

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

Financial statements

For the year ended 6 October 2009



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Company no 1655467

Company information

Company registration number: 1655467

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

Solicitors: Wake Smith
68 Clarkehouse Road
SHEFFIELD
S10 2LJ

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

Investment advisors: Rensburg Sheppards Investment Management Limited
Beech House
61 Napier Street
SHEFFIELD
S11 8HA

Council of management: D R Stone
P W Lee
M J Howell
J H Newman
W B Speirs
Mrs D B Liversidge

Company secretary: P D Gardner

Index to the financial statements

Report of the Council of Management	1 - 3
Report of the independent auditor	4 - 5
Principal accounting policies	6 - 7
Statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10 - 12

Report of the Council of Management

The Council of Management present their report together with financial statements for the year ended 6 October 2009

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

Principal activities include repairs, renovation and restoration, the acquisition of furniture or other items for use in connection with the Cutlers' Hall, to make arrangements for the public to view and enjoy the Cutlers' Hall, to house acquire, maintain and refurbish the archives, artefacts and the unique collection of silver for others to enjoy, from time to time to raise funds for the purposes of the Trust, to employ and remunerate staff, to support other charitable associations connected with the Trust or to further its objects, to support craft related educational schemes and to do any things necessary to the attainment of the Trust's main object

Achievements and performance

During the year income totalled £133,366 (2008 £145,971) and expenditure of £134,031 (2008 £189,398) was directed towards the principal objective of preserving, insuring and maintaining the Cutlers' Hall

Future plans

The Trust anticipates receiving application for grants totalling £35,000 (2009 £24,795) for the ensuing year for the general maintenance and preservation of the Cutlers' Hall

Financial Review

The results of the year are set out in the statement of financial activities on page 8 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 held at £24,795. Gross income decreased by 9%, governance costs increased by 1% and investments increased by 4%.

Investment policy

The Council of Management investment powers are set out in the Memorandum and Articles of Association, as supplemented by the Trustees Act 2004. The Council of Management have considered their duties under the Act and have decided that the funds of the Trust should remain invested through Rensburg Sheppards Investment Management Limited with the aims being that

- all Charity's investments are properly diversified
- the level of risk is no higher than medium
- 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 Rensburg Sheppards Investment Management Limited for this purpose. The Council of Management review this strategy annually or as circumstances dictate

Report of the Council of Management

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.

In this period Mr G W Bridge retired from the Council and Mrs D B Liversidge was elected to the Council.

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

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level which generates sufficient income in order to meet the obligations of the Trust.

Statement of the Council of Management responsibilities

The Council of Management are responsible for preparing the Report of the Council of Management and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices).

Company law requires the Council of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources, including the income and expenditure, of the Trust for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

Report of the Council of Management

The Council of Management are responsible for keeping proper accounting records, that disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees have sought to discharge their responsibilities in accordance with these guidelines.

In so far as the Council of Management are aware

- there is no relevant audit information of which the Trust'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 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.

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.

BY ORDER OF THE COUNCIL OF MANAGEMENT



P D Gardner
Secretary
8 February 2010



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 6 October 2009 which comprise the principal accounting policies, the statement of financial activities, the balance sheet and notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Sections 495 and 496 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

The Council of Management's (who are also the directors of The Cutlers Hall Preservation Trust Limited for the purposes of company law) responsibilities for preparing the Report of the Council of Management and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of the Council of Management Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether the information given in the Report of the Council of Management is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Report of the Council of Management and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



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

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 6 October 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Report of the Council of Management is consistent with the financial statements

Grant Thornton UK LLP.

Peter Edwards
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
SHEFFIELD
8 February 2010

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.

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	2009 £	2008 £
Income			
Incoming resource from general activities			
Voluntary income			
Donations		98,373	104,849
Life donations		-	3,522
Activities for generating funds			
Hall tours		3,174	1,872
Subscription events		1,409	455
Investment and similar income			
Bank interest		1,524	3,639
Investment income		22,742	25,212
Gift aid		5,391	5,670
Other		753	752
Total incoming resources		133,366	145,971
Expenditure			
Resources expended			
Charitable activities			
Preservation of Cutlers' Hall	1	(134,031)	(189,398)
Governance costs	2	(2,250)	(2,000)
Total resources expended		(136,281)	(191,398)
Net outgoing resources for the year		(2,915)	(45,427)
Realised losses on investment assets		(3,553)	(1,041)
Deficit of income over expenditure		(6,468)	(46,468)
Unrealised gains/(losses) on investment assets		52,765	(130,284)
Net movement in funds	8	46,297	(176,752)
Fund balances brought forward at 7 October 2008		711,308	888,060
Fund balances carried forward at 6 October 2009		757,605	711,308

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	2009 £	2008 £
Fixed assets			
Investments	5	<u>718,763</u>	<u>689,609</u>
Current assets			
Stocks		-	1,212
Debtors	6	<u>11,000</u>	<u>5,822</u>
Amounts owed by Charitable Trust		<u>5,350</u>	-
Cash at bank and in hand		<u>108,637</u>	<u>105,905</u>
		<u>124,987</u>	<u>112,939</u>
Creditors amounts falling due within one year			
Social Security and other taxes		806	803
Accruals		23,758	10,006
Deferred income		33,556	37,077
Amounts owed to Cutlers' Company		<u>28,035</u>	<u>43,354</u>
		<u>86,155</u>	<u>91,240</u>
Net current assets		<u>38,842</u>	<u>21,699</u>
		<u>757,605</u>	<u>711,308</u>
Capital funds			
Endowments	7	<u>140,170</u>	<u>140,170</u>
Income funds			
Unrestricted funds	8	<u>617,435</u>	<u>571,138</u>
		<u>757,605</u>	<u>711,308</u>

The financial statements were approved by the Council of Management on 8 February 2010

D R Stone



J H Newman



Members of the Council of Management

W B Speirs



Mrs D B Liveridge



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

Notes to the financial statements

1 Total resources expended

	2009 £	2008 £
Charitable activities in relation to the preservation of the Cutlers' Hall		
Direct costs		
Grant to Cutlers Company for Hall repairs	24,795	87,350
Salaries	59,018	50,815
Employees' NI	2,650	2,868
Pension	1,323	1,594
Grant to Cutlers' Company for administration costs	14,000	12,250
Sundry expenses	232	502
Investment manager fees	3,061	3,734
Insurance	23,952	25,960
Legal and professional	2,000	2,325
Joint education awards	3,000	2,000
Total resources expended	134,031	189,398

2 Governance costs

	2009 £	2008 £
Audit and accountancy fees	2,250	2,000

3 Employees

The average number of employees during the year was 9 (2008 9)

No remuneration has been paid to any member of the Council of Management (2008 £nil) and no (2008 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 on 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

Notes to the financial statements

5 Fixed asset investments

	Listed Investments £
Market value	
At 7 October 2008	689,609
Additions	190,960
Disposals	(214,571)
Unrealised gains	52,765
	<u>718,763</u>
At 6 October 2009	<u>711,283</u>
Historical cost of investments at 6 October 2009	<u>711,283</u>
Individual investments which comprise over 5% of the value of the portfolio are	
	% of value of portfolio 2009 2008
UK (Govt of) 4 75% STK 07/03/2020	<u>6.33</u> <u>-</u>

6 Debtors

	2009 £	2008 £
Other debtors	<u>11,000</u>	<u>5,822</u>

7 Analysis of net assets between funds

	Capital funds Endowment £	Income funds Unrestricted £	Total funds £
Investments	140,170	578,593	718,763
Net current assets	-	38,842	38,842
	<u>140,170</u>	<u>617,435</u>	<u>757,605</u>

Notes to the financial statements

8 Funds

	Endowment fund £	Unrestricted fund £	Total £
At 7 October 2008	140,170	571,138	711,308
Net movement in funds	-	46,297	46,297
At 6 October 2009	140,170	617,435	757,605

9 Capital Commitments

There were no capital commitments at 6 October 2009 or 7 October 2008

10 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.

11 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.