

The Guildhall Trust
Company number: 07519927

Charity number: 1153358
Company number: 07519927

The Guildhall Trust
(A Company limited by guarantee)
Trustees' annual report and Consolidated financial statements
For the year ended 31 March 2021

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Chair's Report

As with many organisations in the cultural sector and beyond this has been the toughest year in the Guildhall Trust's history. At the beginning of the financial year we were hopeful of a gradual re-opening of the venue from the autumn leading to a full re-opening in the Spring of 2021. We couldn't foresee the problems that lay ahead.

Our immediate challenge was to preserve cash and to find ways of reducing the costs of running the Guildhall. The government's furlough scheme made an immediate impact and suppliers allowed us grace and leeway regards our contractual obligations. Significant savings were achieved which helped relieve the immediate anxiety of the Board and management. I know that throughout the first lockdown a need for a national solution to the sector re-opening was paramount. Our CEO wrote on several occasions to the Council and local MP's who pressed the government for answers. The management were helped by their networks and memberships of organisations such as BACH, CPA and the MVT. Meanwhile concerts were being rescheduled and future programming moved back into late 2021 and 2022. Our relationship with promoters has never been more important.

As a conference and meetings venue which derives annually over 30% of revenue from this source, this sector was equally harshly hit. Therefore, as a business we found ourselves at the back of the queue when the government announced its phased re-opening of society. However, our resilience told in the end. Long standing partnership working with the Council and the University of Portsmouth enabled crucial money earning contracts to be undertaken and we welcomed the Royal Shakespeare Company to the Guildhall for the first time. The latter completed a truly innovative piece of virtual reality presenting 'Dream' which streamed to a national and international audience in the Spring of 2021.

We were grateful to the Arts Council for some initial CRF funding and our early financial forecasts of the year end saw a marked improvement as we closed the year out with new hope for the next financial year. I would like to thank all our colleagues who work at the Trust for their remarkable resilience and support, and to my fellow trustees for their help. Many have stepped up to support the management team with advice and support.



Mr M Turner

On behalf of the Board of Trustees

Date: 26 October 2021

Report of the trustees (incorporating the directors' report) for the year ended 31 March 2021

The Trustees present their report and the financial statements for the year ended 31 March 2021. The Trustees, who are directors of company for the purposes of company law and, who served during the year and up to the date of this report are set out below. The Trustees have had due regard to the guidance issued by the Charity Commission on Public Benefit.

Reference and administrative details

Trustees

Mr A Brown
Mr S Frost
Mr C Gilder
Mr D Murphy
Mrs C Hardy (Resigned 08/04/2021)
Mr B French
Mr M Turner (Chair)
Mr T Keeble
Ms S Cox
Mr P Gunn

The executive team are responsible for the day-to-day management of the Charitable Company and its Subsidiary Companies:

Executive team

Andy Grays (Chief Executive)
Sam Singleton (Finance Manager)
Nick Coles (Head of Building and Technical Services)
Rachel Maryan (General Manager)
Kelly Haswell (Head of Marketing)

Audit and finance committee

Simon Frost (Chair)
Andy Grays
Sam Singleton
Mark Turner

Principal address and registered office

Portsmouth Guildhall
Guildhall Square
Portsmouth
Hampshire PO1 2AB

Charity number

1153358

Company number

07519927

Auditors and accountants

Compass Accountants Limited
Venture House, The Tanneries
East Street
Titchfield
Hampshire PO14 4AR

Bankers

Co-operative Bank
91 Commercial Road
Portsmouth
Hampshire PO1 1BQ

Report of the trustees (incorporating the directors' report) for the year ended 31 March 2021

Status and History

The Guildhall Trust (formerly Portsmouth Cultural Trust) is a charity registered in England and Wales and is a not-for-profit company, limited by guarantee, which is registered in England and Wales. The company was incorporated on 7th February 2011 and commenced its operations on 1st April 2011.

Solent Cultural Enterprises is a company, number 07520080, whose share capital of £100 is wholly owned by the Guildhall Trust and is governed by its Memorandum and Articles of Association dated 7 February 2011. The Purpose of the company is to manage the associate commercial activities for the sole benefit of the Charity. A cost sharing agreement is in place with The Guildhall Trust to ensure that Solent Cultural Enterprises Limited makes fair payment to The Guildhall Trust for any use of Portsmouth Guildhall and other costs. Solent Cultural Enterprises Limited, previously dormant, began trading on 1st April 2017 and all profits are gift-aided to The Guildhall Trust.

The Hornpipe Theatre Company is a not-for-profit company limited by guarantee, registered in England and Wales, company no 01644700 and charity no 285284, and is governed by its Memorandum and Articles of Association dated 4 July 1982, and amended by a special resolution on 31 August 2017, which resolved that The Guildhall Trust would have the controlling interest in Hornpipe Theatre Company.

Who We Are and What We Do

Background

The Guildhall Trust was formed in 2011 under its original name the Portsmouth Cultural Trust. The organisation became a charity in 2013 delivering a programme of local arts and education opportunities through people's engagement with the Portsmouth Guildhall and its programme of concerts and activities.

In 2018-19 the trustees and senior management undertook a strategic review of the organisation. This initiated a re-brand and name change to the Guildhall Trust plus a redefining of core purpose, mission, vision and values.

Our Core Purpose

To deliver inspirational opportunities so that people want to engage with culture and the creative economy.

Our Vision

The Guildhall Trust will become a leading cultural organisation which places our communities at the centre of everything we do so that we can inspire, entertain and transform lives.

Our Mission

The Guildhall is committed to investing our skills and resources so that we can deliver cultural and learning experiences of the highest quality whilst becoming increasingly more resilient and sustainable.

Our Values

To Educate – to promote the arts and our heritage to support local education through performance and creative participation.

To Inspire – to continue to inspire our communities through our work and our passion for the arts.

To Collaborate – we work and develop partnerships so that we can achieve more together.

To Develop – to continue to develop our people so that they can contribute more towards our success.

To Diversify – to develop and diversify our offer, thereby engaging with our audience and client base.

Report of the trustees (incorporating the directors' report) for the year ended 31 March 2021

Review of the Year

Before setting out the detail of the year, the **Covid'19** crisis hit the Guildhall, as it did the whole sector. The resultant lockdown from the 17th March 2020 meant that 10 concert performances and 5 Studio events were either postponed or cancelled. The partial re-opening in Autumn 2020 allowed the University to hire several areas of the Guildhall for a contract in excess of £200k. We attracted much needed hire income from the RSC in late winter, £40k, and the Council used the main concert hall as a testing centre for 2 months.

There were no significant concert or exhibition programmes due to lockdown. The need to implement social distancing within a venue meant that most promoters and hirers moved their bookings back to the autumn of 2021 and Spring 2022. The Trust's own events programme, Comic Con, Dance Live and Gamesfest were all moved out of this financial year.

Future Plans

The Guildhall Trust, its trustees and management are confident that the re-opening of the Guildhall from late Summer 2021 will allow a full recovery of the business. Concert hires and general booking appear to be back on track for Autumn 2021, and all the Trust's event are planned for 2021-22.

Structure, Governance and Management

The Guildhall Trust has a Board of Trustees who meet quarterly. The Board monitors the progress of the Trust, this is achieved through quarterly Board Meetings, regular contact between the CEO, Finance Manager and trustees and the scrutiny by sub-committees. The CEO and Finance Manager present the Board with a series of reports covering the business of the Trust. The annual Corporate Plan establishes the Trust's main objectives for the year, against a series of KPI's. The Plan comprises of a series of departmental plans created and owned by senior managers and their team.

Due to the identified business risk caused by the lockdown, the CEO met regularly with the Chair and fellow trustees who formed a Business Advisory Group. This group took verbal reports from the CEO and considered several critical areas of business planning, including a restructure in the summer. The resultant savings of over £300k was important to the immediate and future sustainability of the Trust.

There are three sub-committees each with a trustee Chair, the relevant senior management and a second trustee. The oldest and most established committee is Audit and Finance. This oversees budget setting, reforecasting, the annual audit and appointment of auditors. It has a key role of scrutinising the management accounts and assessing the ongoing business risk. The Committee receives reports from the Finance Manager who sits on the Committee along with the CEO.

The HR and Nominations Committee normally meets up to four times a year, and receives reports concerning HR related activity which the management feel warrants their advice and attention. The Committee seeks to ensure that the Board is diverse and representative. The Chair of this committee receives recommendations concerning possible new trustees' nominations, meeting with them and discussing their merits with the Board and Chair. In this financial year the Committee received reports and evaluation concerning the need to restructure in order to make savings.

Induction and Training

All newly appointed trustees meet with the Chair and CEO and follow an induction programme, which comprises governance and responsibilities of a Trustee. All Trustees are mindful of their duty to act solely in the interest of The Guildhall Trust and those members who are cabinet members/officers of Portsmouth City Council understand their duties (under company and charity law) to avoid conflicts of interest. The organisations' Articles contain detailed provisions for declaring any interests a Trustee has and managing any conflicts that arise from such interests.

Report of the trustees (incorporating the directors' report) for the year ended 31 March 2021

Solent Cultural Enterprises

Solent Cultural Enterprises is controlled, and its activity managed, by The Guildhall Trust. The Financial Statements for Solent Cultural Enterprises are available to view at the offices of The Guildhall Trust.

Hornpipe Theatre Company

The Board of Trustees has responsibility for the governance and administration of the Charity.

Financial Review

During the last financial year of which much of the Guildhall and the operation was closed to the public, the consolidated activities of The Guildhall Trust have resulted in a net loss of (£171k) (2019/20 £25k).

The total incoming resources for the Trust totalled £1.37m (£2.70m 19/20) which was significantly lower than the previous year. The Income generated varied significantly, with a reduction in Concert and Conference activity replaced by various COVID-19 funding schemes. The Trust was a recipient of Culture Recovery Funding via the Arts Council, significant funding through the UK Govt Furlough Scheme and other hospitality grant schemes across the year. This generated £708k.

The total outgoing resources for the Trust totalled £1.58m (£2.63m 19/20). To reduce costs, the organisation went through a significant Staff restructuring which has reduced the cost base. Where possible, the organisation took advantage of being able to furlough Casual members of staff. The vast majority was refunded through the furlough scheme. Other costs of the organisation were reduced due to the limited activity that was undertaken.

The net income/expenditure for the organisation was a deficit of (£171k) (£25k 19/20). This leaves a consolidated fund value of (£125k) (£45k 19/20) as at 31st March 2021.

Going Concern

The Financial position of the Trust has deteriorated over the prior 12 months, and the current financial plan is that it is expected that until social distancing restrictions have been relaxed the position will continue to deteriorate. The organisation continues to operate due to significant Cash reserves from future activities. The Trustees have discussed the current position with a view of the financial viability and cashflow of the organisation over the coming 3 years. In the short term, the Trust has the cashflow to continue to operate. In the medium to long term, the Trust with continued grant support from Portsmouth City Council and Investment in the facility will improve its financial position.

Reserves Policy

The Guildhall Trust operates in a unique manner that differentiates it from not only other Charitable organisations but also other organisations in its sector. The Trust has heavily relied on its relationship with the Local Authority to provide grant funding to subsidise the cultural activity and the ongoing Investment within the Guildhall. Given pressures on local government and the national economy since its inception, the Trust has needed to raise significantly more income to offset cuts in its grant funding.

The Trust also operates with significant cash reserves from events held in the future, so has been able to operate, during its formative years with little to no Free Reserves. The constant turnover of new events going on sale and settlements paid to promoters allows the organisation to continue to operate.

With these points in mind, the Trustees do not have a requirement for a large positive Free Reserve.

The calculation of the organisations Free Reserve position is below:

- Total Assets
- Less Restricted
- Less Unrestricted Fixed Assets
- Free Reserves

Report of the trustees (incorporating the directors' report) for the year ended 31 March 2021

Free Reserve position of the group as at 31st March 2021 is (£832,874), a position that has decreased by £104k over the prior 12 months. The position is expected to worsen over in the first half of 21/22 with an ever-improving position going forward. For the last five years the Trust has viewed Renaissance (extensive refurbishment and extension of the Guildhall) as the key to move from having negative free reserves to position of balance. The pandemic has undoubtedly set back this aspiration significantly. Re-vitalising Renaissance, bringing with it a reduced requirement to invest in the Facility, alongside operational cost saving measures necessitated by the pandemic and an expected recovery of business over the coming years will significantly improve this position. The maintenance of the PCC grant is critical in the meantime.

Trustees hold the view that in the medium to long term the Free Reserves of the organisation will improve to a balanced position.

Investments Policy

Under the Memorandum and Articles of Association, the charity has the power to make any investment that the Board of Trustees sees fit.

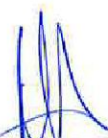
Remuneration and Recruitment Policy – Senior Management

The Trust's recruitment policy states that vacant posts for management positions should be externally advertised and that, where necessary, specialist recruitment agencies should be used. Agencies are verified on the Trust's equal opportunities priorities and guidance on remuneration is sought by the Trust from those agencies which are best placed to benchmark salaries within specific job roles and industries.

Auditors

The accounts have been audited by Compass Accountants Limited. So far as the Trustees are aware, there is no relevant audit information of which the company's auditors are unaware. Trustees have taken all the steps necessary to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the small companies' regime under the Companies Act 2006.



Mr M Turner

On behalf of the Board of Trustees

Date:

26 October 2021

Statement of trustees' responsibilities for the year ended 31 March 2021

The Trustees (who are also directors of The Guildhall Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the 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 incoming resources and application of resources, including 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 the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate 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.



Mr M Turner

On behalf of the Board of Trustees

Date: 26 October 2021

Independent auditors' report to the members of The Guildhall Trust

Opinion

We have audited the financial statements of The Guildhall Trust (the 'parent charitable company') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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 group's and parent charitable company's affairs as at 31 March 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Material uncertainty related to going concern

We draw attention to Note 1.2 of the financial statements which describes the effects of COVID-19 on the company and the Trustees' view of 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.

The impact of the COVID-19 pandemic on the Trust's operations has been significant. The Trustees have put measures in place to mitigate the impact of COVID-19 so far as possible, making use of the resources made available by the Government. However, in light of the difficulties being faced due to the challenges of the COVID-19 pandemic, the Trustees consider that there is a material uncertainty regarding going concern.

Our opinion is not modified in respect of this matter.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 12, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

Detecting irregularities...

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

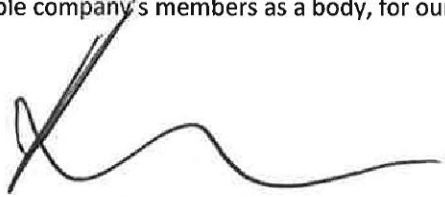
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

The Guildhall Trust
Company number: 07519927

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.



Kerry Lawrance FCA (Senior Statutory Auditor)
For and on behalf of Compass Accountants, Statutory Auditor

Compass Accountants Limited
Venture House, The Tanneries
East Street, Titchfield
Hampshire, PO14 4AR

Date: 29 OCTOBER 2021

Compass Accountants Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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

For the year ended 31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total £	Unrestricted funds £	Restricted funds £	2020 Total £
Income from:							
Donations and legacies							
Donations	2	889,571	-	889,571	273,065	119,500	392,565
Charitable activities							
Operations of the Guildhall	3	437,712	-	437,712	1,313,213	-	1,313,213
Other trading activities							
Commercial trading operations	4	15,678	-	15,678	977,203	-	977,203
Investment income	5	8,108	-	8,108	10,476	-	10,476
Other income		21,496	-	21,496	7,388	-	7,388
Total income		1,372,565	-	1,372,565	2,581,345	119,500	2,700,845
Expenditure on:							
Charitable activities							
Operations of the Guildhall	6	1,571,153	7,700	1,578,853	2,625,102	7,700	2,632,802
Total expenditure		1,571,153	7,700	1,578,853	2,625,102	7,700	2,632,802
Net gains/(losses) on investments		34,746	-	34,746	(43,102)	-	(43,102)
Net income/(expenditure)		(163,842)	(7,700)	(171,542)	(86,859)	111,800	24,941
Transfers between funds		27,724	(27,724)	-	-	-	-
Net movement in funds		(136,118)	(35,424)	(171,542)	(86,859)	111,800	24,941
Reconciliation of funds:							
Total funds brought forward		(95,603)	141,192	45,589	(8,744)	29,392	20,648
Total funds carried forward		(231,721)	105,768	(125,953)	(95,603)	141,192	45,589

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

Consolidated Balance Sheet
as at 31 March 2021
Company number: 07519927

	Notes	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Fixed assets					
Tangible assets	12	615,145	655,791	599,171	638,436
Investments	13	184,736	149,990	301	301
		<u>799,881</u>	<u>805,781</u>	<u>599,472</u>	<u>638,737</u>
Current assets					
Stocks	14	28,054	54,725	28,054	54,725
Debtors	15	275,505	350,673	195,733	225,354
Cash at bank and in hand		959,127	782,229	940,945	769,150
		<u>1,262,686</u>	<u>1,187,627</u>	<u>1,164,732</u>	<u>1,049,229</u>
Creditors: amounts falling due within one year	16	<u>(1,935,485)</u>	<u>(1,944,522)</u>	<u>(1,851,249)</u>	<u>(1,814,309)</u>
Net current assets		<u>(672,799)</u>	<u>(756,895)</u>	<u>(686,517)</u>	<u>(765,080)</u>
Total assets less current liabilities		127,082	48,886	(87,045)	(126,343)
Creditors: amounts falling due after one year	17	(250,000)	-	(250,000)	-
Provisions for liabilities		<u>(3,035)</u>	<u>(3,297)</u>	-	-
Net assets		<u>(125,953)</u>	<u>45,589</u>	<u>(337,045)</u>	<u>(126,343)</u>
Funds					
Unrestricted funds		(240,183)	(106,844)	(442,813)	(267,535)
Restricted funds		105,768	141,192	105,768	141,192
Non Charitable Trading funds		8,462	11,241	-	-
Total funds	18	<u>(125,953)</u>	<u>45,589</u>	<u>(337,045)</u>	<u>(126,343)</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies subject to the small companies' regime.

The financial statements were approved by the Board and signed on its behalf by

Mr M Turner
On behalf of the Board of Trustees

Date:

The notes on pages 19 to 29 form an integral part of these financial statements.

Cash flow statement

For the year ended 31 March 2021

	Group 2021	Group 2020
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	209,012	(55,902)
Cash flows from investing activities:		
Interest income	8,108	10,476
Purchase of tangible fixed assets	(40,222)	(124,720)
Net cash provided by (used in) investing activities	(32,114)	(114,244)
Increase/(decrease) in cash and cash equivalents in the year	176,898	(170,146)
Cash and cash equivalents at 1 April 2020	782,229	952,375
Cash and cash equivalents at 31 March 2021	959,127	782,229
Net income/(expenditure) for the reporting period	(171,542)	24,941
Depreciation and loss on disposal of assets	80,868	87,057
Income from investments	(8,108)	(10,476)
(Gains)/losses on investments	(34,746)	43,102
(Increase)/decrease in stocks	26,671	(10,131)
(Increase)/decrease in debtors	75,168	(24,820)
Increase/(decrease) in creditors	(9,037)	(168,872)
Increase/(decrease) in long term liabilities	250,000	-
Increase/(decrease) in provisions	(262)	3,297
Net cash provided by (used in) operating activities	209,012	(55,902)

Notes to the financial statements
For the year ended 31 March 2021

1. Accounting policies

1.1. Charity information

The Guildhall Trust is a private company limited by guarantee and incorporated in England and Wales. The registered office The Portsmouth Guildhall, Guildhall Square, Portsmouth, Hampshire, PO1 2AB.

The Guildhall Trust meets the definition of a public benefit entity under section 34 of FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value, unless otherwise stated in the relevant accounting policy.

The principal objectives of the charity are detailed in the Trustees report.

1.2. Basis of preparation of financial statements

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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements are presented in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Consolidated financial statements have been prepared in respect of the charitable company, its wholly owned subsidiaries, Solent Cultural Enterprise Limited (company number 07520080) and Guildhall Security Services Limited (company number 12010327), Hornpipe Theatre Company Limited (a linked charity of The Guildhall Trust – charity number 1153358-1), and its wholly owned dormant subsidiaries, Guildhall Event Services Limited (company number 09199939) and Comedy Festivals Limited (company number 09200130).

The Consolidated Statement of Financial Activities includes the results of Solent Cultural Enterprise Limited, Guildhall Security Services Limited and the Hornpipe Theatre Company Limited on a line by line basis. The Consolidated Balance Sheet includes the net assets of the subsidiaries and the linked charity on a line by line basis.

Going concern

The Trustees have considered a period of 12 months from the date of signing the balance sheet and the financial statements have been prepared on a going concern basis. The impact of the COVID-19 pandemic on the Trust's operations has been significant however the Trust has made use of the Coronavirus Job Retention Scheme, a Coronavirus Business Interruption Loan, and emergency funding has been secured from the Culture Recovery Fund. The Trust has also reached an agreement with the University of Portsmouth for their use of the Guildhall during 2021-22 and the Guildhall has a full diary of events for the coming year. However any extended period of closure next year, or further restrictions regarding social distancing, could significantly impact the Trust's ability to continue as a going concern and the Trustees therefore consider, in light of the difficulties being faced due to the challenges of the COVID-19 pandemic, that there is a material uncertainty regarding going concern.

1.3. Income

Income is recognised when the company has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from investments is included in the year in which it is receivable.

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

Deferred income relates to income received in advance for future events and bookings.

Notes to the financial statements
For the year ended 31 March 2021

1.4. Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the company to that expenditure, 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 is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs include those costs incurred in the governance of the company and its assets and are primarily associated with constitutional and statutory requirements.

1.5. Tangible fixed assets and depreciation

Tangible fixed assets with a cost or value greater than £100 and a useful life exceeding one year are capitalised at historic cost. Depreciation has been provided at rates calculated to spread the cost of each asset over its expected useful life as follows:

Improvements to property	25% and 10% straight line
Plant and machinery	20% straight line
Fixtures and fittings	20% and 12.5% straight line
Computer equipment	33% and 25% straight line
Assets under construction are not depreciated.	

1.6. Basic financial instruments

The company's financial assets and liabilities consist of cash and cash equivalents, short term investments, trade and other debtors, trade and other creditors and accrued expenses. The fair value of these items approximates their carrying value due to their short term value. Unless otherwise noted, the company is not exposed to significant interest, foreign exchange or credit risks arising from these instruments.

Term deposits of less than one year are classified as investments within current assets.

1.7. Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

1.8. Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overheads and support costs.

1.9. Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

1.10. Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable to the company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate and for the year to 31 March 2021 totalled £23,329 (2020: £33,030).

1.11. Termination benefits

The group recognises a liability for termination benefits at the point where the group is committed to making the payments in return for employee redundancy.

Notes to the financial statements
For the year ended 31 March 2021

2. Donations and legacies

	Unrestricted funds £	2021 Total £	Unrestricted funds £	Restricted funds £	2021 Total £
Donations and legacies	4,444	4,444	3,897	-	3,897
Portsmouth City Council – Core funding	177,000	177,000	177,000	-	177,000
Portsmouth City Council – Capital funding	-	-	92,168	119,500	211,668
Culture Recovery Fund	214,000	214,000	-	-	-
Coronavirus Job Retention Scheme	494,127	494,127	-	-	-
	<u>889,571</u>	<u>889,571</u>	<u>273,065</u>	<u>119,500</u>	<u>392,565</u>

3. Charitable activities

	Unrestricted funds £	2021 Total £	Unrestricted funds £	2020 Total £
Operations of the Guildhall:				
Venue and events income	327,530	327,530	936,042	936,042
Booking fees	30,474	30,474	117,906	117,906
Tenants income	8,368	8,368	85,357	85,357
Membership income	3,762	3,762	7,608	7,608
Restoration fee levy	23,928	23,928	121,641	121,641
Grant income	43,650	43,650	44,659	44,659
	<u>437,712</u>	<u>437,712</u>	<u>1,313,213</u>	<u>1,313,213</u>

4. Other trading activities

	Unrestricted funds £	2021 Total £	Unrestricted funds £	2020 Total £
Bar income	4,767	4,767	442,180	442,180
Catering income	-	-	388,958	388,958
Front of house income	-	-	47,917	47,917
Fundraising and sponsorship	10,004	10,004	26,412	26,412
VIP income	357	357	14,094	14,094
Studio income	550	550	57,642	57,642
	<u>15,678</u>	<u>15,678</u>	<u>977,203</u>	<u>977,203</u>

Notes to the financial statements
For the year ended 31 March 2021

5. Investment income

	Unrestricted funds £	2021 Total £	Unrestricted funds £	2020 Total £
Dividends	8,108	8,108	10,476	10,476
	<u>8,108</u>	<u>8,108</u>	<u>10,476</u>	<u>10,476</u>

6. Costs of charitable activities - by fund type

	Unrestricted funds £	Restricted funds £	2021 Total £	Unrestricted funds £	Restricted funds £	2020 Total £
Operations of the Guildhall	1,571,153	7,700	1,578,853	2,625,102	7,700	2,632,802
	<u>1,571,153</u>	<u>7,700</u>	<u>1,578,853</u>	<u>2,625,102</u>	<u>7,700</u>	<u>2,632,802</u>

7. Costs of charitable activities - by activity

	Activities undertaken directly £	Governance and support costs £	2021 Total £	2020 Total £
Operations of the Guildhall	383,365	1,195,488	1,578,853	2,632,802
	<u>383,365</u>	<u>1,195,488</u>	<u>1,578,853</u>	<u>2,632,802</u>

8. Analysis of governance and support costs

	2021 Total £	2020 Total £
Wages	1,011,575	1,032,851
Social security	68,678	105,751
Pensions	23,329	33,030
Depreciation of tangible assets	80,868	85,048
Loss on disposal of assets	-	1,418
Governance costs		
Auditor's remuneration	2,875	2,875
Accountancy fees	8,163	4,560
	<u>1,195,488</u>	<u>1,265,533</u>

Notes to the financial statements
For the year ended 31 March 2021

9. Employees

	2021	2020
	£	£
Employee costs		
Wages and salaries	1,022,682	1,451,651
Social security costs	68,678	105,751
Pension costs	23,329	33,030
	<u>1,114,689</u>	<u>1,590,432</u>

The average number of employees during the year was as follows:

2021	2020
87	124
<u>87</u>	<u>124</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was as follows:

	2021	2020
£80,001 - £90,000	1	1
	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the company comprise the Chief Executive Officer, Finance Director, Head of Commercial Management, Head of Technical Services, Head of Operations, Head of Marketing, General Manager and Head of Security and Safety. Employee benefits received by key management personnel total £284,948 (2020: £359,010).

Trustees

No trustees received remuneration during the period (2020: Nil). No trustees were reimbursed for expenses in the year (2020: One trustee was reimbursed for expenses totalling £320).

Notes to the financial statements
For the year ended 31 March 2021

10. Income and expenses from trading activities of subsidiaries

Solent Cultural Enterprise Limited is a wholly owned trading subsidiary incorporated in the United Kingdom (company number 07520080). A summary of the trading results is shown below:

Profit and Loss Account	2021	2020
	£	£
Turnover	322,185	980,021
Cost of sales	(153,233)	(628,984)
Gross Profit	168,952	351,037
Sundry income	-	-
Overheads	(84,491)	(237,051)
Operating profit before taxation	84,461	113,986
Tax on profit	262	(3,297)
Retained profit for the period	84,723	110,689
Gift aid contribution to The Guildhall Trust	(85,842)	(66,435)
Retained profit/(loss) brought forward	13,397	(30,857)
Retained profit/(loss) carried forward	12,278	13,397
Called up Ordinary Share Capital	1	1
Capital and reserves	12,279	13,398

Guildhall Security Services Limited is a wholly owned trading subsidiary incorporated in the United Kingdom (company number 12010327). A summary of the trading results is shown below:

Profit and Loss Account	2021	2020
	£	£
Sundry income	-	345
Overheads	(1,660)	(2,501)
Retained profit for the period	(1,660)	(2,156)
Retained profit/(loss) brought forward	(2,156)	-
Retained profit/(loss) carried forward	(3,816)	(2,156)
Called up Ordinary Share Capital	100	100
Capital and reserves	(3,716)	(2,056)

Notes to the financial statements
For the year ended 31 March 2021

11. Linked charity of The Guildhall Trust

Hornpipe Theatre Company Limited is a wholly owned trading subsidiary and a linked charity of The Guildhall Trust. A summary of the results is shown below:

Statement of Financial Activities	2021 £	2020 £
Income	8,093	10,476
Expenditure	(900)	(9,242)
Net gains/(losses) on investments	34,746	(43,102)
Net movement in funds	41,939	(41,868)
Funds brought forward	160,691	202,559
Funds carried forward	202,630	160,691
Balance Sheet	2021 £	2020 £
Investments	184,736	149,990
Current assets	18,794	12,943
Current liabilities	(900)	(2,242)
Net assets	202,630	160,691
Unrestricted funds	202,630	160,691
Total funds	202,630	160,691

12. Tangible fixed assets - Group

	Assets under construction £	Improvements to property £	Plant & machinery £	Fixtures & fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 April 2020	302,380	365,562	148,453	99,005	200,687	1,116,087
Additions	-	28,669	2,700	4,769	4,084	40,222
Disposals	-	-	-	-	-	-
At 31 March 2021	302,380	394,231	151,153	103,774	204,771	1,156,309
Depreciation						
At 1 April 2020		146,092	102,476	85,097	126,631	460,296
Charge for the year	-	37,085	16,166	6,614	21,003	80,868
On disposals	-	-	-	-	-	-
At 31 March 2021		183,177	118,642	91,711	147,634	541,164
Net book values						
At 31 March 2021	302,380	211,054	32,511	12,063	57,137	615,145
At 31 March 2020	302,380	219,470	45,977	13,908	74,056	655,791

Notes to the financial statements
For the year ended 31 March 2021

Tangible fixed assets - Charity

	Assets under construction £	Improvements to property £	Plant & machinery £	Fixtures & fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 April 2020	302,380	365,562	148,453	99,005	176,651	1,092,051
Additions	-	28,669	2,700	3,330	4,084	38,783
Disposals	-	-	-	-	-	-
At 31 March 2021	302,380	394,231	151,153	102,335	180,735	1,130,834
Depreciation						
At 1 April 2020		146,092	102,476	85,097	119,950	453,615
Charge for the year	-	37,085	16,166	6,518	18,279	78,048
On disposals	-	-	-	-	-	-
At 31 March 2021		183,177	118,642	91,615	138,229	531,663
Net book values						
At 31 March 2021	302,380	211,054	32,511	10,720	42,506	599,171
At 31 March 2020	302,380	219,470	45,977	13,908	56,701	638,436

13. Investments - Group

	Listed investments £	Total £
Valuation		
At 1 April 2020	149,990	149,990
Revaluations	34,746	34,746
At 31 March 2021	184,736	184,736

Investments are held by the Hornpipe Theatre Company Limited.

The company holds the share capital of the following companies:

Company name	Company number	Nature of business	Share class held	Percentage shareholding	Value of shares £
Solent Cultural Enterprise Limited	07520080	Associate commercial activities of the parent company	Ordinary	100%	1
Guildhall Security Services Limited	12010327	Provision of security services	Ordinary	100%	100
Guildhall Event Services Limited	09199939	Dormant company	Ordinary	100%	100
Comedy Festivals Limited	09200130	Dormant company	Ordinary	100%	100

Notes to the financial statements
For the year ended 31 March 2021

14. Stocks

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Stocks	28,054	54,725	28,054	54,725
	<u>28,054</u>	<u>54,725</u>	<u>28,054</u>	<u>54,725</u>

15. Debtors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade debtors	117,295	102,443	85,091	26,161
Other debtors	-	-	-	-
Prepayments and accrued income	158,210	248,230	110,642	195,263
Amount owed by group undertakings	-	-	-	3,930
	<u>275,505</u>	<u>350,673</u>	<u>195,733</u>	<u>225,354</u>

16. Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	20,934	186,766	20,934	173,324
Other taxes and social security	102,735	101,827	84,498	73,323
Other creditors	16,923	35,566	17,223	34,248
PRS control	-	2,640	-	2,640
Deferred income	98,015	93,703	12,419	6,316
Accrued expenditure	55,004	4,835	52,339	2,401
Ticket income in advance	1,633,391	1,519,185	1,633,391	1,519,185
Loans	8,483	-	8,483	-
Amount owing to group undertakings	-	-	21,962	2,872
	<u>1,935,485</u>	<u>1,944,522</u>	<u>1,851,249</u>	<u>1,814,309</u>

Deferred income

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Balance at 1 April 2020	96,343	68,750	8,956	8,143
Amounts released to incoming resources	(42,115)	(68,750)	(4,058)	(8,143)
Amounts deferred in year	43,787	93,703	7,521	6,316
PRS control	-	2,640	-	2,640
Balance as at 31 March 2021	<u>98,015</u>	<u>68,750</u>	<u>12,419</u>	<u>8,143</u>

Notes to the financial statements
For the year ended 31 March 2021

17. Creditors: amounts falling due
after one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Loans	250,000	-	250,000	-
	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>-</u>

18. Analysis of net assets between funds

	Tangible Fixed Assets £	Investment Assets £	Net Current Assets £	Long term Liabilities £	2021 Total £
Unrestricted funds	585,179	301	(778,293)	(250,000)	(442,813)
Restricted funds	13,992	-	91,776	-	105,768
Net assets – Charity only	<u>599,171</u>	<u>301</u>	<u>(686,517)</u>	<u>(250,000)</u>	<u>(337,045)</u>
Linked charity	-	184,736	17,894	-	202,630
Non-charitable trading funds	15,974	(301)	(7,211)	-	8,462
Total net assets	<u>615,145</u>	<u>184,736</u>	<u>(675,834)</u>	<u>(250,000)</u>	<u>(125,953)</u>

	Tangible Fixed Assets £	Investment Assets £	Net Current Assets £	2020 Total £
Unrestricted funds	616,744	301	(884,580)	(267,535)
Restricted funds	21,692	-	119,500	141,192
Net assets – Charity only	<u>638,436</u>	<u>301</u>	<u>(765,080)</u>	<u>(126,343)</u>
Linked charity	-	149,990	10,701	160,691
Non-charitable trading funds	17,355	(301)	(5,813)	11,241
Total net assets	<u>655,791</u>	<u>149,990</u>	<u>(760,192)</u>	<u>45,589</u>

19. Restricted funds

	At 1 April 2020 £	Incoming resources £	Outgoing resources £	Gains and losses £	At 31 March 2021 £
Capital works	21,692	-	(7,700)	-	13,992
Portsmouth City Council – Capital grant	119,500	-	-	(27,724)	91,776
Total	<u>141,192</u>	<u>-</u>	<u>(7,700)</u>	<u>(27,724)</u>	<u>105,768</u>

Notes to the financial statements
For the year ended 31 March 2021

	At 1 April 2019 £	Incoming resources £	Outgoing resources £	Gains and losses £	At 31 March 2020 £
Capital works	29,392	-	(7,700)	-	21,692
Portsmouth City Council – Capital grant	-	119,500	-	-	119,500
Total	29,392	119,500	(7,700)	-	141,192

Capital works are funds which have been set aside for improvements to the property.

Portsmouth City Council provided grant funding towards the purchase of a PA system and new auditorium carpets. A transfer of £27,724 from restricted funds to unrestricted funds represents the capitalised cost of the new carpets purchased in the year.

20. Related party transactions

The Guildhall Trust manages the activities of its wholly owned subsidiary, Solent Cultural Enterprise Limited, and during the year recharged a fee of £60,000 (2020: £60,081) for the use of facilities and recharged salaries totalling £139,764 (2020: £418,800). At 31 March 2021, The Guildhall Trust owed £24,550 (2020: £2,872) to the company.

21. Financial commitments

The charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Within one year	14,724	14,724
Between one and five years	23,995	38,719
	<u>38,719</u>	<u>53,443</u>

22. Analysis of changes in net debt

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Cash at bank and in hand	959,127	782,229	940,945	769,150
	<u>959,127</u>	<u>782,229</u>	<u>940,945</u>	<u>769,150</u>

Notes to the financial statements
For the year ended 31 March 2021

23. Financial instruments

The carrying amounts of the charity's financial instruments are as follows:

	2021	2020
	£	£
Financial assets		
Debt instruments measured at amortised cost:		
- Trade debtors (note 15)	117,295	102,443
- Accrued income (note 15)	111,841	136,868
	<u>229,136</u>	<u>239,311</u>
Financial liabilities		
Measured at amortised cost		
- Trade creditors (note 16)	20,934	186,766
- Other creditors (note 16)	16,923	35,566
- Other taxes & social security (note 16)	102,735	101,827
- PRS control	-	2,640
	<u>140,592</u>	<u>326,799</u>