

City and Guilds of London Art School Limited

Annual Report and Financial Statements

31 August 2020

Company Limited by Guarantee
Registration Number
07817519 (England and Wales)

Charity Registration Number
1144708

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Reference and administrative information

Trustees

Jamie Bill (Chair) appointed 08/04/20
Andrew Allen
Marjorie Allthorpe-Guyton
Anne Beckwith-Smith LVO
Laurence Benson (Vice-Chair)
Jyoti Bharwani appointed 17/09/19
Nina Bilbey appointed 02/10/19
Dr Virginia Brooke appointed 25/11/19
Dr Caroline Campbell
Ema Epps appointed 01/10/20
Brendan Finucane QC
Gabriel Gbadamosi appointed 17/09/19
Martin Hatfull
James Kelly
Tamiko O'Brien
Michael Osbaldeston appointed 31/10/19
Prof Jane Rapley OBE
James Roundell
Prof Elizabeth Rouse
Alexander Stitt appointed 01/06/20
Benjamin Tucker appointed 07/11/19

Secretary

Wesley Schol

Senior Management Team

Principal

Tamiko O'Brien

Head of Finance

Shahzad Asghar

Head of Historic Carving

Heather Newton appointed 01/09/2020

Head of Art Histories

Tom Groves

Head of Fine Art

Robin Mason

Head of Foundation

Keith Price

Head of Academic Affairs & Quality

Wesley Schol

Head of Conservation

Dr Marina Sokhan

Head of Access to Learning

Teresita Dennis

Head of Development & External Relations

Hannah Travers

Reference and administrative information

Registered and principal office	124 Kennington Park Road London SE11 4DJ
Telephone	020 7735 2306
Website	www.cityandguildsartschool.ac.uk
e-mail	office@cityandguildsartschool.ac.uk
Company registration number	07817519 (England and Wales)
Charity registration number	1144708
UKPRN	10039082
Bankers	Barclays Bank plc Southwark Branch 29 Borough High Street London SE1 1LY
Investment Managers	Cazenove Capital Management Limited 1 London Wall Place London EC2Y 5AU
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Trustees' report Year to 31 August 2020

Introduction

The Board of Trustees ("the Board") of City and Guilds of London Art School Limited ("the Art School" or "the Charity" or "the charitable company") presents its annual report and the audited financial statements for the year ended 31 August 2020.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and is also the report of the directors for the purposes of the Companies Act 2006.

The financial statements have been prepared under the accounting policies set out therein and comply with applicable law and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and comply with the Office for Students' Accounts Direction 2019/20.

Constitution

The Art School is a charitable company, limited by guarantee, not having a share capital. The Art School's governance is determined by its Articles of Association, dated 22 May 2019. As set out in the Articles the Directors of the Art School charitable company form the Art School Board of Trustees. To assist in exercising their duties, the Board has a number of Committees, which are detailed and governed by the How We Work: Governance & Management Handbook.

The Charity was incorporated on 20 October 2011 to continue the educational activities that were transferred from City & Guilds Art School Property Trust on 31 March 2012 as part of a business transfer agreement.

The Art School is a Higher Education Provider registered with the Office for Students in the Approved Category.

Principal aims and activities

Founded in 1879, the Art School is one of the UK's oldest art educational institutions specialising in art, craft and conservation. Its original mission was to provide quality instruction in applied art and design for local people. This broadened over time and since World War II has encompassed restoration and conservation to assist, initially, with the effort to repair London's monuments and heritage. Through this, it developed a strong reputation for excellence in both art and craft.

The Art School's mission today is to nurture individual talent by providing an immersive learning environment with an emphasis on the dialogue between the eye, the hand and the material, informed by the study and analysis of historical and contemporary art and craft. This is delivered through a number of specialist courses including undergraduate and postgraduate courses in Fine Art, Historic Carving (architectural stone and ornamental wood carving & gilding), Conservation of cultural artefacts (with a focus on three-dimensional objects, gilded and other decorative surfaces), as well as a Foundation Diploma in Art & Design. This activity is consistent with the objects contained within the Art School's Articles of Association.

Principal aims and activities (continued)

The Art School sets out to educate artists, craftspeople and conservators who will go on to make a significant contribution in their fields, through the pursuit of excellence in traditional skills as well as through creative innovation and enterprise and a commitment to offering students a high level of contact time working with some of the country's leading specialist practitioners.

Convinced of the social value and necessity of its subjects, not only for the creative and heritage sectors, but for society at large, the Art School champions the roles that art and craft play by engaging in national and international collaborations and through public facing events.

The Art School is committed to supporting the development of individuals from all backgrounds who have the potential to succeed in its subjects and motivating students to be inquisitive and resourceful, equipping them to go on learning through practice for the rest of their lives.

Public benefit

The Trustees confirm that they have complied with their duties under section 4 of the Charities Act 2011. They have considered the public benefit guidance published by the Charity Commission and believe that they have followed its guidance in this area. The Trustees' report gives a description of the activities undertaken by the Art School during the period to further its charitable purposes, and the Trustees are satisfied that such activities provide public benefit.

Governance, structure and management

Review

The year under review saw the appointment of a new Chair, Jamie Bill, following an open recruitment process led by the Nominations Committee on behalf of the Board. A number of further Board appointments took place (listed on page 1 of this Report), including the first Staff Trustee, as well as the resignation of a number of long standing Trustees following the completion of their final term of office.

Governance, structure and management (continued)

Organisation

The Trustees are directors of the Charity for the purposes of the Companies Act 2006 and are Trustees of the Charity for the purposes of Charity legislation.

The Board is the policy-making body of the Art School. It is assisted by the Secretary, who is appointed by the Board. The Board also operates through a number of committees, including: Audit & Risk Committee; Remuneration Committee; Investment Committee; and Nominations Committee.

Though the Board retains responsibility for the assurance of institutional quality and standards, the control of Academic matters, including the structures, processes and regulatory frameworks through which academic matters are decided and overseen, resides with academic staff. Academic authority is exercised through the Academic Board, advised and supported by professional /administrative colleagues and with the involvement of students. The Academic Board is chaired by the Principal and operates under delegated authority from the Board. It is supported by the various Boards of Studies for each of the Academic Departments and the Site & Environment Sub Committee, established in October 2019 reporting also to the Trustees through the Audit & Risk Committee.

Additionally, there is a Joint Development Advisory Working Group that supports the fundraising activity of both the Art School charity and the Property Trust, a separate charity and landlord to the Art School.

Key management personnel

The Principal of the Art School, who is *Ex Officio Trustee*, is charged with carrying out the policies agreed with the Trustees and with managing the Art School's academic activities and directing and running the organisation on a day-to-day basis. She is assisted in this by the Heads of Department for each of: Academic Affairs & Quality; Finance; Access to Learning; Art Histories; Conservation; Fine Art; Foundation; and Historic Carving; who, along with the Head of Development & External Relations, form the Senior Management Team.

In addition, there are functional heads responsible for supervising certain key shared facilities such as the Site Manager, Drawing Studio Manager and Print Room Manager.

The remuneration of key management personnel as well as the overall scheme for all staff is set and approved by the Trustees, through the Remuneration Committee. Remuneration is reviewed annually, paying due regard to market rates and sector benchmarks.

Personnel

In line with the Art School's policy whereby students are largely taught by practising specialist professionals, tutors are engaged on an annual or term-by-term basis for a specified number of days. In this way, students are exposed to a wide variety of specialist skills, creative models and critical opinions, whilst continuity of academic progress is ensured by the Heads of Department. The Art School's non-academic activities (including administration, finance and development), are run by a small administrative team reporting to the Principal.

Governance, structure and management (continued)

Risk management

The Trustees have assessed the major risks to which the Art School is exposed. In particular, these relate to: academic standards and reputation; student recruitment and financial sustainability; and compliance with statutory and regulatory requirements, in particular those relating to: *Office for Students Registration*; *Course validation and designation*; *Home Office Tier 4 Sponsorship Duties*; *General Data Protection Regulations*; and *Health & Safety*.

All areas of risk are monitored through the Art School's governance structure which identifies the lines of responsibility and decision making for each aspect of the Art School's operation, with the *Audit & Risk Committee* responsible for reviewing Risk Registers and reporting to the Board.

The Trustees and Senior Management Team ensure that the Art School's operations are protected against significant risk through annual monitoring, action planning and risk assessment procedures. The Art School has comprehensive insurance cover against key areas of risk; in addition to Public Liability Insurance cover of up to £10m and Directors' Liability cover of up to £2m, the Art School also has a business interruption insurance covering up to 24 months of fee income. The Art School's accommodation is insured by the City & Guilds Art School Property Trust, at its full re-instatement value.

In addition, as part of the Office for Students application process, the Art School devised and put in place a *Student Protection Plan*, which details how the Art School will support students to complete their studies, should the Art School face an extreme challenge leading to total or practical closure.

The Board is satisfied that systems are in place to mitigate, or control where possible, the Art School's exposure to the risks mentioned above.

Fundraising statement

The Art School adheres to good standards of ethical fundraising. A Gift Acceptance Policy adopted in July 2019 formalises the Art School's practices and ethical fundraising position. The Art School greatly values the support it receives from donors. The majority of its donations are received from institutions, which the Art School approaches from time to time. A small number of donations are received from individuals, including student alumni, who are approached from time to time via written correspondence, email or at events.

The Art School does not approach individuals for donations who are not known by the Art School, and does not canvas on the street for donations. The Art School does not employ any third parties to fundraise on its behalf, and no complaints have been received about its fundraising activity. Donors' personal data is not shared with any third party, and is stored safely and securely in line with the General Data Protection Regulations.

Governance, structure and management (continued)

Statement of Trustees' responsibilities

A Statement of Trustees' responsibilities is included in the Statement of Corporate Governance and Internal Control.

Board of Trustees

The members who are in office at the date of this report are listed on page 1 with their dates of new appointment and resignation since 1 September 2019.

No Trustee has received any remuneration for services as a member of the Board (2019 - none).

The Statement of Corporate Governance and Internal control sets out the Trustees who were in office for the year ended 31 August 2020 and up until the date of approval of the financial statements (unless otherwise indicated).

Objectives and relevant policies

The Art School's objectives are set to reflect its educational aims and ethos. In setting these, the Trustees have given due consideration to the Charity Commission's general guidance on public benefit and to its supplementary benefit guidance on fee charging.

The Art School's key objectives for the year included:

- ◆ to ensure ongoing full compliance with Office for Students expectations, the UK Quality Code and other relevant legislation;
- ◆ to complete the validation of the BA and MA Conservation courses, including the introduction of a new subject area of book and paper conservation and consider further opportunities for expansion of its academic portfolio;
- ◆ to continue engaging further in public facing initiatives, in collaboration with other organisations, to raise the Art School's profile and engage actively in the broader dialogue about art, craft and education;
- ◆ to continue to nurture and extend the number of high-quality partnerships and initiatives for student participation and engagement, and to support the development of professional practice and progression into employment upon graduation;
- ◆ to enhance further the availability of bursary support and financial assistance for students with financial needs; and
- ◆ to work closely with the Property Trust on progressing with the development of the Art School's Kennington site and student facilities, with a particular emphasis on creating a new suite of conservation studios along with additional Fine Art studios to allow for additional recruitment from planned academic portfolio expansions.

Governance, structure and management (continued)

Access and Equality & Diversity

The Art School is committed to supporting the development of individuals from all backgrounds who have the potential to succeed in its subjects. It believes in the importance of a diverse student community. The Art School charges fees at a level commensurate with the majority of other institutions that offer higher education in art and design. Not all of the Art School's students are eligible for student loan support, so it seeks to provide financial support through bursaries from its own investment income, from funds raised specifically for this purpose from a wide range of charitable sources and by supporting students in their own search for financial support. The Board's policy is to provide fee bursaries on the basis of need and educational ability, subject to such restrictions as may have been imposed by the donors of the funds at its disposal, and within the capacity of the funds available.

The Art School is committed to promoting and upholding equality and diversity and is committed to a working environment which is free from discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation, disability or age. It anticipates the needs for a diverse range of learning styles and makes reasonable adjustments to meet the specific needs of students and staff who are, or become disabled, functionally disabled or possess some other protected status.

Investment

The Art School's investments are managed by Cazenove Capital Management Limited. The Art School has a portfolio of investments with a market value including cash as at 31 August 2020 of £1,398,489 (2019: £1,188,737).

There are no extra-statutory restrictions on the Art School's power to invest. The investment strategy is set by an Investment Committee reporting to the Board of Trustees and considers capital growth and income requirements, the risk profile and the investment managers' view of the market prospects in the medium term. The overall investment policy is to provide the level of income sought by the Trustees whilst endeavouring to ensure that longer term capital values more than cover the impact of inflation. The performance of the portfolio is reviewed regularly by the Investment Committee.

Activities and achievements

The Covid-19 Pandemic has impacted every aspect of Art School activity since March 2020. Trustees, Senior Management Team, and academic teams reviewed and reconfigured the Art School's activities to provide the best possible offer to students.

Following the closure of the Art School on 17 March 2020, the Art School successfully put measures in place to continue teaching online and progressing students during the nationwide lockdown. The Art School's highest priority was to offer a continuity of high quality specialist education consistent with its ethos. The Senior Management Team began planning for the move to online delivery some weeks before the lockdown, and the Easter Break enabled time to prepare and communicate plans to students. The summer term began on time with carefully organised online teaching sessions devised for each course

Trustees' report Year to 31 August 2020

year group. Student engagement and feedback identified good practice for the future and areas for development. In general student feedback was positive and grateful for the support available, regular communication and relevance of material. Tutors were commended for their creativity in devising ways to deliver practical teaching online.

All undergraduate students were able to successfully complete their year in the Summer Term and graduate from their courses, while MA students who would normally have worked through the summer break were offered to return for an additional term in the studios during Autumn 2020 and will graduate in Spring 2021.

Although the Art School's creative community were not physically together in the studios and facilities, they stayed connected through the Art School's intranet and social media platforms. Alumni, Fellows and tutors made films shot in their lockdown studios and shared insights into their current work and students documented their progress for sharing online.

Over the Summer of 2020, the senior management team and trustees considered carefully the actions needed in order to reopen campus from September for the new 2020/21 academic year with the required measures in place. The priority being to offer students, as much as possible, the intensive studio-based learning experience that the Art School is known for, enabling a depth of study in its specialist subjects. The planning for return to the Art School was supported significantly by the recent expansion of the Conservation department studios in the Georgian Terrace and new MA Fine Art studios in the Old Vauxhall Telephone Exchange Building adjacent to the Art School main site.

The Art School launched a new Graduate Showcase website to celebrate and promote students' achievements during this time. The specially commissioned online showcase is also intended to act as a recruitment tool for the future. For BA and MA Fine Art graduates of 2020 an external exhibition venue, Barge House, on London's Southbank has been secured for a joint exhibition when circumstances allow. The Carving graduates of 2020 will show alongside their peers in our Degree Shows now planned for August (BA) and October 2021 (MA).

Meanwhile the Art School has been able to maintain the levels of bursaries for students through external donors that continue to support over a third of the undergraduate and postgraduate student body.

Student numbers and academic achievements

The number of students enrolled at the beginning of the 2019/20 academic year totalled 237 (235 in 2018/19).

Foundation Studies

74 students (83 in 2018/19) successfully completed their year of study and were awarded a Foundation Diploma in Art & Design from UAL Awarding Body, with many able to secure a place on the university course of their choice.

Activities and achievements (continued)

Fine Art

23 students (18 in 2018/19) were awarded BA (Hons) degrees in Fine Art; 12 Firsts and 11 Upper Seconds.

16 students (16 in 2018/19) are due to complete their MA Fine Arts degree in the Spring term 2021 following an extension to their academic year due to the Covid-19 pandemic.

Conservation

4 students (8 in 2018/19) were awarded BA (Hons) Conservation Studies; 4 Upper Seconds.

1 student started on the part time MA Conservation (3 in 2018/19) and is due to complete their MA Fine Arts degree in the Spring term 2021 following an extension to their academic year due to the Covid-19 pandemic.

Historic Carving

5 students completed BA (Hons) Historic Carving degrees; 2 Firsts and 2 Upper Seconds. This was the first cohort to be awarded degrees

Bursaries and scholarships

The continued generosity of the Art School's many benefactors enabled fee bursary awards of £264,809 (£285,831 for the previous 12 months). Contributions made by way of direct applications for support by students amounted to an additional £26,833 for the academic year (£31,400 in the previous year). In the course of the 12 months to 31 August 2020, fee bursaries were given to a total of 63 students (65 in the previous year), representing more than one in three students on the Art School's undergraduate and postgraduate courses towards which bursary and scholarship support is primarily directed. New pledges for coming years have also been secured. Trustees continue to regard increasing the amount of bursary and scholarship funding available for students as a priority.

Academic Portfolio Developments

During the initial part of the year, the Art School worked towards the validation of new awards in Conservation, replacing the existing BA (Hons) Conservation Studies with two new award titles: BA (Hons) Conservation: Stone, Wood & Decorative Surfaces and BA (Hons) Conservation: Books & Paper. Alongside this, the MA Conservation was prepared for revalidation to include book and paper conservation as potential research and practical project material. The validation event took place successfully in January 2020. The Art School was subsequently able to recruit a first intake of 8 students on the new BA (Hons) Conservation: Books & Paper for the Autumn Term 2020. Over a period of three years, this new development will lead to the total student intake in Conservation to double, establishing the Art School as one of the leading centres of training in conservation in London and the UK.

Activities and achievements (continued)

Academic Portfolio (continued)

During the Summer Term 2018/19 all progressing 1st and 2nd year *Diploma Historic Carving* students successfully transferred onto the new *BA (Hons) Historic Carving* programme. The academic year 2019/20 therefore began with the full roll out of the new *BA (Hons) Historic Carving* and *MA Carving* after many years of successful delivery of the *Diploma Historic Carving* and the *PG Dip Carving*. The newly upgraded carving studios, new curriculum elements and structure were recognised as positive developments by students and staff, promoting employability, practice based excellence and the recognition of academic achievement.

Outreach and collaborative projects

Throughout the autumn/winter 2019/20, Art School's departments continued to pro-actively seek out opportunities to instigate and become involved in collaborative projects and partnerships which enhance the student experience and support staff research.

Fine Art

In September 2019, the Art School took part in the Lambeth Heritage Festival for the second time with the general public invited on a historical walk around the Art School, exploring 138 years of creative endeavour.

In November 2019, the Art School's Print Room Fellows hosted demonstrations of the chine colle etching technique for the general public at Woolwich Contemporary Print Fair.

Five Art School Fine Art graduates were shortlisted for the Ingram Collection's Young Contemporary Talent Purchase Prize 2019 and the Art School was once again invited to take part in the Clyde & Co Annual Art Award, alongside other major Art Schools, offering a range of professional experience opportunities for the six shortlisted graduating students.

The new Freelands Painting Prize celebrates outstanding painting practice at undergraduate level, culminating in an exhibition at the Freelands Foundation gallery. The Foundation invites every higher education institution in the UK that offers a BA Fine Art or Painting course to nominate a final year student to submit a work for the prize; either a painting or a work exploring painting in the expanded field. The Art School was delighted that the judging panel who selected 2020 Fine Art graduate Anna Woodward as one of the eight winners to take part in an exhibition, which was accompanied by a publication.

As part of the Big Draw Festival for the second time, on Saturday 26 October 2019, the Art School ran a charcoal drawing workshop centred around the study of plants. The theme of the Big Draw Festival was 'Wellbeing and Creativity' and the event, entitled 'The Power of Plants', focused on the positive effects of both creativity and plants on our wellbeing. The workshop attracted participants with varied experience and involvement in art practice.

MA Art & Material Histories student, Roberta De Caro, organised a series of workshops for survivors of domestic abuse, in which she explored how the material qualities of glass can be used to reconstruct, repair and heal the fragmented self. Roberta organised the workshops after receiving one of the Art School's Student Initiated Project Prizes in 2019.

Activities and achievements (continued)

Outreach and collaborative projects (continued)

The Art School's Artist in Residence scheme provides early and mid-career artists with a base and access to a wide range of facilities. Meanwhile their engagement in the life of the Art School provides inspiration and valuable professional experience particularly for Fine Art BA and MA students. In 2019 we welcomed painter Alastair Gordon, mixed media artist Gray Wielebinski and International Artist in Residence, Taku Obata. During his residency Taku featured in an exhibition at Japan House London, which included an artist talk and demonstration and made a film about his time in London as part of the Art School community developing his practice as a Fine Artist and carver.

In early 2020 the Art School launched the third season of its interdisciplinary research platform Material Matters, which will focus on Clay throughout 2020-21 and culminate in a symposium on its findings.

Conservation & Historic Carving

Since 2017, the Art School has been an active member of the network of the Michelangelo Foundation for the promotion of excellence in craft in Europe. Senior Stone Carving Tutor, Nina Bilbey, Senior Woodcarving Tutor, Robert Randall, and Glass Workshop Technician, Anne Petters, are amongst the master craftspeople featured in the new, digital *Homo Faber Guide*, that launched in September 2020. The guide profiles over 650 artisans from around Europe and provides easy access to the best master craftspeople throughout the continent. The list of artisans and makers was compiled with recommendations from craft and design ambassadors in each country. Ambassadors in the UK include the Crafts Council UK and Queen Elizabeth Scholarship Trust.

In November 2019, the Art School exhibited at the Historic Buildings, Parks & Gardens Event. BA and MA Historic Carving and Conservation students demonstrated their skills and interacted with visitors and those in the craft & heritage industries.

The Historic Carving Department, has been active in developing external projects, events and collaborations and is involved in plans for the tercentenary celebrations and commissions in honour of Grinling Gibbons.

The Conservation Department has continued to build on existing and develop new partnerships for student projects, placements and internships, and has been building a new network to support the BA Conservation: Books & Paper course.

The Britain-Australia Society Education Trust and City & Guilds of London Art School: Endeavour Award was launched to Fund an Australian citizen to Study Conservation in London and raise the profile of the Art School's courses in Australia.

The Conservation department continued its longstanding relationship with Venice in Peril. Two outstanding recent graduates undertook a two-month conservation internship on the island of San Giorgio Maggiore in November 2019, where they conserved the stone statues around the inner walls of one of the entrances of Palladio's Church and had the opportunity to live and work in a remarkable environment.

Activities and achievements (continued)

Outreach and collaborative projects (continued)

Second-year Conservation students, led by Art School Tutor and stone conservation expert, Jennifer Dinsmore, recently conducted a thorough conservation assessment and report at 'Gerry's Pompeii', the London home of artist Gerald Dalton.

The Art School is grateful to the Sir Denis Mahon Foundation for establishing a new grant created to honour the memory of Sir Denis Mahon, renowned collector and historian of Italian art, and to continue his legacy and lifelong interests in fine art, carving and conservation. Intended to encourage and support students at the Art School to realise ambitious sculptural projects, the £5,000 annual grant will be available until academic year 2022/23. It is open to submissions annually from second year BA Conservation, Historic Carving and Fine Art students whose work focuses on sculpture and is to support a final year project.

Impact of Covid-19

As of the Covid-19 lockdown in March 2020, most activity in terms of ongoing and new projects and initiatives was paused and unable to proceed.

The following public facing activities had to be cancelled or postponed:

London Craft Week May 2020: the Art School was due to participate for the fifth year as a charity partner in London Craft Week in May 2020, with two days of exhibitions and events on site, and a live stone carving competition.

Summer School 2020: the Art School's Summer School short courses ran in July 2018 and 2019, offering a unique opportunity for the general public to step inside the Art School, and explore and develop skills and interests with our expert tutors. The demand for courses had been growing year on year.

Thanks to the generosity of the Andrew Lloyd Webber Foundation, the Art School had been able to offer a number of grant-funded places on our historic craft-focused Summer School courses to young people aged 18-25. The scheme aimed at engaging young people with historic crafts, specifically facilitating the participation of those who would otherwise be unable to fund their place.

Students due to take part in the cancelled 2020 courses have been offered places on the 2021 programme.

Homo Faber 2020: Carving and Conservation students and graduates were shortlisted as Young Ambassadors for the Craft Biennial established by the Michelangelo Foundation titled 'Homo Faber', due to be held for the second time at Fondazione Giorgio Cini, San Giorgio, Venice in the Autumn of 2020, now slated for Autumn 2021.

Facilities development

The ongoing work to enhance and expand the Art School's physical infrastructure is the prime responsibility of the City & Guilds Art School Property Trust, a separate charity and landlord to the Art School. During the year, the Property Trust was able to complete a further phase of works which saw the creation of a new suite of conservation studios in the Art School's Georgian terrace buildings. Alongside this, new Fine Art studios were created in the adjoining Old Vauxhall Telephone Exchange building in spaces rented from BT through the Property Trust. In total this led to the creation of an additional 5,000 sqft of studios and facilities supporting the academic portfolio expansion in Conservation and future growth in recruitment across the Art School's course portfolio. The works, which were able to proceed during Summer 2020, received generous funding support from the Foyle Foundation, Garfield Weston Foundation, Pilgrim Trust and Steel Charitable Trust and those donors wishing to remain anonymous.

Development plans for the final phase of the Property Trust's masterplan, the full refurbishment and partial redevelopment of the Victorian studio buildings at the rear of 118-124 Kennington Park Road, received planning and listed building consent in October 2019. As a result of the Covid-19 pandemic future plans are presently on hold, and will be reviewed as part of a Strategic Planning process undertaken during the year 2020/21.

Investment performance

During the year to 31 August 2020 the Charity's investments produced an overall income of £20,035 (2018/19: £21,221) and a net capital gain of £10,229 (2018/19: loss of £9,216). The investment managers continued to invest in accordance with the Trustees' investment policy, which is reviewed by the Investment Committee and the Board annually, and which is based on an ethical investment approach. The Trustees are satisfied that their investment objectives are being met by the performance of the investments in the context of existing economic and investment conditions.

Financial review

Results for the year

The Art School recorded a surplus before net gains on investments of £252,405 (2019: deficit of £119,382) for the year. This was due to a surplus in restricted funds as a result of significant funds being raised in support of the new Books & Paper Conservation course as well as receipt of a substantial legacy gift. Unrestricted funds recorded a deficit, reflecting some income lost as a result of the Covid-19 pandemic and a reduction in unrestricted donations during the year.

Realised losses of £14,416 (2019: losses of £5,764) and unrealised gains of £24,645 (2019: losses of £3,452) on the Art School's investments were recorded in its restricted and endowment funds.

Reserves

The Board has examined the requirement for free reserves i.e. those funds not invested in tangible fixed assets, not designated for specific purposes, not restricted and not otherwise committed. The Board intends to achieve, as circumstances permit, an increase in the free reserves from present levels in order to provide liquidity to meet any future temporary shortfalls in income and to provide adequate working capital as the activities of the Art School grow. In the meantime the Trustees have taken the view that the expendable endowments and free reserves should be considered together and are satisfied that this is in line with the reserves policy. A target of three months' operating expenditure would be deemed appropriate.

Financial position

The balance sheet shows total funds of £1,562,361 (2019: £1,299,727). These funds include endowment funds of £1,069,492 (2019: £863,346). Whilst the income from these funds may be used for the general purposes of the Art School, most of the endowment fund balances themselves are regarded as long term capital.

Also included in total funds is an amount of £460,704, which is restricted (2019: £325,667). These monies have either been raised for, and their use is restricted to, specific purposes or they comprise donations subject to donor-imposed conditions. Details and an analysis of movements in the year of these endowment and restricted funds can be found in notes 14 and 15 to the financial statements.

Unrestricted funds of the Art School at 31 August 2020 total £32,165 (2019: £110,713). These funds are represented by general fund tangible fixed assets of £216,492 (2019: £262,170) and by a deficit of free reserves of £184,327 (2019: deficit of £151,457). The Trustees have considered the position in the context of known future sources of income, and also expendable endowments of £907,859 (2019: £705,431) which are available to provide liquidity to the School if needed, and thus consider the reserve position to be acceptable in the context of the reserves policy.

Going Concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect of a period of one year from the date of approval of these financial statements, taking into consideration the impact of the Covid-19 pandemic on its operations and financial position going forward. In doing so, the Trustees have considered the following:

- ◆ Latest operational plan for the remainder of the current 2020/21 academic year in response to the January 2021 government lockdown;
- ◆ Evidence from the impact of the Spring 2021 lockdown and measures in place to mitigate these, along with the performance record of re-opening the Art School facilities and operating a blended teaching offer during the September to December 2021 period;
- ◆ Revised budget and financial forecast for the financial year 2020/21 along with forward projections for the financial year 2021/22 and a cash flow forecast for the 12 months period to March 2022.

Since the onset of the Covid-19 pandemic, the Art School management foremost priority has been to adapt its learning offer to meet government guidelines while safeguarding the quality of the student experience and ensuring student progression. This was achieved successfully during the first lockdown period and resulted in all students completing their year successfully. Interruption of studies remained at very low levels, not increasing from prior years. The measures put in place to re-open the Art School facilities for the academic year 2020/21 with full and workshop studio access and a blended learning offer resulted in a successful first term with high levels of student satisfaction expressed and no cases of pandemic related interruption of studies. The planned extension of the academic year to make up for the latest lockdown period in terms of practical work and studio time has been designed to minimise the impact on student experience and learning outcomes for the year as a whole. At the point of writing, the recruitment outlook for the 2021/22 academic year is promising based on the level of interest and number of applications received, therefore suggesting that the target of securing a full intake should be achieved. This is due to support a substantial increase in fee income in 2021/22.

As an independent organisation in the HE sector, the Art School has not been eligible for any cultural sector government funds and has only been able to draw on the Furlough Scheme in a limited way during the periods of lockdown. In order to mitigate the financial challenges created by the Covid-19 pandemic – in particular as a result of the cancellation of short courses, the increased cost of operating the Art School facilities in a Covid-secure manner, and a somewhat reduced student 2020/21 intake against target – the Art School launched an appeal addressed at its existing donor base of supporters, with a target of £250,000 to be raised by the end of the 202/21 financial year. This will be the primary focus of all fundraising activity for the current year. At the time of writing the appeal resulted in pledges approaching £100,000.

In addition, and in order to provide additional working capital support if needed, the Art School secured a CBIL loan of £250,000, repayable over a period of 6 years from financial year 2021/22. Cash flow projections presently do not suggest that these funds are likely to be drawn upon in any significant way.

Trustees' report Year to 31 August 2020

Going Concern (continued)

The Art School held negative free reserves of £184,327 as at 31 August 2020 (2019 – negative free reserves of £151,457). The Board intends to achieve, as circumstances permit, a suitable level of free reserves in order to provide liquidity to meet any future temporary shortfalls in income and to provide adequate working capital. The Art School now holds expendable endowments totalling £907,859 (2019: £705,431). These expendable endowments are available to provide additional financial support and liquidity to the Art School.

In light of the above, the Trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Art School to continue as a going concern.

Future plans

The main priority for financial year starting 1 September 2020 is to steer the Art School through the challenges of the ongoing Covid-19 pandemic. Maintaining quality and academic standards, and supporting student and staff wellbeing have been key to the Art School's planning, along with work to ensure that the new Books & Paper course meets the highest standards and is successfully established. Following a re-opening of the Art School buildings and all facilities for students for the full Autumn term, the second national lockdown from January 2021 has forced all teaching to return online. In order to deliver the full year curriculum with an appropriate level of studio practice, the decision was taken to extend the academic year. A further focus will be to secure full recruitment on all courses for the academic year 2021-22. In order to mitigate the financial impact from increased costs of operating a Covid secure environment, along with income losses from a somewhat reduced intake and cessation of ancillary revenue generating activity, the Art School is actively seeking funding support from its base of current and past supporters through a special appeal.

In parallel, the Trustees led by the new Chair and the executive have embarked on a strategic planning process which will set the framework for the Art School's development over the five years from 2021-2026. Key areas for the plan will be (1) developments of the academic and other course portfolio (2) community outreach and diversity and (3) long term financial sustainability.

The Charity's assets

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the financial statements.

Approved by the Board on 17 March 2021

and signed on its behalf by:



Jamie Bill
Chair

Statement of corporate governance and internal control Year to 31 August 2020

The following statement is provided to enable readers of the annual report and financial statements of City & Guilds of London Art School to obtain an understanding of its governance and legal structure. These are detailed and governed by the How We Work: Governance & Management Handbook.

The statement covers the period from 1 September 2019 to 31 August 2020 and up to the date of the approval of the annual report and financial statements.

The Art School endeavours to conduct its business:

1. Having due regard to the UK Corporate Governance Code 2018 in so far as it is applicable to the Higher Education Sector, and the Charities Act 2011.
2. Complying with Office for Students on-going conditions or regulations and terms of conditions of funding as well as other regulatory responsibilities, in accordance with the Higher Education Code of Governance.

We have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code, the Higher Education Code of Governance and Charities Act.

The Board of Trustees recognises that as a body entrusted with private funds, charitable funds and public funds where received, it has a particular duty to observe the highest standards of corporate governance at all times.

Legal Status

City & Guilds of London Art School is a charitable company, limited by guarantee, not having a share capital.

The Board of Trustees confirm that they have due regard for the Charity Commission's guidance on public benefit and that the required statement appears elsewhere within these financial statements.

The Board of Trustees

The members who served on the Board of Trustees during the year and up to the date of signature of this report are listed below.

Statement of corporate governance and internal control Year to 31 August 2020

Trustee	Appointed / Resigned
Andrew Allen	
Marjorie Allthorpe-Guyton	
Anne Beckwith-Smith LVO	
Laurence Benson (Vice-Chair)	
Jyoti Bharwani	Appointed 17 September 2019
Nina Bilbey (Staff Trustee)	Appointed 2 October 2019
Jamie Bill (Chair)	Appointed 8 April 2020
Dr Virginia Brooke	Appointed 25 November 2019
Dr Caroline Campbell	
Mark Cazalet	Resigned 22 January 2020
Clare Dudeney (Student Trustee)	Resigned 1st October 2019
Ema Epps (Student Trustee)	Appointed 1 October 2020
Brendan Finucane QC	
Gabriel Gbadamosi	Appointed 17 September 2019
Martin Hatfull	
James Kelly	
Russell Martin	Resigned 16 July 2020
Tamiko O'Brien	
Michael Osbaldeston	Appointed 31 October 2019
Prof Jane Rapley OBE	
James Roundell	
Prof Elizabeth Rouse	
Andrew Sich	Resigned 22 January 2020
Tim Statham	Resigned 22 January 2020
Alexander Stitt	Appointed 1 June 2020
Benjamin Tucker	Appointed 7 November 2019

Board of Trustees' interests

The Board of Trustees are shown above and except for any instance mentioned above have served throughout the year. Three members of Board of Trustees have interests within the organisation, including two salaried members of staff, the Principal (ex-officio Trustee), the staff representative Trustee (elected), and the Student representative Trustee (also known as Chair of Students) none of them receive remuneration for their services as member of the Board.

The Secretary to the Board of Trustees maintains a register of financial and personal interest of the members of the Board of Trustees, updated annually.

Statement of corporate governance and internal control Year to 31 August 2020

Statement of trustees' responsibilities

The Trustees (who are also directors of the Art School for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom 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 operation.

The Trustees are responsible for keeping proper accounting records that 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. Trustees are also responsible for ensuring that the School continues to meet the conditions for Office for Students registration, and also safeguarding freedom of speech and academic freedom.

Each of the Trustees confirms that:

- ◆ so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Statement of corporate governance and internal control Year to 31 August 2020

Meeting Procedures

Formal agendas, papers and reports are supplied to the Board of Trustees in a timely manner, prior to Board meetings. Reports include financial performance of the organisation together with other information such as recruitment, academic and quality matters, personnel related matters, health and safety matters. The Board of Trustees met five times in 2019/20. Full minutes are kept of all meetings.

The Art School has a strong and independent non-executive membership on the Board of Trustees and no individual or group dominates its decision-making process. The organisation is satisfied that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with exercise of their independent judgement.

There is a clear division of responsibility between the roles of the Chairman and Accounting Officer.

Appointment to the Board of Trustees

Appointment to the Board of Trustees are matters for consideration of the Board of Trustees as a whole, as advised by the Nominations Committee.

Board of Trustees Performance Oversight

The Board of Trustees exercise robust scrutiny of performance and challenge where necessary. Board meetings provide the opportunity for thorough discussion of issues arising. Trustees are pro-active in their oversight of the organisation and are involved in the planning and discharging of Board business.

A review of individual Board members' roles and contributions is conducted annually by the Chair.

Committees

The Board of Trustees receives advice from on the conduct of its business from four committees and the Academic Board. Each committee has its own terms of reference which have been approved by the Board of Trustees. These committees are Audit & Risk Committee; Remuneration Committee; Investment Committee; and Nominations Committee. In addition, a Finance Working Group was formed in March 2021 to inform strategic planning, and this will be formalised into a Finance Sub-Committee of the Audit & Risk Committee from May 2021.

Statement of corporate governance and internal control Year to 31 August 2020

Committees (continued)

	AUDIT & RISK COMMITTEE	INVESTMENT COMMITTEE	NOMINATIONS COMMITTEE	REMUNERATION COMMITTEE
Frequency of meetings	Minimum 4	2	Minimum 2	Minimum 2
Chair	Laurence Benson	James Roundell	Marjorie Allthorpe Guyton	Laurence Benson
Clerk	Company Secretary	Director, Property Trust	Company Secretary	Company Secretary
Trustees	Virginia Brooke Martin Hatfull James Kelly Jane Rapley Michael Osbaldeston	Laurence Benson	Andrew Allen Anne Beckwith Smith Jamie Bill Nina Bilbey (Staff Trustee) Caroline Campbell Ema Epps (Student Trustee) Gabriel Gbadamosi Ben Tucker	Andrew Allen Jamie Bill Nina Bilbey (Staff Trustee) Martin Hatfull Ema Epps (Student Trustee) Ben Tucker
Non-Trustee Members	Humphrey Carey (Property Trust) Tim Statham	Humphrey Carey (Property Trust) Rupert Asquith		
In attendance	Principal (ex-officio Trustee) Head of Finance	Head of Finance Nick Orr, Cazenove Capital	Principal (ex-officio Trustee)	Principal (ex-officio Trustee) Head of Finance

Audit and Risk Committee

The Audit and Risk Sub-Committee is responsible to the Board of Trustees in discharging its responsibilities for reporting its independent opinions on the risk management, controls, governance, and value for money arrangements of the Art School.

The Committee is responsible for the following:

- ◆ To appoint external auditors and agree the audit fee, meet with the external auditors to discuss the scope and nature of the audit and to discuss the findings of the audit along with the included management letter and management responses.
- ◆ To review on a regular basis the Art School's Risk Register, advise the Board of Trustees of any significant changes/additions and to escalate any serious concerns to the Board
- ◆ To commission audit reviews of anything that could potentially threaten or adversely affect the accomplishment of the aims and objectives of the Art School, or which potentially could put the Art School at financial or reputational risk.
- ◆ To ensure, on behalf of the Board of Trustees, that sound financial and governance controls are in place, and effectively implemented; including the endorsement of the Art School's Financial Regulations, Reserves Policies and arrangements for risk and business continuity management.

Statement of corporate governance and internal control Year to 31 August 2020

A **Site & Environment sub-committee** reporting to the Audit & Risk Committee is tasked with overseeing all matters relating to risk management and compliance with legal obligations relating to the physical, working and educational environments, including student and staff welfare provision and the Health & Safety of all the Art School's members and visitors.

The newly formed **Finance Sub Committee** will oversee the organisation's financial reporting process, including internal control structure and procedures for financial reporting and monitoring the integrity and appropriateness of the financial statements. The Sub-Committee will monitor and review projected levels of income and expenditure and ensures an effective framework is in place to review performance against budget and to recommend improvements to accounting policies, systems, and procedures.

Remuneration Committee

The Remuneration Committee provides oversight of strategic staffing matters and determine policy on staff remuneration; and has delegated authority of the Board to determine the schema for staff pay increases and to decide the remuneration of the Principal and Senior Members of Staff.

Investment Committee

The Investment Committee oversees the management of the Art School's investment portfolio. Under delegated authority of the *Board of Trustees*, the *Investment Committee* is responsible for advising the Board on the appointment of the investment managers; for monitoring the performance of the portfolio and the effectiveness of the investment strategy; and for ensuring that the Art School's investments are handled responsibly and ethically.

Nominations CommitteeThe Nominations Committee oversees the process for the recruitment and appointment of members of the Boards of Trustees and advises the board overseas the process for review of governance effectiveness. It keeps under review policies and processes relating to membership of the Board of Trustees including induction, training and development of the Trustees.

Academic Board

The Academic Board is established by the Board of Trustees with delegated powers to oversee the Art School's academic activities on its behalf and to be the institution's supreme academic authority. Chaired by the Principal, the responsibilities delegated to Academic Board are to:

- Uphold the academic standards of Art School's courses and the quality of its teaching and student welfare provision.
- Devise, maintain, amend and, in individual cases suspend, the Student Regulations.
- Recommend the appointment of External Examiners for validated provision.
- Appoint External Examiners for non-validated provision.
- Confirm the students' results for those courses delivered independently of a validating partner.
- Elicit, receive and act upon student feedback.
- Oversee all internal review and evaluation processes including periodic reviews by the Office for Students (via the QAA).
- Work to foster excellent relationships with the Art School's validating partners.

Statement of corporate governance and internal control Year to 31 August 2020

Internal Control

Scope of responsibility

The Board of Trustees is ultimately responsible for the organisation's system of internal control and for reviewing its effectiveness. Such a system incorporates risk management and is designed to manage the risk of failure to achieve academic, operational and financial objectives and is designed to provide reasonable assurance against material misstatement or loss, covering such areas as educational standards, safeguarding, IT and data protection, Health & Safety and Estates, HR matters and finance.

The Board of Trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the organisations policies, aims and objectives, whilst safeguarding the funds received and assets. The Principal is responsible for reporting to the Board of Trustees, through the Audit & Risk Committee, any material weaknesses or failures in internal control.

The system of internal control

The system of internal control is designed to manage risk to a reasonable level and is based on an on-going process of identifying and prioritising the risks to the achievement of organisation policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the organisation for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the organisation is exposed, together with the operating, financial and governance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that an effective formal on-going process for identifying, evaluating and managing the Art School's significant risks has been in place for the year ended 31 August 2020 up to the date of approval of the annual report and financial statements.

The risk and control framework

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. It includes:

- ◆ A comprehensive register of risks, updated and reviewed on a semi-annual basis
- ◆ annual budgeting with an annual budget reviewed and agreed by the Board of Trustees
- ◆ periodic reviews by the Board of Trustees of management accounts and financial reports which present and assess financial performance against budget and performance indicators

Statement of corporate governance and internal control Year to 31 August 2020

Review of effectiveness

As the Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. The Principal's review of the effectiveness of the system of internal control is informed by:

- ◆ the work of the external auditors;
- ◆ the work of the Head of Finance and other staff who have responsibility for the maintenance and development of the internal control framework;
- ◆ comments made by the organisation's financial statements and regularity auditors in their management letters and other reports; and
- ◆ advice provided by Trustees working through the Committees.

There are no significant internal control weaknesses reported for the period.

The senior management team regularly reviews key performance and risk indicators and considers possible control issues brought to their attention. The Audit and Risk Committee receives regular reports, which include recommendations for improvement and conducts an annual review of the arrangements for internal control. The Board of Trustees agenda includes a regular item for consideration of risk and control and receives reports thereon from the Audit and Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

Based on above and reports by the Principal, the Board of Trustees is of the opinion that the organisation has an adequate and effective framework for governance, risk management and control to manage the achievements of the organisation's objectives for the year ended 31 August 2020 and it has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the safeguarding of their assets".

Regularity, propriety, and compliance

The organisation has considered its responsibility to notify the Office for Students of material irregularity, impropriety and non-compliance with Office for Students terms and conditions of funding.

We confirm, on behalf of the organisation, that after due enquiry and to the best of its knowledge, the Board of Trustees believes it is able to identify any material irregularity or improper use of funds by the organisation, or material non-compliance with terms and conditions of funding under the organisations financial regulations. As part of our consideration we have had due regard to our financial regulations. If any instances are identified after the date of this statement these will be notified to the Office for Students.

Statement of corporate governance and internal control Year to 31 August 2020

Going Concern

Details on Board's going concern assessment are set out on page 16.

Approved by order of the Board of Trustees on 17 March 2021 and signed on its behalf by:



Jamie Bill

Chair



Tamiko O'Brien

Principal

Independent auditor's report Year to 31 August 2020

Independent auditor's report to the members of City and Guilds of London Art School Limited

Opinion

We have audited the financial statements of City and Guilds of London Art School Limited ('the charitable company') for the year ended 31 August 2020 which comprise the statement of financial activities (including the statement of changes in reserves), the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its income and expenditure, changes in reserves and cash flows for the year then ended;
- ◆ have been properly prepared in accordance with the financial reporting standards (FRS102);
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006;
- ◆ where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- ◆ where applicable, funds provided by HEFCE, the Office for Students and by Research England have been applied in accordance with the relevant terms and conditions; and
- ◆ meet the requirements of the Office for Student's Accounts Direction 2019/20

We have nothing to report in respect of the following matter in relation to which the Office for Students Accounts Direction 2019/20 requires us to report to you if, in our opinion:

- ◆ the charitable company's grant and fee income, as disclosed in note 1 to these Financial Statements has been materially misstated.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditor's report Year to 31 August 2020

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

Independent auditor's report Year to 31 August 2020

Matters on which we are required to report by exception (continued)

- ◆ 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' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report Year to 31 August 2020

Use of our report

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



31.3.2021

Hugh Swainson, Senior Statutory Auditor
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Statement of financial activities (including income and expenditure statement, which includes statement of changes in reserves) Year to 31 August 2020

				Year to 31 August 2020	Year to 31 August 2019
	Notes	General fund £	Restricted funds £	Endowment funds £	Total funds £
Income and expenditure					
Income and endowments from:					
Donations and legacies		90,334	484,347	253,485	828,166
Investment income	2	14,331	5,704	—	20,035
Other trading activities		1,791	—	—	1,791
Charitable activities					
. Art School fees		1,934,140	—	—	1,934,140
Other		85,695	—	—	85,695
Total income		2,126,291	490,051	253,485	2,869,827
Expenditure on:					
Charitable activities					
. Costs of operating the Art School					
.. Premises		351,018	70,975	—	421,993
.. Teaching staff and personnel	6	904,634	3,859	50,000	958,493
.. Support costs	4	895,212	580	2,008	897,800
.. Promotions and publicity	3	53,975	—	—	53,975
. Bursaries, scholarships and prizes	5	—	280,663	4,498	285,161
Total expenditure		2,204,839	356,077	56,506	2,617,422
Net (expenditure) income before gains on investments and transfers	5	(78,548)	133,974	196,979	252,405
Net gains (losses) on investments	10	—	1,063	9,166	10,229
Net (expenditure) / income and net movement in funds		(78,548)	135,037	206,145	262,634
STATEMENT OF CHANGES IN RESERVES					
Net (expenditure) / income and net movement in funds		(78,548)	135,037	206,145	262,634
Reconciliation of Funds					
Fund balances brought forward on 1 September 2019		110,713	325,668	863,346	1,299,727
Fund balances carried forward at 31 August 2020		32,165	460,705	1,069,491	1,562,361

All of the charitable company's activities are derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the above statement of financial activities.

Balance sheet 31 August 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	9		216,492		262,170
Investments	10		1,398,489		<u>1,188,736</u>
			1,614,981		1,450,906
Current assets					
Stocks	11	22,391		18,674	
Debtors	12	249,676		193,173	
Cash at bank and in hand		678,655		<u>338,201</u>	
		950,722		550,048	
Creditors: amounts falling due within one year	13	(1,003,342)		<u>(701,227)</u>	
Net current liabilities			(52,620)		(151,179)
Total net assets			1,562,361		<u>1,299,727</u>
Represented by:					
The Funds of the Charity					
Endowment funds	14		1,069,491		863,346
Income funds:					
Restricted funds	15		460,705		325,669
Unrestricted funds:					
General fund			32,165		<u>110,713</u>
			1,562,361		<u>1,299,727</u>

Approved by the Board on 17 March 2021 and signed on its behalf by:



Jamie Bill
Chairman



Tamiko O'Brien
Principal

City and Guilds of London Art School Limited: A company limited by guarantee, Company Registration No. 07817519 (England and Wales)

Statement of cash flows 31 August 2020

	Notes	Year to 31 August 2020 £	Year to 31 August 2019 £
Net cash flows from operating activities	A	525,376	362,968
Net cash flows from investing activities	B	(134,440)	(497,066)
Change in cash and cash equivalents in the year		390,936	(134,099)
Cash and cash equivalents at the beginning of the year		348,150	482,249
Cash and cash equivalents at the end of the year	C	739,086	348,150

Notes to the statement of cash flows for the year to 31 August 2020

A Reconciliation of net (expenditure) income to net cash provided by operating activities

	2020 £	2019 £
Net income (expenditure)	252,405	(119,381)
Depreciation charge	53,700	55,457
Dividends, interest and rents from investments	(20,035)	(21,221)
Effect of capitalisation of investment manager's fees	(2,588)	(3,129)
(Increase) decrease in stocks	(3,717)	2,022
(Increase) decrease in debtors	(56,503)	496,264
Increase (decrease) in creditors	302,114	(47,045)
Net cash provided by operating activities	525,376	362,968

B Cash flows from investing activities:

	2020 £	2019 £
Dividends and interest from investments	20,035	21,221
Purchase of tangible fixed assets	(8,022)	(91,389)
Payments to acquire investments	(234,195)	(505,673)
Receipts from the disposal of investments	87,742	78,775
Net cash used in investing activities	(134,440)	(497,066)

C Analysis of cash and cash equivalents

	31 August 2020 £	31 August 2019 £
Cash at bank and in hand	678,655	338,201
Cash held by investment managers	60,431	9,949
	739,086	348,150

Basis of accounting

The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ('Charities FRS 102 SORP'), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Office for Students' Accounts Direction 2019/20.

The Charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- ◆ the provision against doubtful and bad debts in respect to Art School fees; and
- ◆ estimates in respect of accrued expenditure.

Going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect of a period of one year from the date of approval of these financial statements.

The Art School held negative free reserves of £184,327 as at 31 August 2020 (2019 – negative free reserves of £151,457). The Board intends to achieve, as circumstances permit, an increase in the free reserves from present levels in order to provide liquidity to meet any future temporary shortfalls in income and to provide adequate working capital. The Art School now holds expendable endowments totalling £907,859 (2019: £705,431). These expendable endowments are available to provide liquidity to the Art School if needed.

In light of the above, the Trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Art School to continue as a going concern.

Income

Income is recognised in the period in which the Art School is entitled to receipt and the amount can be measured with reasonable certainty.

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable include contributions received from restricted funds for scholarships, bursaries and other grants.

Donations are recognised when received and are only accrued where the Art School can demonstrate entitlement to receipt and the amount is measurable and receipt is probable.

Investment income comprises dividends and interest receivable. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. Interest payable on investment assets is recognised on an accruals basis.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered. Expenditure comprises the following:

- 1 The costs of charitable activities involving expenditure on the Art School's primary charitable purpose, i.e. the operation of the Art School. In addition bursaries, scholarships and prizes are given to students.
 - 1.1 The costs of operating the Art School include the costs of premises, teaching staff and personnel, support costs including governance costs, and costs of promoting and publicising the Art School and its activities.

Included within support costs are 50% of the fees incurred in managing the School's investment portfolio. The remaining 50% of investment manager's fees are debited to the value of cash held by investment manager on the balance sheet (note 10) and also deducted from unrealised investment gains.
 - 1.2 Bursaries, scholarships and prizes payable by the restricted funds are included in the statement of financial activities when approved, and when set off against the fees to which they relate.

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure includes any attributable VAT which cannot be recovered. All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs.

Tangible fixed assets

All assets costing more than £250 and with an expected useful life exceeding one year are capitalised.

Assets are included in these financial statements at cost at the date of acquisition together with the cost of additions and improvements to date.

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

♦ Fixtures and fittings	10% on cost
♦ Tools and equipment	20% on cost
♦ Computer and hi-tech equipment	33% on cost
♦ Website	20% on cost

Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors

Creditors are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors are recognised at the amount the Charity anticipates it will pay to settle the debt.

Investments

Investments are included on the balance sheet at their market value at the end of the financial period. Realised and unrealised gains and losses are credited, or debited, to the statement of financial activities in the year in which they arise.

Financial instruments

The Art School only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Art School and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial instruments (continued)

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 12. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Stocks

Stocks, comprising artists' materials for resale, are stated at cost.

Fund accounting

The general fund comprises those monies which may be used towards meeting the charitable objectives of the Art School at the discretion of the Board.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to conditions imposed by the donor.

The endowment funds comprise both permanent and expendable endowments. Permanent endowments are monies which must be held as capital indefinitely. The income therefrom can be used for general purposes and is credited directly to unrestricted funds.

Expendable endowments are monies which were given to the Art School as capital but there is no restriction on them being converted into expendable income.

Leased assets

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged on a straight-line basis over the lease term.

Pension costs

Contributions to employees' personal pension plans are debited to the statement of financial activities in the year in which they are payable to the relevant plans.

Notes to the financial statements 31 August 2020

1 Grant and fee income

	Year to 31 August 2020 £	Year to 31 August 2019 £
Fee income for taught awards	1,934,140	1,949,013
Total grant and fee income	1,934,140	1,949,013

The School had no other types of grant and fee income as detailed in clause 23 of the Office for Students Accounts Direction.

2 Investment income and interest receivable

	General fund £	Restricted and endowment funds £	Year to 31 August 2020 total £
Income from UK investments			
. Unit trusts and common investment funds	13,402	5,687	19,089
Bank interest	929	17	946
	14,331	5,704	20,035

	General fund £	Restricted and endowment funds £	Year to 31 August 2019 total £
<i>Income from UK investments</i>			
<i>. Unit trusts and common investment funds</i>	13,855	6,562	20,417
<i>Bank interest</i>	779	25	804
	14,634	6,587	21,221

3 Promotion and publicity

	General fund £	Restricted and endowment funds £	Year to 31 August 2020 total £
Marketing	53,975	—	53,975
Exhibitions	—	—	—
	53,975	—	53,975

	General fund £	Restricted and endowment funds £	Year to 31 August 2019 total £
<i>Marketing</i>	59,620	—	59,620
<i>Exhibitions</i>	30,587	—	30,587
	90,207	—	90,207

Notes to the financial statements 31 August 2020

4 Support costs

	General fund £	Restricted and endowment funds £	Year to 31 August 2020 total £
Staff costs	514,064	—	514,064
Equipment, IT and depreciation	149,035	—	149,035
Student materials and project expenses	73,571	—	73,571
Other support costs	130,314	2,588	132,902
Governance costs:			
. Legal and professional fees	13,221	—	13,221
. Statutory audit services	13,800	—	13,800
. Non statutory audit services	1,206	—	1,206
	895,211	2,588	897,799
	General fund £	Restricted and endowment funds £	Year to 31 August 2019 total £
Staff costs	498,479	—	498,479
Equipment, IT and depreciation	148,142	—	148,142
Student materials and project expenses	85,380	—	85,380
Other support costs	122,011	3,129	125,140
Governance costs:			
. Legal and professional fees	16,080	—	16,080
. Statutory audit services	13,590	—	13,590
. Non statutory audit services	1,152	—	1,152
	884,834	3,129	887,963

5 Net expenditure

This is stated after charging:

	General fund £	Restricted and endowment funds £	Year to 31 August 2020 total £
Staff costs (note 6)	1,418,698	50,000	1,468,698
Auditor's remuneration:			
. Statutory audit services	13,800	—	13,800
. Non-statutory audit services	1,206	—	1,206
Depreciation and loss on disposals			
Operating lease rentals	53,700	—	53,700
. Land and buildings	233,054	—	233,054
. Equipment	26,563	—	26,563
Bursaries, scholarships and prizes	—	285,161	285,161

Notes to the financial statements 31 August 2020

5 Net expenditure (continued)

This is stated after charging:

	General fund £	Restricted and endowment funds £	Year to 31 August 2019 total £
Staff costs (note 6)	1,471,378	—	1,471,378
Auditor's remuneration:			
. Statutory audit services	13,590	—	13,590
. Non statutory audit services	1,152	—	1,152
Depreciation and loss on disposals	55,457	—	55,457
Operating lease rentals			
. Land and buildings	228,803	—	228,803
. Equipment	12,487	—	12,487
Bursaries, scholarships and prizes	—	323,980	323,980

Bursaries were paid to 63 individuals (2019 – 65) during the year.

6 Staff costs and Trustees' remuneration

	Year to 31 August 2020 £	Year to 31 August 2019 £
Staff costs during the year were as follows:		
Salaries	1,154,929	1,157,846
Social security costs	83,100	85,982
Pension	53,209	54,715
	1,291,238	1,298,543
Self-employed tutors	151,528	156,141
Other staff costs	25,933	16,694
	1,468,699	1,471,378

Staff costs analysed by function were as follows:

	Year to 31 August 2020 £	Year to 31 August 2019 £
Teaching	954,634	972,899
Support, administration and management	514,064	498,479
	1,468,698	1,471,378

The average number of employees, all of whom are engaged in the operation of the Art School, analysed by function and on a full time equivalent basis was:

	Year to 31 August 2020	Year to 31 August 2019
Teaching	23	24
Support, administration and management	11	11
	34	35

The average number of employees, all of whom are engaged in the operation of the Art School, was 71 (2019 – 72) for the year ended 31 August 2020. Many of these are employed on a part-time basis.

Notes to the financial statements 31 August 2020

6 Staff costs and Trustees' remuneration (continued)

The Principal's total remuneration in the year ended 31 August 2020 was as follows:

	2020 £	2019 £
Basic salary	70,933	70,000
Pension contribution	3,547	3,500
	74,480	73,500

The Board of Trustees Remuneration Committee chaired by the Chair of the Board of Trustees considers the case for annual pay increases. The Principal is line managed by the Chair of the Board and their salary, together with all other salaries, is considered by the Remuneration Committee with proposals made to the full Board. The Chair of Students (Student Trustee) is a member of the Remuneration Committee while the Principal and Head of Finance now attend to provide information. The Company Secretary is the clerk to the committee. The Principal, Head of Finance and Company Secretary are not members of the Remuneration Committee, and do not attend when their own salaries are under consideration. The School has given regard to the Higher Education Senior Staff Remuneration Code published by the Committee of University Chairs.

As at 31 August 2020, the Accountable Officer's basic salary is 2.37 times the median pay of staff (2019 – 2.33 times), where the median pay is calculated on a full time equivalent basis for all staff contracted on an annual salary basis. There were no performance related payments made to the accountable officer in 2019/20 or in 2018/19.

No Trustees received any remuneration or other emoluments in respect of their services as a member of the Board during the year (2019 – none). In addition to the Accountable Officer, there was one further Trustee who was employed by the School part-time in the year ended 31 August 2020 and received gross pay of £18,343 and employer's pension contributions of £917 in respect of that employment. They were not a Trustee at any point in the year ended 31 August 2019. No expenses were reimbursed to Trustees during the year (2019 – none). The numbers of employees earning greater than £60,000 during the year were as follows:

	2020 No.	2019 No.
£65,001 - £70,000	—	1
£70,001 - £75,000	1	—
	1	1

Pension contributions in respect of these employees amounted to £3,547 (2019 – £3,500).

The aggregate remuneration, including employer's pension contributions paid to key management personnel and employer's national insurance, was £444,475 (2019 – £432,445).

Key management personnel during the year consisted of the Principal, seven Heads of Department, Head of Finance and the Academic Registrar.

The Art School has purchased insurance to protect itself from any loss arising from the neglect or defaults of its Trustees, employees and agents and to indemnify the Trustees or other officers against the consequences of any neglect or default on their part. The insurance premium provided cover of up to a maximum of £2 million.

Notes to the financial statements 31 August 2020

7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2019 between restricted, endowment and unrestricted funds:

	General fund £	Restricted funds £	Endowment funds £	Year to 31 August 2019 Total funds £
Income and expenditure				
Income and endowments from:				
Donations and legacies	173,047	324,502	—	497,549
Investments	14,634	6,587	—	21,221
Other trading activities	900	—	—	900
Charitable activities				
. Art School fees	1,949,013	—	—	1,949,013
Other	42,253	—	—	42,253
Total income	2,179,847	331,089	—	2,510,936
Expenditure on:				
Charitable activities				
. Costs of operating the Art School				
.. Premises	345,381	—	—	345,381
.. Teaching staff and personnel	972,899	—	—	972,899
.. Support costs	884,834	917	2,212	887,963
.. Promotions and publicity	90,207	—	—	90,207
. Bursaries, scholarships and prizes	—	323,980	9,888	333,868
Total expenditure	2,293,321	324,897	12,100	2,630,318
Net (expenditure) income before gains on investments and transfers	(113,474)	6,192	(12,100)	(119,382)
Transfers between funds	35,000	—	(35,000)	—
Net losses on investments	—	(6,445)	(2,771)	(9,216)
Net (expenditure) / income and net movement in funds	(78,474)	(253)	(49,871)	(128,598)
STATEMENT OF CHANGES IN RESERVES				
Net expenditure and net movement in funds	(78,474)	(253)	(49,871)	(128,598)
Reconciliation of Funds				
Fund balances brought forward on 1 September 2018	189,187	325,921	913,217	1,428,325
Fund balances carried forward at 31 August 2019	110,713	325,668	863,346	1,299,727

8 Taxation

City and Guilds of London Art School Limited is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Notes to the financial statements 31 August 2020

9 Tangible fixed assets

	Fixtures, fittings, tools, computer equipment website £
Cost	
At 1 September 2019	756,328
Additions	8,022
At 31 August 2020	764,350
Depreciation	
At 1 September 2019	494,158
Charge for year	53,700
At 31 August 2020	547,858
Net book values	
At 31 August 2020	216,492
At 1 September 2019	262,170

10 Investments

	2020 £	2019 £
Listed investments		
Opening market value at 1 September	1,178,788	757,977
Additions	234,195	505,673
Disposals (including realised losses of £14,416)	(102,158)	(84,539)
Capitalised investment manager's fees	2,588	3,129
Unrealised investment gains (losses)	24,645	(3,452)
	1,338,058	1,178,788
Cash held by investment manager	60,431	9,949
Total market value of investments at 31 August	1,398,489	1,188,737
Cost of listed investments - 31 August	1,298,579	1,131,990

Notes to the financial statements 31 August 2020

10 Investments (continued)

Listed investments held at 31 August 2020 comprised the following:

	2020 £	2019 £
UK equity funds	—	163,412
Overseas equity funds	—	47,947
Fixed interest	496,509	122,868
Multi Asset Fund	841,549	844,560
	1,338,058	1,178,787
Cash held by investment managers	60,431	9,949
	1,398,489	1,188,736

All investments were dealt in on a recognised stock exchange.

At 31 August 2020, the following individual holdings were deemed material in the light of the market value of the portfolios:

	% of portfolio	Market value £
Cazenove Charity Multi Asset Fund S Units GBP Accumulation	16.7	223,306
Cazenove Charity Multi Asset Fund S Units GBP Distribution	27.6	369,414
SUTL Cazenove Charity Responsible	18.7	250,828
St James' Place Global Equity Fund – Acc	8.4	112,781
St James' Place Strategic Managed Fund – Acc	6.8	90,860
St James' Place Managed Growth Fund – Acc	5.9	79,017
St James' Place Balanced Managed Fund – Acc	6.4	85,161
St James' Place Corporate Bond – Acc	6.3	84,196

At 31 August 2019, the following individual holdings were deemed material in the light of the market value of the portfolios:

	% of portfolio	Market value £
<i>Cazenove Charity Multi Asset Fund</i>	<i>49.3</i>	<i>586,470</i>
<i>St James' Place Global Equity Fund – Acc</i>	<i>9.4</i>	<i>112,127</i>
<i>St James' Place Strategic Managed Fund – Acc</i>	<i>8.1</i>	<i>96,037</i>
<i>St James' Place Managed Growth Fund – Acc</i>	<i>6.8</i>	<i>81,126</i>
<i>St James' Place Balanced Managed Fund – Acc</i>	<i>6.8</i>	<i>80,929</i>
<i>St James' Place Corporate Bond – Acc</i>	<i>6.7</i>	<i>79,235</i>

11 Stocks

	2020 £	2019 £
Materials for resale	22,391	18,674

Notes to the financial statements 31 August 2020

12 Debtors

	2020 £	2019 £
Student fees outstanding	70,837	31,800
Other debtors	300	2,177
City and Guilds Art School Property Trust	2,469	17,978
Prepayments	176,070	141,218
	249,676	193,173

13 Creditors: amounts falling due within one year

	2020 £	2019 £
Student fees in advance	875,400	579,907
Trade creditors	15,738	42,812
Taxation and social security	20,664	26,775
Other creditors	28,811	18,587
Accruals and other deferred income	62,729	33,146
	1,003,342	701,227

14 Endowment funds

The capital funds of the Art School include permanent endowments and expendable endowments. The permanent endowments are comprised of monies which must be retained as capital indefinitely. The expendable endowments are comprised of monies which were given to the Art School as capital but there is no restriction on them being converted into expendable income.

	At 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	At 31 August 2020 £
Permanent endowments					
Edward Chadwyck-Healey Bequest and Memorial Appeal Fund	157,915	—	(485)	4,202	161,632
	157,915	—	(485)	4,202	161,632
Expendable endowments					
Margaret Ballardie bequest	462,995	—	—	(1,486)	461,509
Idun Ravndal Memorial Legacy	—	253,485	(779)	—	252,706
Other endowments	242,436	—	(55,242)	6,450	193,644
Total endowments	863,346	253,485	(56,506)	9,166	1,069,491

The income from the endowment funds is included in unrestricted general funds. Reflected in the above is a transfer of operating cost to endowment funds, which was approved by the Board.

The Idun Ravndal Memorial Legacy was received in 2019/20 and the School plans to expend this over 25 years in line with the donor's wishes.

Notes to the financial statements 31 August 2020

14 Endowment funds (continued)

	At 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	At 31 August 2019 £
<i>Permanent endowments</i>					
<i>Edward Chadwyck-Healey Bequest and Memorial Appeal Fund</i>	162,934	—	(858)	(4,161)	157,915
	162,934	—	(858)	(4,161)	157,915
<i>Expendable endowments</i>					
<i>Margaret Ballardie bequest</i>	493,086	—	—	(30,091)	462,995
<i>Other endowments</i>	257,197	—	(11,243)	(3,518)	242,436
Total endowments	913,217	—	(12,101)	(37,770)	863,346

15 Restricted funds

The income funds of the Art School include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes:

	Balance at 1 September 2019 £	Income from invest- ments £	Donations £	Expenditure £	Realised/ unrealised gains on invest- ments £	Balance at 31 August 2020 £
Annual Bursaries Fund	110,746	—	262,229	(266,654)	—	106,321
Saul Bursary Fund	35,599	945	—	(109)	176	36,611
Charles Noble/Peter Chance Scholarship F	22,466	596	—	(69)	111	23,104
Rodney Burn RA Scholarship Fund	36,915	980	—	(113)	183	37,965
Simon Birch Memorial Bursary Fund	65,014	1,725	—	(152)	322	66,909
Edith and Stephen Burnett Memorial Fund	3,450	92	—	(11)	17	3,548
David Ballardie Memorial Award Fund	35,569	944	—	(2,117)	176	34,572
Idun Ravndal Travel Award	1,959	52	—	(195)	10	1,826
Other prize and special funds	13,950	370	14,875	(11,823)	69	17,441
Books & Paper Conservation Project	—	—	187,243	(74,835)	—	112,408
Recovery Appeal	—	—	20,000	—	—	20,000
	325,668	5,703	484,347	(356,078)	1,064	460,705

The specific purposes for which the funds are to be applied are given by their descriptions in the table above. The main purposes are the awarding of scholarships, bursaries and prizes.

	Balance at 1 September 2018 £	Income from invest- ments £	Donations £	Expenditure £	Realised/ unrealised gains on invest- ments £	Balance at 31 August 2019 £
<i>Annual Bursaries Fund</i>	95,891	—	306,637	(291,782)	—	110,746
<i>Saul Bursary Fund</i>	35,765	1,036	—	(188)	(1,014)	35,599
<i>Charles Noble/Peter Chance Scholarship F</i>	22,570	654	—	(118)	(640)	22,466
<i>Rodney Burn RA Scholarship Fund</i>	41,608	1,206	—	(4,719)	(1,180)	36,915
<i>Simon Birch Memorial Bursary Fund</i>	72,423	2,099	—	(7,455)	(2,053)	65,014
<i>Edith and Stephen Burnett Memorial Fund</i>	3,466	100	—	(18)	(98)	3,450
<i>David Ballardie Memorial Award Fund</i>	36,739	1,065	—	(1,193)	(1,042)	35,569
<i>Idun Ravndal Travel Award</i>	2,710	—	1,500	(2,251)	—	1,959
<i>Other prize and special funds</i>	14,749	427	16,365	(17,173)	(418)	13,950
	325,921	6,587	324,502	(324,897)	(6,445)	325,668

16 Analysis of net assets between funds

	General fund £	Restricted funds £	Endowment funds £	Total 2020 £
Fund balances at 31 August 2020				
are represented by:				
Tangible fixed assets	216,492	—	—	216,492
Investments	—	381,671	1,016,818	1,398,489
Current assets	819,015	79,033	52,674	950,722
Creditors: amounts falling due within one year	(1,003,342)	—	—	(1,003,342)
Total net assets	32,165	460,704	1,069,492	1,562,361
	General fund £	Restricted funds £	Endowment funds £	Total 2019 £
Fund balances at 31 August 2019				
are represented by:				
Tangible fixed assets	262,170	—	—	262,170
Investments	—	331,031	857,706	1,188,737
Current assets	549,773	(5,363)	5,640	550,050
Creditors: amounts falling due within one year	(701,230)	—	—	(701,230)
Total net assets	110,713	325,668	863,346	1,299,727

The total unrealised gains as at 31 August 2020 constitute movement on revaluation and are as follows:

	2020 £	2019 £
Unrealised gains included above		
On listed investments as at 31 August	191,426	166,781
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 September 2019	166,781	170,233
Unrealised gains (losses) on listed investments arising in the year	24,645	(3,452)
Total unrealised gains at 31 August 2020	191,426	166,781

17 Liability of members

The Charity is constituted as a company limited by guarantee. In the event of the Art School being wound up members are required to contribute an amount not exceeding £1 each.

Notes to the financial statements 31 August 2020

18 Leasing commitments

Operating leases

At 31 August 2020 the Art School had the following commitments under non-cancellable operating leases:

	Land and buildings		Equipment	
	2020 £	2019 £	2020 £	2019 £
Operating leases which expire:				
Within one year	289,929	233,438	28,659	9,095
Between two and five years	850,498	981,382	85,363	18,318
Over five years	1,005,247	1,341,260	—	—
	2,145,674	2,556,080	114,022	27,413

The land and buildings operating leases relate to the site at Kennington Park Road and the sub-lease of premises in the Old Vauxhall Telephone Exchange in nearby Kennings Way from the Property Trust for the period up to the first break clause.

19 Related party transactions

The Property Trust has one Trustee (B. Finucane) in common with the Art School. The Art School charged a management fee of £41,077 (2019 – £54,642) to the Property Trust during the year. The Property Trust charged the Art School rent, including VAT, of £233,054 (2019 – £229,092) and also charged a management fee of £6,975 (2019 – none). £nil grants were received from the Property Trust in respect of the year (2019 – £nil).

An amount of £180 was received from one Trustee (2019: £435 from one Trustee as a Summer School payment).

20 Post balance sheet events

The School applied for a Coronavirus Business Interruption Loan (CBIL) facility of £250,000 from Barclays to assist with cash flow during the Covid 19 pandemic. The final date for drawing was 2 December 2020. The capital element of the loan is due to be repaid within 72 months of the draw down date.

List of donations Year to 31 August 2020

This page does not form part of the statutory financial statements

The Trustees are highly appreciative of the generosity, encouragement and loyal support given by the Art School's benefactors. Without this continuing support, vital bursaries would not be available for students to take advantage of the Art School's exceptional education and training offer. Donations have also been critical to upgrade the Art School's facilities and equipment, and to sustain the Art School's tradition of awarding prizes to its most talented and otherwise deserving students. Where possible, the School claims Gift Aid on donations.

Donations to bursaries fund	2019-2020 £
Drapers' Company / City & Guilds of London Institute	25,950
Skinners' Company - Lawrence Atwell Trust / City & Guilds of London Institute	20,000
Headley Trust	20,000
Joiners & Ceilers Company / City & Guilds of London Institute	15,000
Clothworkers' Foundation / City & Guilds of London Institute	14,000
Grocers' Company	12,300
Gabo Trust	10,000
d'Oyly Carte Charitable Trust	10,000
Royal Female School of Art Foundation	10,000
Merchant Taylors' Company	10,000
Historic Houses Foundation	10,000
Masons' Company	9,000
de Laszlo Foundation	9,000
Dyers' Company / City & Guilds of London Institute	8,000
Sheepdrove Trust	8,000
Carpenters' Company - Norton Folgate Charitable Trust	6,000
Derek Hill Foundation	5,000
Stanley Picker Trust	5,000
Behrens Foundation	5,000
South Square Trust	5,000
Erik de Bruyn / Christina & Cornelius Memorial	3,750
Venice in Peril Fund	3,250
Stuart Heath Charitable Settlement	3,000
The Arts Society	3,000
Roger de Grey	2,000
Charlotte Bonham-Carter Charitable Trust	2,000
Mrs. Philip Le Cras	2,000
	236,250

List of donations Year to 31 August 2020

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Donations to other unrestricted funds	2019-2020 £
Fishmongers' Company	50,000
de Laszlo Foundation	16,000
Anonymous donation	5,000
Honourable Society of the Knights of the Round Table Charity	2,500
Masons Company Charitable Trust	2,500
ColArt	2,500
Robin Holland-Martin	1,250
Golden Bottle Trust	1,000
Girdlers' Company Charitable Trust	1,000
	81,750

Awards paid directly to students and not entered through the Art School's financial statements	2019-2020 £
Brinsley Ford Travel Award	2,500
	2,500

Prize Award donations paid to the Art School	2019-2020 £
Honourable Society of the Knights of the Round Table Charity	7,500
Nina Lobanov Rostovsky	3,050
ARLIS UK	1,000
Harriet Anstruther	1,000
ACS – Studio Prize	1,000
The Astor Materials Prize	1,000
Builders Merchants' Company	750
	15,300

Bursaries and Scholarships paid directly to the Art School on behalf of pre-specified students	2019-2020 £
Painter-Stainers' Company - Scholarships	10,000
Queen Elizabeth Scholarship Trust	7,333
Barbara Whatmore Charitable Trust	4,000
Masons' Company – Sydney Mason Scholarship	2,500
Anna Plowden Trust	2,000
Fishmongers' Company Beckwith Scholarship	1,000
	26,833

List of donations Year to 31 August 2020

This page does not form part of the statutory financial statements

Donations for Books & Paper Project	2019-2020 £
Fidelity UK Foundation	151,293
The Steel Charitable Trust	25,000
Leche Trust	10,000
Nina Lobanov Rostovsky	950
	187,243

Detailed income and expenditure (General fund) Year to 31 August 2020

This page does not form part of the statutory financial statements

	Total 2020 £	Total 2019 £
Income		
Turnover		
Students' fees	1,934,140	1,949,013
Other operating income		
Sales of artists' materials	16,526	28,009
Miscellaneous receipts	69,169	14,244
	85,695	42,253
Project income	1,791	900
Donations	90,334	173,048
	92,125	173,948
Income from investments	19,089	20,417
Less: amounts allocated to specific funds	(5,687)	(6,562)
	13,402	13,855
Bank interest receivable	929	778
	2,126,291	2,179,847
Expenditure		
Cost of sales of artists' materials		
Opening stock	18,674	20,696
Closing stock	(22,391)	(18,674)
Purchases in the year	16,229	23,320
	12,512	25,342
Staff costs		
Salaries, lecturers' and models' fees	1,104,929	1,157,846
Social security costs	83,100	85,982
Pension costs	53,209	54,715
	1,241,238	1,298,543
Other staff costs	25,933	16,694
Self-employed tutors and models	151,528	156,141
	1,418,699	1,471,378
Balances carried forward	1,431,211	1,496,720

Detailed income and expenditure (General fund) Year to 31 August 2020

This page does not form part of the statutory financial statements

	Total 2020 £	Total 2019 £
Balances brought forward	1,431,211	1,496,720
IHE & Creative Industries Federation fees	3,603	3,219
Birmingham City University validation fees	—	16,679
UALAB fees	11,200	13,020
Quality Assurance Agency	2,828	6,272
Validation of Courses – Training	2,574	973
HESA	3,324	4,174
Office for Students	30,100	2,508
Ravensbourne University	29,800	23,529
Materials purchased for school use	42,554	47,857
Library purchases	12,230	12,182
Membership and subscription fees	615	315
Marketing	42,177	49,632
Advertising	7,358	9,497
Exhibitions	4,390	30,587
Property rent payable	233,054	228,803
Repairs to premises	14,858	15,604
Repairs to furniture and equipment	11,858	10,358
Light and heat	43,125	44,906
Rates including water	33,185	31,530
Cleaning	12,788	16,777
Health and safety	29,840	38,593
Capital items under £250 each	3,159	6,969
School trips	6,275	—
Lease of equipment	26,563	12,487
Computer expenses	18,226	19,488
Printing and stationery	2,029	4,743
Postage and telephone	19,485	15,764
General expenses	3,755	4,159
Insurance	26,796	24,534
Audit and accountancy	15,006	14,742
Other professional fees	13,221	16,080
Bank charges	5,231	5,460
Project expenses	—	—
Depreciation	53,700	55,457
Hire of equipment	5,739	5,284
Catering costs	2,300	3,800
Other costs	682	619
	773,628	796,599
Total expenditure	2,204,839	2,293,321
Deficit		
for the year transferred to unrestricted funds	(78,548)	(113,474)