

The Guild of Church Musicians

(a company limited by guarantee)

Annual Report & Financial Statements

For the year ended 30 September 2016

Registered Charity - England & Wales No: 230931

Company No: 83329

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TRUSTEES' ANNUAL REPORT

For the year ended 30 September 2016

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 2016.

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

The Guild also offers the higher level qualification of Fellow of the Guild of Church Musicians.

To assist potential candidates the Guild offers a correspondence course 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.

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 2015/16 the trustees continued to implement the new strategy derived from the Warden's working party that met last year.

- Revision of the Guild's various examinations was commenced by members of the Academic Board to make the examinations more relevant to church music in the twenty-first century. Progress was made in publicising the benefits of taking the Guild's examinations.
- The Guild's journal *Laudate* is now produced in a new A4 format and has been very well received. The trustees are indebted to Dr Michael Walsh for his work gathering information and typesetting *Laudate*.

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- The relationship with members living in Australia was changed. Previously Australian members paid a full subscription to the Guild in the UK as well as local subscriptions to The Guild of Church Musicians Australia. This covered the cost of posting individual copies of *Laudate* to them from the UK. In its new format *Laudate* is sent electronically to Australia for printing locally and The Guild of Musicians Australia makes a contribution to the Guild's UK costs.
- Plans were made for Dr Michael Walsh to visit Australia in October 2016 to represent the Guild at various activities of The Guild of Church Musicians Australia, details of which will be recorded in next year's annual report.

Membership

On 30 September 2016 the Guild had a membership of 569. This included 17 new members who were admitted during the year. Membership last year was 632 and the reduction reflects mainly the removal of members living in Australia.

FINANCIAL REVIEW

The accounts show a deficit of £10,839 (£2,421 in 2014-15).

The trustees agreed to pay for Dr Michael Walsh and his wife to visit the Guild of Church Musicians Australia in October 2016. The cost of flights and insurance totalling £8,765 were purchased and charged to the accounts. This is the first complete year that *Laudate* has been produced in its new format. The cost of production and postage is substantially higher than the previous version leaving little surplus from membership subscriptions received. The annual conference incurred a loss of £964. The trustees agreed that newly appointed Hon Fellows and Hon Members should be presented with an academic hood. Three hoods were presented during the year at a cost of £130 each. There have been more people coming forward to take the Guild's examinations. Postage costs were increased mainly because of a one-off letter to members about changes to the Guild's banking arrangements.

Funds

Following the death of John Ewington in 2015 two additional bank accounts were discovered that had never been reported in the Guild's accounts, but his death occurred too late to incorporate the figures in the 2014-15 accounts. The accounts represent the Guild's Prize fund that was set up by Mr Ronald Maynard in 1983 with funds that he donated in memory of his first and second wife and daughter who had all predeceased him. A NatWest account was closed and £4,296 was transferred to the Guild's account. An investment account held with CCLI Investment Management Ltd was transferred into the Guild's name and retained because it appears to offer both income and capital growth. This investment was valued at £5,679 on 30 September.

Bank accounts

In March 2016 HSBC Bank gave notice that it was no longer willing to provide banking facilities to the Guild. This was disappointing, given that the Guild has had a banking relationship with Midland/HSBC bank for more than 100 years. The trustees agreed to transfer the Guild's HSBC Bank account to Unity Trust Bank, which is a specialist bank for

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For the year ended 30 September 2016

charities and similar organisations.

Risk Management

The trustees regularly review the risks to which the Guild is exposed. They 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 are currently in the process of setting up a formal safeguarding policy.

Reserves policy

The Guild has built up substantial free reserves in excess of £80,000 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.

FUTURE PLANS

The trustees plan to continue to support the Guild's education programme in order to improve church music. The Guild will work with other organisations as appropriate to achieve its aims.

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 fourteen 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.

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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.

REFERENCE & ADMINISTRATIVE DETAILS

Charity name	The Guild of Church Musicians
Charity number	230931
Company number	83329

Registered office	St Michael's Church St Michael's Alley London EC3V 9DS
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Website address	www.churchmusicians.org
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President	Dame Mary Archer DBE
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Current trustees

Warden	Revd Canon Jeremy Haselock
Sub-warden	Revd Fr Peter Allan CR
General Secretary & Registrar	Mrs June Williams
Treasurer, Membership Secretary & Company Secretary	Robert Andrews
Chairman of Academic Board & Fellowship Director	Dr Hugh Benham
Fellowship Secretary	Edward Scott
Examinations Secretary	Dr Helen Burrows
Publications Editor	Dr Michael Walsh
Webmaster	Robert Leach
Representative of Relig Orders and the RC Church	Sister Avril Foster OP
Academic Board Secretary	Roger Wilkes
Other directors	Carl Jackson MVO Dr Alan Thurlow

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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

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 22 November 2016 and signed on their behalf by:

JM Haselock

Revd Canon Jeremy Haselock
Warden

Date: *22 November 2016*

INDEPENDENT EXAMINER'S REPORT

For the year ended 30 September 2016

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 2016, which are set out on pages 7 to 14.

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 A Clements

5 December 2016

Revd Alan Clements MA ACIB FCIE

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

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)

For the year ended 30 September 2016

	Note	Unrestricted funds £	Restricted funds £	Total Funds 2015-16 £	Total Funds 2014-15 £
Income from:					
Donations	4	9,919	507	10,426	10,278
Charitable Activities	5	3,787	-	3,787	4,441
Investments & bank interest	6	576	216	792	677
Total incoming resources		14,282	723	15,005	15,396
Expenditure on:					
Charitable Activities	7 & 8	25,344	500	25,844	17,817
Net income (expenditure)		(11,062)	223	(10,839)	(2,421)
Gains (losses) on investment assets					
On revaluation			386	386	
Reconciliation of funds					
Total funds as at 1 October 2015		92,778	12,921	105,699	108,120
Funds introduced during year			9,589	9,589	
Total funds as at 30 September 2016		81,716	23,119	104,835	105,699

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

All activities are regarded as continuing.

The Notes on pages 10 to 14 form an integral part of these accounts

BALANCE SHEET

As at 30 September 2016

	Note	Unrestricted funds £	Restricted funds £	Total Funds 2015-16 £	Total Funds 2014-15 £
Investment Assets					
CCLA fixed interest securities fund	9	-	5,679	5,679	-
Current assets					
Stock	10	4,200	-	4,200	756
Debtors and prepayments	11	-	-	-	-
Bank and cash	12	78,578	17,440	96,018	106,627
		82,778	23,119	105,897	107,383
Creditors:					
Amounts falling due within one year	13	(1,062)	-	(1,062)	(1,684)
Net assets		81,716	23,119	104,835	105,699
Funds of the charity					
Restricted funds		-	23,119	23,119	12,921
Unrestricted funds		81,716	-	81,716	92,778
		81,716	23,119	104,835	105,699

The trustees (who are also the directors of the company for the purposes of company law) confirm that for the year ended 30 September 2016:

- 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 10 to 14 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 22 November 2016 and signed on their behalf by:

JM Haselock

Revd Canon Jeremy Haselock
Warden

STATEMENT OF CASH FLOWS

For the year ended 30 September 2016

	Unrestricted funds	Restricted funds	Total Funds 2015-16	Total Funds 2014-15
	£	£	£	£
Cash flows from operating activities				
Net income (expenditure) per SOFA	(11,062)	223	(10,839)	(2,421)
(Increase) decrease in debtors	-	-	-	2,066
Increase (decrease) in creditors	(622)	-	(622)	1,594
(increase) decrease in stock	(3,444)	-	(3,444)	(476)
Cash introduced - Prize fund		4,296	4,296	-
Net increase (decrease) in cash	(15,128)	4,519	(10,609)	763
Total cash at 1 October 2015	93,706	12,921	106,627	105,864
Total cash at 30 September 2016	78,578	17,440	96,018	106,627

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

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. Changes to the basis of preparation
The accounts for the previous year were prepared in accordance with:
 - a. the Financial Reporting Standard for smaller entities (the FRSSE) (effective April 2008)
 - b. the Charities SORP 2005 (2nd edition - May 2008)
- iii. Changes to previous accounts
These are the charity's first financial statements to comply with FRS102. The date of transition to FRS102 is 1 October 2015. No adjustments or restatements were necessary other than those necessary to comply with the revised layout of the financial statements required by the Charities SORP (FRS102)
- iv. The charity meets the definition of a public benefit entity as defined by FRS102
- v. 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 £1,280 for typesetting copies of *Laudate*.
 - b. Edward Scott received £31 for examination marking.
 - c. Roger Wilkes received £35 for examination marking
 - d. Revd Fr Peter Allan received £115 for examination marking
 - e. Sister Avril Foster received £25 for examination marking
 - f. Dr Hugh Benham received £97 for examination marking

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 £1,007 were reimbursed to 11 trustees.
- iii. There were no transactions with related parties (last year nil)

4. Income from donations

	Unrestricted funds £	Restricted funds £	Total Funds 2015-16 £	Total Funds 2014-15 £
Subscriptions	8,740	-	8,740	9,148
Donations	393	507	900	307
Income tax recovered on Gift Aid	786	-	786	823
	<u>9,919</u>	<u>507</u>	<u>10,426</u>	<u>10,278</u>

5. Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total Funds 2015-16 £	Total Funds 2014-15 £
Examination fees	1,660	-	1,660	840
Course income	-	-	-	360
Publications	-	-	-	290
Annual conference	2,104	-	2,104	2,898
Sale of ties and badges	23	-	23	53
	<u>3,787</u>	<u>-</u>	<u>3,787</u>	<u>4,441</u>

6. Income from investments & bank interest

	Unrestricted funds £	Restricted funds £	Total Funds 2015-16 £	Total Funds 2014-15 £
Interest & dividends	<u>576</u>	<u>216</u>	<u>792</u>	<u>677</u>

7. Expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	Total Funds 2015-16 £	Total Funds 2014-15 £
Direct costs				
Examinations	933	-	933	151
Courses	-	-	-	720
Academic Board expenses	158	-	158	250
Annual award ceremony	1,105	-	1,105	530
Annual conference	3,068	-	3,068	2,842
Publishing Laudate	7,801	-	7,801	7,487
Publicity	435	-	435	1,558
	<u>13,500</u>	<u>-</u>	<u>13,500</u>	<u>13,538</u>
Support costs				
Postage	422	-	422	163
Stationery, printing and office expenses	156	-	156	593
Sundries	280	-	280	611
Representative trip to Australia	8,764	-	8,764	-
Bank charges	42	-	42	-
Gifts	390	500	890	243
	<u>10,054</u>	<u>500</u>	<u>10,554</u>	<u>1,610</u>

8. Governance costs

	Unrestricted funds £	Restricted funds £	Total Funds 2015-16 £	Total Funds 2014-15 £
AGM expenses	500	-	500	500
Independent Examination	100	-	100	50
Trustee meeting expenses	1,190	-	1,190	2,119
	<u>1,790</u>	<u>-</u>	<u>1,790</u>	<u>2,669</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 2016 was 176.40 pence per share, giving a value of £5,679.

10. Stock

	£
Value at 1 October 2015	756
Additions during the year	5,101
less Sales during the year	(1,267)
less gifts during the year	<u>(390)</u>
Value at 30 September 2016	<u><u>4,200</u></u>

Stock is mainly new style hoods that have been valued at cost. There are a few other items, mainly Guild ties and badges that have a historic valuation, but it is considered that the value is equal or greater than that recorded.

11. Debtors & prepayments

There were no debtors at 30 September 2016. (last year nil)

12. Cash at bank and in hand

	Unrestricted funds £	Restricted funds £	Total Funds 2015-16 £	Total Funds 2014-15 £
CBF deposit account	39,803	10,096	49,899	59,411
CBF deposit account - Bursary	-	4,368	4,368	4,344
CBF deposit account - John Clayton	-	801	801	797
CBF deposit account - Anthony Harvey	-	2,175	2,175	2,164
Virgin Money deposit account	26,449	-	26,449	26,185
HSBC Bank current account	-	-	-	13,482
Unity Trust Bank current account	12,326	-	12,326	-
Undeposited funds	-	-	-	244
	<u>78,578</u>	<u>17,440</u>	<u>96,018</u>	<u>106,627</u>

13. Creditors (falling due within one year)

	2015-16 £	2014-15 £
Independent examiner's fee	100	50
Trade creditors	<u>962</u>	<u>1,634</u>
	<u><u>1,062</u></u>	<u><u>1,684</u></u>

14. Movement in funds

	at 1 October 2015 £	Incoming resources £	Resources Expended £	Unrealised gains (losses)	at 30 September 2016 £
Unrestricted funds					
General fund	92,778	14,282	25,344	-	81,716
Restricted funds					
Prize fund	-	9,766	-	386	10,152
Diploma fund	5,466	-	-	-	5,466
John Ewington Memorial fund	150	507	500	-	157
John Clayton Memorial fund	797	4	-	-	801
Centenary Bursary fund	4,345	23	-	-	4,368
Anthony Harvey Memorial fund	2,163	12	-	-	2,175
	<u>105,699</u>	<u>24,594</u>	<u>25,844</u>	<u>386</u>	<u>104,835</u>

15. Purpose of funds

- i. Diploma fund - Funds to finance the cost of the Fellowship programme.
- ii. John Ewington Memorial fund - Donations received in memory of John Ewington. The trustees will decide how this fund will be used.
- iii. John Clayton Memorial fund - To provide prizes for the highest marks awarded to a singer in the ACertCM examination.
- iv. Centenary Bursary fund - To provide financial support to candidates preparing for the Guild's examinations. It may be used towards the costs of courses and tuition fees, but not for books or examination fees.
- v. Anthony Harvey Memorial fund - To provide prizes to the candidate with the highest marks in the Fellowship examinations.
- vi. Prize fund - The fund was set up in 1983 by Mr Ronald Maynard, a former Vice-President of the Guild as a memorial to his late first wife Gladys, his late second wife Hilda and his late daughter Margaret Brown. It is to fund prizes associated with the ACertCM. The Gladys Maynard prize to be awarded to organists/choirmasters, the Hilda Maynard prize to be awarded for paperwork and the Margaret Brown prize for singers.