

The Guild of Church Musicians

(a company limited by guarantee)

Annual Report & Financial Statements

For the year ended 30 September 2018

Registered Charity - England & Wales No: 230931

Company No: 83329

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TRUSTEES' ANNUAL REPORT

For the year ended 30 September 2018

The trustees, who are the directors of the company for the purposes of company law, are pleased to present their report and financial statements together with the Independent Examiner's report for the year ended 30 September 2018.

OBJECTS & ACTIVITIES

Objects

The Guild of Church Musicians is a fellowship of those who desire to offer the best in church music to the service of the Church, both amateur and professional musicians being united in a common ideal.

Activities during the year

The Guild administers the following examinations on behalf of the Archbishops of Canterbury and Westminster

- Archbishops' Preliminary Certificate
- Archbishops' Award in Church Music
- Archbishops' Certificate in Church Music
- Archbishops' Certificate in Public Worship

The Guild also offers the higher level qualifications of Licentiate and Fellow of the Guild of Church Musicians.

To assist potential candidates the Guild offers mentoring and various short courses as the need arises.

The Guild published its journal *Laudate* on three occasions during the year.

The Guild collaborated with other bodies in the furtherance of excellence in church music. Dr Hugh Benham, Chairman of the Academic Board and Dr Michael Nicholas a member of the Academic Board represent the Guild as trustees of The Young Organ Scholars' Trust?

Public Benefit

The trustees have considered the Guild's activities and achievements against the Public Benefit Guidance issued by the Charity Commission. They agree that the public who benefit from the Guild's work are those who enjoy church music and those who aim to provide it to a high standard.

ACHIEVEMENTS & PERFORMANCE

Overview

During the year the Guild collaborated with the Royal School of Church Music and the Royal College of Organists to draft a model Organist's Contract which is now freely available to download from the websites of all three organisations.

The Guild also published Safeguarding guidelines which are freely available to members for use in their own churches. These can be downloaded from the secure members' area of the Guild's website, or can be requested from the General Secretary.

Following the cancellation of the Annual Conference in 2017 due to lack of interest, the trustees decided that it would be inappropriate to try and organise another this year involving an expensive

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overnight stay. As an alternative the Guild organised two smaller gatherings during 2018. The first was held during July in Salisbury and incorporated the Annual Meeting of Members. This was followed by a visit to Arundel in September where we were guests of the Arundel Roman Catholic cathedral. The trustees are indebted to Rowland Hughes for organising these events which were both well received.

Interest in the Guild's examinations has revived with several candidates pursuing the ACertCM, Licentiate and Fellowship. The Academic Board is investigating the possibility of producing a new examination aimed specifically at choristers in the Roman Catholic Church. The trustees are delighted that the first music group leader is undertaking ACertCM (*completed in November 2018*).

Membership

On 30 September 2018 the Guild had a membership of 455. This included 125 Hon. Fellows, 21 Hon. Members, 21 Life Members and 288 Ordinary Members. Of these 40 are domiciled overseas.

FINANCIAL REVIEW

The Guild had a deficit of £3,644 on its day to day operations during the year, which is a considerable improvement on the two previous years when there were deficits of £10,771 (2016-17) and £11,062 (2015-16). The Guild is still feeling the after effects of the forced closure of its HSBC bank account during 2016. Unfortunately 96 members who had previously paid their subscription by standing order to HSBC failed to renew their subscription in 2017 resulting in an annual loss of income of more than £2,000. The new format of our journal *Laudate*, introduced in 2016 is well received, but the cost of production and distribution at £7,394 is now more than our annual subscription income. The revised format for the annual conference resulted in a small surplus.

During the year the trustees exercised their rights under section 281 of the Charities Act 2011 to declare some of the previously held restricted prize funds as dormant and have merged the balances into a single Prize fund which will be used to support candidates and recognise achievements in the Guild's various examinations.

The Guild still has adequate resources to continue its operations.

Risk Management

The trustees regularly review the risks to which the Guild is exposed. A new insurance policy has been purchased from Ecclesiastical Insurance Office covering public liability, reputational risk and trustees' liability. The trustees do not consider that there are any substantial risks beyond the liabilities disclosed in the financial statements. Given the possibility of contact with young people and vulnerable adults, the trustees have published a formal Safeguarding policy.

Reserves policy

The Guild has built up substantial free reserves since its formation in 1881. To maintain the integrity of its examination programme it is important that the Guild has sufficient resources to ensure that it can continue as a going concern. The trustees commit to expenditure on conferences and courses up to two years in advance therefore they consider it prudent to maintain a minimum of two years expenditure i.e. approximately £50,000 as free reserves.

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FUTURE PLANS

The trustees plan to continue to support the Guild's education programme in order to improve church music. A new examination aimed specifically at choristers in Roman Catholic choirs is being planned. The Guild will work with other organisations as appropriate to achieve its aims. The trustees and members of the Academic Board will attend an all day workshop in October 2018 to discuss the future of the Guild, in particular addressing the problem of continuing deficits. Possibilities to be considered include offering members electronic copies of *Laudate* and increasing subscriptions for those who wish to continue receiving printed copies.

On 1 March 2018 legislation became effective allowing existing charitable companies to convert to the new style Charitable Incorporated Organisations that were introduced as part of the 2006 Charities Act. At the Annual meeting of Members held at Salisbury in July, members gave in principle agreement to converting the Guild into a Charitable Incorporated Organisation. This will simplify the governance of the Guild whilst retaining the protection of limited liability. It is intended that the necessary paperwork will be prepared during 2018-19, with a view to launching the new CIO in January 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Guild was established in 1888 and incorporated as a limited company on 23 January 1905. The original name of the company was The Incorporated Guild of Church Musicians. The name of the company was changed to The Guild of Church Musicians on 15 December 1987. The company is governed by its Memorandum and Articles of Association that were last updated on 2 May 2009. All members of the Guild are members of the company. Each member of the company is required to contribute an amount not exceeding £1 should the company be wound up while he/she is a member, or within one year after he/she ceases to be a member.

Appointment of trustees

The Council consists of:

- up to eighteen trustees elected at the AGM by the charity's members to serve for a period of three years.
- additional trustees may be co-opted by the elected trustees to serve until the next AGM.

Eligibility

- Elected trustees must be members of the Guild.
- Retiring trustees are eligible for re-election.

Organisational structure

The trustees normally meet three times per year to consider the business of the Guild. If appropriate additional meetings may be held. Day to day management of the Guild rests with the Warden, Sub-warden, General Secretary and Treasurer.

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REFERENCE & ADMINISTRATIVE DETAILS

Charity name The Guild of Church Musicians

Charity number 230931

Company number 83329

Registered office 3 Swards End
Wickford
Essex SS12 9PB

Website address www.churchmusicians.org

President Dame Mary Archer DBE

Current trustees

Warden Rt Revd Graeme Knowles CVO
Sub-warden Revd Fr Peter Allan CR

General Secretary &
Publications Editor Dr Michael Walsh

Registrar Mrs June Williams

Treasurer,
Membership Secretary &
Company Secretary Robert Andrews

Chairman of Academic Board Dr Hugh Benham

Fellowship Secretary Edward Scott

Representative of Religious
Orders and the RC Church Sister Avril Foster OP

Academic Board Secretary Roger Wilkes

Events Secretary Rowland Hughes

Other directors Carl Jackson MVO
Dr Alan Thurlow (until AGM - May 2018)

Bankers

Unity Trust Bank plc
Nine Brindleyplace
Birmingham B1 2HB

CCLA Investment Management Ltd
Senator House
85 Queen Victoria Street
London EC4V 4ET

Independent Examiner

Revd Alan Clements
15 Carleton Road
Great Knowley
Chorley
Lancs PR6 8TQ

TRUSTEES' ANNUAL REPORT

For the year ended 30 September 2018

APPROVAL

This report, which has been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies, was approved by the trustees on 16 November 2018 and signed on their behalf by:

+ Graeme

Rt Revd Graeme Knowles
Warden
Date: *16 November 2018*

INDEPENDENT EXAMINER'S REPORT

For the year ended 30 September 2018

Independent examiner's report to the trustees of the Guild of Church Musicians

I report on the accounts of the charity for the year ended 30 September 2018, which are set out on pages 7 to 13.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 ("the 2011 Act") and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for Independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act ;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of Independent examiner's statement

My examination is carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter came to my attention:-

1. which gives me reasonable cause to believe that in any material respect, the requirements
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Companies Act 2006; and
 - which are consistent with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities,have not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Alan Clements

Revd Alan Clements MA ACIB FCIE

15 Carleton Road, Great Knowley, Chorley, Lancs PR6 8TQ

Relevant professional qualification: Fellow of the Association of Charity Independent Examiners

Date: 14 December 2018

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)

For the year ended 30 September 2018

	Note	Unrestricted funds £	Restricted funds £	Total Funds 2017-18 £	Total Funds 2016-17 £
Income from:					
Donations	4	8,342	-	8,342	7,907
Charitable Activities	5	3,234	-	3,234	737
Investments & bank interest	6	294	242	536	552
Total incoming resources		<u>11,870</u>	<u>242</u>	<u>12,112</u>	<u>9,196</u>
Expenditure on:					
Charitable Activities	7 & 8	<u>15,514</u>	<u>100</u>	<u>15,614</u>	<u>20,088</u>
Net income (expenditure)		(3,644)	142	(3,502)	(10,892)
Gains (losses) on investment assets					
On revaluation			(160)	(160)	(336)
Reconciliation of funds					
Total funds as at 1 October 2017		<u>70,945</u>	<u>22,662</u>	<u>93,607</u>	<u>104,835</u>
Total funds as at 30 September 2018		<u><u>67,301</u></u>	<u><u>22,644</u></u>	<u><u>89,945</u></u>	<u><u>93,607</u></u>

The above statement includes all gains and losses recognised during the year.

All activities are regarded as continuing.

BALANCE SHEET

As at 30 September 2018

	Note	Unrestricted funds £	Restricted funds £	Total Funds 2017-18 £	Total Funds 2016-17 £
Investment Assets					
CCLA fixed interest securities fund	9	-	5,183	5,183	5,343
Current assets					
Stock	10	4,773	-	4,773	5,102
Debtors and prepayments	11	480	-	480	360
Bank and cash	12	63,747	17,461	81,208	85,988
		69,000	22,644	91,644	96,793
Creditors:					
Amounts falling due within one year	13	(1,699)	-	(1,699)	(3,186)
Net assets		67,301	22,644	89,945	93,607
Funds of the charity					
Restricted funds		-	22,644	22,644	22,662
Unrestricted funds		67,301	-	67,301	70,945
		67,301	22,644	89,945	93,607

The trustees (who are also the directors of the company for the purposes of company law) confirm that for the year ended 30 September 2018:

- the company was entitled to exemption from audit under section 477 of the Companies Act 2006 and
- members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of the accounts.

The Notes on pages 9 to 13 form an integral part of these accounts.

These accounts, which have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies, were approved by the trustees on 16 November 2018 and signed on their behalf by:

+ *Graeme*

Rt Revd Graeme Knowles

Warden

Date: 16 November 2018

STATEMENT OF CASH FLOWS

For the year ended 30 September 2018

	Unrestricted funds	Restricted funds	Total Funds 2017-18	Total Funds 2016-17
	£	£	£	£
Cash flows from operating activities				
Net income (expenditure) per SOFA	(3,644)	142	(3,502)	(10,892)
(Increase) decrease in debtors	(120)	-	(120)	(360)
Increase (decrease) in creditors	(1,487)	-	(1,487)	2,124
(increase) decrease in stock	329	-	329	(902)
Net increase (decrease) in cash	(4,922)	142	(4,780)	(10,030)
Total cash at 1 October 2017	68,669	17,319	85,988	96,018
Total cash at 30 September 2018	63,747	17,461	81,208	85,988

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

1. Basis of preparation

- i. These accounts (financial statements) have been prepared under the historic cost convention, with items recognised at cost or transaction value, unless otherwise stated in the relevant note(s), in accordance with:
 - a. The Charities Act 2011
 - b. The Companies Act 2006
 - c. The Financial Reporting Standard applicable in the UK: FRS102
 - d. Accounting & Reporting by Charities: Statement of Recommended Practice (Charities SORP FRS102) (effective January 2015)
- ii. The charity meets the definition of a public benefit entity as defined by FRS102
- iii. The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

2. Accounting policies

- i. Fund accounting
 - a. Unrestricted funds are those that can be expended at the discretion of the trustees in furtherance of the objects of the charity.
 - b. Restricted funds are those that may only be used for specific purposes. Restrictions arise when specified by the donor, or when funds are raised for specific purposes.
 - c. The purposes of the funds are shown in Note 15
- ii. Income
 - a. Income is recognised and included in the Statement of Financial Activities (SOFA) when the charity becomes entitled to the income, receipt is probable, and the monetary value can be measured with sufficient reliability.
 - b. Where income has related expenditure (e.g. conferences and courses) the income and related expenditure are reported gross in the SOFA.
 - c. Bank interest is recognised when credited to the account.
 - d. Gift Aid is recognised when credited to the account.
- iii. Expenditure and liabilities

- a. Expenditure is recognised on the accruals basis
 - b. The charity is not registered for VAT, thus all costs are shown inclusive of VAT charged.
 - c. Liabilities are recognised as soon as there is a legal or constructive obligation to pay out resources.
 - d. Governance costs include the cost of preparation and examination of the statutory accounts, the cost of trustee meetings, the cost of the Annual General Meeting of the company and the costs of any legal advice to trustees on governance or constitutional matters.
- iv. Investment assets
 - a. are valued at the mid-market price on the last day of the accounting year.
 - v. Tangible assets
 - a. Tangible assets are capitalised if they can be used for more than one year, and cost at least £1,000.
 - b. The charity does not currently have any capitalised tangible assets.
 - vi. Debtors
 - a. Debtors are recognised at the settlement amount due.
 - b. Prepayments are valued at the amount prepaid.
 - vii. Cash
 - a. Cash comprises bank deposits repayable on demand and any short-term highly liquid investments with a maturity date of three months or less from the date of acquisition or opening of the deposit or similar account.
 - viii. Creditors
 - a. Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at the settlement amount, usually the invoice amount.
 - b. Accrued charges are normally valued at their settlement amount.
 - ix. Taxation
 - a. The charity is not liable to income tax or capital gains on its charitable activities.

3. Transactions with trustees and related parties

- i. Transactions with trustees
 - a. The Better Book Company, a trading name of Dr Michael Walsh, received remuneration of £1,200 for typesetting copies of *Laudate*. (£1,200 last year)
 - b. Roger Wilkes received nil for conducting examinations (£315 last year)
 - c. Revd Fr Peter Allan received nil for examination marking (£125 last year)
 - d. Carl Jackson received nil for examination marking (£25 last year)
 - e. Dr Hugh Benham received £7 for examination marking (£100 last year)
 - f. Edward Scott received £80 (£nil for examination marking last year)

This is permitted by the Articles of the Company and was approved by the remaining trustees. No other trustee received any remuneration during this year or in the previous year.

- ii. Travelling expenses totalling £1,274 were reimbursed to 9 trustees.
- iii. Claims for out of pocket expenses such as stationery and postage are reimbursed as incurred.
- iv. There were no transactions with related parties (last year nil).

4. Income from donations

	Unrestricted funds £	Restricted funds £	Total Funds 2017-18 £	Total Funds 2016-17 £
Income from donations				
Subscriptions	6,635	-	6,635	6,705
Donations	920	-	920	387
Income tax recovered on Gift Aid	787	-	787	815
	<u>8,342</u>	<u>-</u>	<u>8,342</u>	<u>7,907</u>

5. Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total Funds 2017-18 £	Total Funds 2016-17 £
Income from Charitable activities				
Examination fees	800	-	800	260
Annual conference	2,120	-	2,120	162
Sale of ties and badges	314	-	314	315
	<u>3,234</u>	<u>-</u>	<u>3,234</u>	<u>737</u>

6. Income from investments & bank interest

	Unrestricted funds £	Restricted funds £	Total Funds 2017-18 £	Total Funds 2016-17 £
Income from investments				
Interest & dividends	294	242	536	552

7. Expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	Total Funds 2017-18 £	Total Funds 2016-17 £
Direct costs				
Examinations	413	-	413	1,456
Annual award ceremony	1,639	-	1,639	2,170
Annual conference	1,705	-	1,705	1,014
Publishing Laudate	7,394	-	7,394	10,111
Public liability insurance	168	-	168	-
Publicity	928	-	928	533
Cost of robes & regalia	400	-	400	-
	<u>12,647</u>	<u>-</u>	<u>12,647</u>	<u>15,284</u>
Support costs				
Postage	162	-	162	445
Stationery, printing and office expenses	166	-	166	166
Sundries	412	-	412	846
Website maintenance	36	-	36	216
Bank charges	72	-	72	72
Gifts	645	100	745	882
	<u>1,493</u>	<u>100</u>	<u>1,593</u>	<u>2,627</u>

8. Governance costs

	Unrestricted funds £	Restricted funds £	Total Funds 2017-18 £	Total Funds 2016-17 £
Governance costs				
AGM expenses	-	-	-	500
Independent Examination	100	-	100	100
Trustee meeting expenses	1,274	-	1,274	1,577
	<u>1,374</u>	<u>-</u>	<u>1,374</u>	<u>2,177</u>

9. Investment assets

3,219.35 shares in the CBF Church of England Fixed Interest Securities Fund - Income Shares. The mid market value on 30 September 2018 was 160.98 pence per share, giving a value of £5,183.

10. Stock

	£
Value at 1 October 2017	5,102
Revaluation of stock	(90)
Additions during the year	420
less Sales during the year	(339)
less gifts during the year	<u>(320)</u>
Value at 30 September 2017	<u><u>4,773</u></u>

Stock value recorded relates to new style hoods, badges and ties. Their value has been adjusted to record them at the lower of cost or market value. All are considered to be of saleable quality.

In addition there are various other items held, the value of which have previously been written off in the accounts. They have a notional value of £951, but the realistic sale value is minimal.

11. Debtors & prepayments

	2017-18 £	2016-17 £
Trade debtors	-	360
Prepayments	480	-
	<u>480</u>	<u>360</u>

12. Cash at bank and in hand

	Unrestricted funds £	Restricted funds £	Total Funds 2017-18 £	Total Funds 2016-17 £
CBF deposit account	30,572	9,852	40,424	40,265
CBF deposit account - Prize fund	-	7,609	7,609	-
CBF deposit account - Bursary	-	-	-	4,382
CBF deposit account - John Clayton	-	-	-	804
CBF deposit account - Anthony Harvey	-	-	-	2,182
Virgin Money deposit account	26,747	-	26,747	26,613
Unity Trust Bank current account	6,343	-	6,343	11,743
Undeposited funds	85	-	85	-
	<u>63,747</u>	<u>17,461</u>	<u>81,208</u>	<u>85,989</u>

13. Creditors (falling due within one year)

	2017-18	2016-17
	£	£
Independent examiner's fee	100	100
Fees for future examinations	500	-
Trade creditors	1,099	3,086
	<u>1,699</u>	<u>3,186</u>

14. Movement in funds

	at 1 October 2017 £	Incoming resources £	Resources Expended £	Unrealised gains (losses)	at 30 September 2018 £
Unrestricted funds					
General fund	70,945	11,870	15,514	-	67,301
Restricted funds					
Prize fund	9,829	13,075	100	(160)	22,644
Diploma fund	5,466		5,466	-	Closed
John Clayton Memorial fund	804	2	806	-	Closed
Centenary Bursary fund	4,382	7	4,389	-	Closed
Anthony Harvey Memorial fund	2,181	6	2,187	-	Closed
	<u>93,607</u>	<u>24,960</u>	<u>28,462</u>	<u>(160)</u>	<u>89,945</u>

Purpose of funds

Over the years The Guild had set up various funds, mostly in memory of former members, with the purpose of supporting and recognising the achievement of candidates in the Guild's examinations. The narrow objectives of these funds has meant that most have been dormant for many years. During the year the trustees exercised powers given to them under section 281 of the Charities Act 2011 to declare the funds redundant and to merge them into a single Prize Fund with the wider objective of supporting and recognising the achievements of candidates in any of the Guild's examinations.

The funds and the balances transferred are as follows:

- i. Diploma fund - £5,466 transferred to the Prize fund
- ii. John Clayton Memorial fund - £806 transferred to the Prize fund
- iii. Centenary Bursary fund - £4,389 transferred to the Prize fund
- iv. Anthony Harvey Memorial fund - £2,187 transferred to the Prize fund
- v. Prize fund - £12,848 received from the other funds. The balance of the Prize fund now standing at £22,644.

