged from the previous year, and are set out below.

Incoming resources

Donations and gifts

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Legacies are included when the charity is advised by the personal representative of an estate that payment will be made and the amount involved can be quantified.

Donations under Gift Aid together with the associated income tax recoveries are credited as income when the donations are received.

Investment income

Investment income, including associated income tax recoveries, is recognised when receivable.

Resources expended

Expenditure, which is charged on an accruals basis, is allocated between:

- expenditure incurred directly to the fulfilment of the charitable company's objectives (charitable activities), and
- expenditure incurred in the governance of the charitable company.

Grants payable

All grants payable are included in the statements of financial activities in the year in which they are paid.

Fund accounting

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs.

Endowment funds represent those funds which must be held permanently in trust by the charity for the benefit of the charity.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charitable company.

Designated funds are unrestricted funds which have been designated for a specific purpose by the Council of Management.

Principal accounting policies

Investments

Assets held for investment purposes are valued at market value at the Balance Sheet date

Retirement Benefits

Defined Contribution Pension Scheme

The pension costs charged against operating profits are contributions payable to the scheme in respect of the accounting period

Financial Risk Management

The charitable company uses financial instruments, comprising cash and debtors. The main purpose of these financial instruments is to finance the working capital cycle of the charitable company and finance longer term capital needs.

The policies for managing the risks open to the charitable company are summarised below and remain unchanged from the previous year.

Interest rate risk

The charitable company considers movements in interest rates to be the main risk. The charitable company has a policy of maximising the returns on cash held by investing in high interest bank accounts.

Statement of financial activities (incorporating the income and expenditure account)

	Note	2013 £	2012 £
Income			
Incoming resources from generated funds			
Voluntary income			
Donations		88,610	106,139
Activities for generating funds			
Hall tours		2,330	3,896
Investment and similar income			
Bank interest		199	216
Investment income		27,013	26,099
Total incoming resources		118,152	136,350
Expenditure			
Resources expended			
Charitable activities			
Preservation of Cutlers' Hall	1	(150,398)	(131,716)
Governance costs	2	(2,533)	(2,534)
Total resources expended		(152,931)	(134,250)
Net (outgoing)/incoming resources for the year		(34,779)	2,100
Realised gains on investment assets		10,296	1,177
Net (outgoing)/incoming resources for the year before unrealised gains (including (deficit)/surplus of income over expenditure)		(24,483)	3,277
Unrealised gains on investment assets		82,526	77,435
Net movement in funds	10	58,043	80,712
Fund balances brought forward at 3 October 2012	10	830,991	750,279
Fund balances carried forward at 1 October 2013	9,10	889,034	830,991

All operations of the charity are considered to be continuing

All incoming and outgoing resources above relate to the charity and are unrestricted

The accompanying accounting policies and notes form an integral part of these financial statements.

Balance sheet

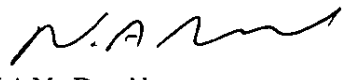
	Note	2013 £	2012 £
Fixed assets			
Investments	5	843,004	847,188
Current assets			
Debtors	6	17,467	20,089
Cash at bank and in hand		52,077	37,255
		<u>69,544</u>	<u>57,344</u>
Creditors' amounts falling due within one year	7	<u>(23,514)</u>	<u>(73,541)</u>
Net current assets/(liabilities)		<u>46,030</u>	<u>(16,197)</u>
		<u>889,034</u>	<u>830,991</u>
Capital funds			
Endowments	8,9	140,170	140,170
Income funds			
Unrestricted funds	8,9	748,864	690,821
	8,9	<u>889,034</u>	<u>830,991</u>

The financial statements were approved and authorised for issue by the Council of Management on 6 March 2014


D R Stone
Chairman of the Council of Management


A P Pedder
Member of the Council of Management


Mrs P E Liversidge
Master Cutler 2011/2012


N A MacDonald
Master Cutler 2012/2013

Members of the Council of Management

Company no 01655467
Charity no 5130387

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes to the financial statements

1 Resources expended

	2013 £	2012 £
Charitable activities in relation to the preservation of the Cutlers' Hall		
Direct costs		
Grant to Company of Cutlers for Hall repairs	46,161	32,624
Salaries	48,604	48,934
Employers' NI	2,494	2,640
Pension	1,495	1,501
Grant to Company of Cutlers for administration costs	16,500	19,000
Sundry expenses	1,000	5,695
Investment manager fees	4,747	3,974
Insurance	21,687	7,288
Legal and professional	1,080	-
Joint education awards	-	2,500
Marketing	5,703	7,560
Artefacts	927	-
Total	150,398	131,716

2 Governance costs

	2013 £	2012 £
Audit and accountancy fees	2,533	2,534

3 Employees

The average number of employees during the year was 8 (2012 9)

No remuneration has been paid to any member of the Council of Management (2012 £nil) and no (2012 none) expenses have been reimbursed for attendance at meetings or in connection with the running of the charity's affairs

No employee has earned £60,000 per annum or more in the current or preceding accounting period

4 Tangible fixed assets

No value is shown in the balance sheet for land owned by the charitable company, as the trustees believe that its market value is negligible

Notes to the financial statements

5 Fixed asset investments

	Listed Investments £
Market value	
At 3 October 2012	847,188
Additions	65,917
Disposals	(152,627)
Unrealised gain	82,526
	<u>843,004</u>
At 1 October 2013	
	<u>666,966</u>
Historical cost of investments at 1 October 2013	

The differences between the market value and the historical cost of investments is included in unrestricted funds

Individual investments which comprise over 5% of the value of the portfolio are

	% of value of portfolio	
	2013	2012
Findlay Park American Smaller Companies	<u>5.16</u>	<u>4.18</u>

6 Debtors

	2013 £	2012 £
Other debtors and prepayments	<u>17,467</u>	<u>20,089</u>

7 Creditors: amounts falling due within one year

	2013 £	2012 £
Social security and other taxes	717	799
Accruals	21,546	29,502
Amount owed to Company of Cutlers	<u>1,251</u>	<u>43,240</u>
	<u>23,514</u>	<u>73,541</u>

8 Capital Commitments

There were no capital commitments at 1 October 2013 or 2 October 2012

Notes to the financial statements

9 Analysis of net assets between funds

	Endowment fund £	Unrestricted fund £	Designated fund £	Total funds £
Investments	140,170	702,834	-	843,004
Net current assets	-	39,030	7,000	46,030
	<u>140,170</u>	<u>741,864</u>	<u>7,000</u>	<u>889,034</u>

10 Funds

	Endowment fund £	Unrestricted fund £	Designated fund	Total funds £
At 3 October 2012	140,170	690,821	-	830,991
Incoming resources	-	114,652	3,500	118,152
Expenditure	-	(152,931)	-	(152,931)
Realised gains on investments	-	10,296	-	10,296
Unrealised gains on investments	-	82,526	-	82,526
Transfer	-	(3,500)	3,500	-
At 1 October 2013	<u>140,170</u>	<u>741,864</u>	<u>7,000</u>	<u>889,034</u>

* During the year a designated fund has been set up to account for awards available under the Joint Education Awards scheme

11 Members' liability

The liability of members of the charitable company is limited. Every member of the charitable company undertakes to contribute to the assets of the charitable company in the event of the same being wound up under terms specified in the charitable company's Memorandum of Association. Such amounts may not exceed £100.

12 Retirement benefit

Defined Contribution Pension Scheme

The Company operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the charitable company.

13 Liability limitation agreement with auditor

The company has entered into a limited liability agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the year ended 1 October 2013. The proportionate liability agreement follows the terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Audit Liability Agreements, and was approved by the Council of Management on 12 September 2013.