

REGISTRAR OF COMPANIES



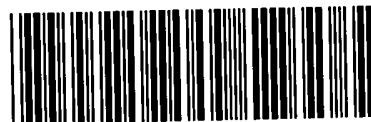
Annual Report and Financial Statements

31 July 2017

Company Limited by Guarantee  
Registration Number  
2953431 (England and Wales)

Charity Registration Number  
1039962

SATURDAY



\*A72EYGM3\*

A16

24/03/2018

#180

COMPANIES HOUSE

## **Contents**

### **Reports**

Reference and administrative information	1
Report of the Council	3
Independent auditor's report	11

### **Financial statements**

Statement of financial activities	14
Balance sheet	15
Statement of cash flows	16
Notes to the financial statements	17

## **Reference and administrative information**

Current Members of Council	Mr J C Carrington (Chairman) Professor G Brock Dr A Burnett Professor C S Crawford Mrs X Dennen Mr S Duckworth OBE DL Professor Sir Richard Evans Professor D H Hodson Mr T Hoffman Alderman Professor M Mainelli Ms D Ounsted CBE Hon T Palmer Mr J Scott Dr G R E Shilson Professor M Thomas
Provost	Professor Sir Richard Evans
Company Secretary	Dr V Shrimplin
Registered office	Barnard's Inn Hall Holborn London EC1N 2HH
Company registration number	2953431 (England and Wales)
Charity registration number	1039962
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

## **Reference and administrative information**

**Bankers**      Bank of Scotland  
33 Broad Street  
London  
EC2N 1HZ

**Solicitors**      Radcliffes LeBrasseur  
5 Great College Street  
Westminster  
London  
SW1P 3SJ

## **Report of the council 31 July 2017**

The Members of the Council, who are the Directors of the Company, present their Report. The audited Financial Statements for the year ended 31 July 2017 are also presented.

The financial statements have been prepared in accordance with the accounting policies set out on pages 17 to 19 of the attached financial statements and comply with the charity's Memorandum and Articles, applicable laws and the requirements of 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), effective from accounting periods commencing 1 January 2015 or later.

### **Status**

Gresham College was founded in 1597 under the will of Sir Thomas Gresham to provide free public lectures. The College was a registered charity until 28 July 1994, when it was incorporated as a charitable company in England and Wales, governed by a Memorandum and Articles of Association. Grants to meet the College's core costs are awarded by the beneficiaries of Sir Thomas' will (the Mercers' Company and the City of London Corporation – the College's core funders).

### **Objectives and Activities**

The College's principal activity is the provision and administration of its academic programme in a tradition going back more than 400 years. The programme comprises free lectures, seminars, conferences and papers, delivered by the Gresham Professors and others selected by them through the Academic Board. These activities foster academic consideration of contemporary problems; challenge those who live and work in the City of London – and now further afield – to engage in intellectual debate on subjects in which the City has a proper concern; and provide a window on the City for learned societies, both national and international. The Council's further intention that Gresham College should be a centre of international excellence is achieved today by dissemination of the academic programme online.

In setting the charitable objectives and planning future activities, the Council Members have considered the Charity Commission's guidance on public benefit.

### **Achievements and Performance**

The Academic Year 2016/17 was a successful one and, again, helped to fulfil the original vision of the Founder and the current mission and objectives of Gresham College.

Lectures were of customarily high standard, and very wide ranging in terms of content and subject matter. Apart from lectures by the eight Gresham Professors, the Professors of Environment (from 2014) and IT (from 2015) and a number of Visiting Professors, there was also a full programme of annual events and invited individual speakers, many of whom commemorated or debated historical or contemporary events. Lectures were held at the Museum of London and at Barnard's Inn Hall as well as at other venues, such as the Guildhall, The Mercers' Hall, and St Sepulchre's Church (for music events). Although attendances in person were slightly down on last year (at 17,936, with an average 140 per event), the programme received a significant amount of press and media attention. The

## Report of the council 31 July 2017

highest average recorded was 160 in 2015/16, but the current average of 140 compares well with other recent years. There was a fall in online views and downloads which, again, demonstrates the need for further marketing and investment – although video hosting sites tend to count things differently in different years so it is difficult to make meaningful comparisons.

Apart from the core activity of delivery of the lecture programme, a great deal of additional work during 2016/17 focussed on the development of a new Strategic Framework, driven by the Chairman Mr John Carrington.

Professor Sir Jonathan Bate was appointed as the new Gresham Professor of Rhetoric.

### Financial Review

The financial results of the College's operations are shown on page 13. The results this year include a combination of restricted and unrestricted income and expenditure. The overall total income was £816,347 (2016 - £805,801) against an overall total expenditure of £761,840 (2016 - £769,374). The restricted expenditure of £1,650 (2016 - £8,058) was for research expenses in producing the biography of Sir Thomas Gresham. The restricted income of £1,650 (2016 - £8,058) was funded jointly by the College's sponsors, the City of London Corporation and the Mercers' Company.

The total unrestricted expenditure was £760,190 (2016 - £761,316). The 2016/17 unrestricted expenditure includes the fourth year commitment of £2,500 for the research grant.

The College's core income of £763,100 for 2015/16 was increased in line with 1.6% (RPI). The unrestricted core income this year is £775,308, which was supplemented by lettings of the Hall to outside bodies and income from Donations. With the total unrestricted income in 2016/17 being £814,697 (2016 - £797,743), the College achieved a surplus of income over expenditure of £54,507 (2016 - surplus of £36,427).

Despite the College's continuing increase in output (both live audiences and virtual attendance through the web), since 2001/02 core costs have continued to be well controlled.

2016/17 has seen the completion of a new booklet entitled "Sir Thomas Gresham and his vision for Gresham College" by Dr Valerie Shrimplin, the College's Academic Registrar at a cost of £14,000. Income will be generated from sales of the booklet, priced at £10, in future years.

- **Additional Sponsorship:** The College has continued to seek sponsorship including sponsorship in kind. During 2016/17 sponsorship for lecture services was received from The Jackson Foundation £11,300 (2016 - £11,300) and from The Worshipful Company of Information Technologists £11,300 (2016 - £11,300). Donations of venues, facilities and other services were also received. These donated facilities have not been shown as income within the financial statements due to the difficulty in quantifying their value accurately, but details of the estimated value of these donations are given in note 4 to the financial statements.

## **Report of the council 31 July 2017**

Overall, the College continues to maintain costs broadly within the allocation made in the core funders' Memorandum of Understanding. The College is pleased to report that it has security of tenure for its lecture premises both at Barnard's Inn Hall (11 year lease term remaining) and the Museum of London (3 year rolling agreement).

### **Reserves policy and financial position**

Funding arrangements were finalised in 2013/14 through an agreement with the Mercers' Company and the City of London Corporation. The agreement is for five academic years and took effect from 1 August 2014 and will continue through to 2018/19. The annual payment for 2014/15 was calculated using the base amount for 2013/14 being £700,920 and multiplied by the lesser of either the Retail Price Index or a fixed 3% , plus a one-off increase payment of £36,400. The total core income calculated for 2014/15 £755,544 would be used as the base amount for the following year. Subsequent future years' payments under this agreement will use recalculated base amounts multiplied by the lesser of either the Retail Price Index or 3%.

Council policy is that the College should hold approximately 4 months' operational and academic support costs as a minimum reserve, and the Memorandum of Understanding endorses this requirement. This minimum has remained at £208,500 (2016 - £208,500). In addition, at 31 July 2017, the College held free reserves of £127,737 (2016 - £106,128). The Members of the Council are satisfied that the level of reserves is deemed adequate but not excessive.

### **Plans for the future**

The programme for next year is an excellent and varied programme with many exciting lectures already attracting attention. Apart from those featured by our continuing or new Professors and Visiting Professors, we have included for 2017/18; commemoration of the Russian Revolution, the Death of Jane Austen; Martin Luther's 95 Theses, and the centenary of Nelson Mandela. We have special presentations by Bishop Richard Chartres and Lord Harries, and such varied topics as Driverless Cars, Chinese Art, and (for the first time) Film and Media History. The new Professor of Rhetoric, Sir Jonathan Bate, will be presenting a series of Shakespeare, and there are also lectures that have been included and featured as part of the London Thames Festival, London Roman Festival (Professor Mary Beard) and Being Human, the academic festival.

During academic year 2016/17 the Chairman of Council and the Provost have outlined a proposed strategy to ensure that the vision and mission, as expressed in the Will of Sir Thomas Gresham (1579) continues to be fulfilled, building the College's reputation and audience (both in person and online).

As well as continuing to appoint Gresham Professors in the Foundation subjects and provide lectures of the highest academic standard (whilst still aimed at public audiences), the cision of Sir Thomas in terms of supporting innovation and new learning (aimed at younger generations who are economically active and productive), should be promoted. New learning in science and the arts (such as advances in technology, robotics, IT, AI, new literature, new music, new art, new scientific discoveries and developments in subjects like mathematics, medicine, commerce and environmental science) should be delivered, at the same time as stimulating ideas and discussion on areas such as human rights and philosophical debate.

## **Report of the council 31 July 2017**

The current timing for strategic planning is appropriate in terms of the imminent renewal of the Funding arrangements with the Sponsors (City of London Corporation and the Mercers' Company) and because discussion is also taking place about the physical location and premises for the College. Having a base at Barnard's Inn Hall is good for the College's identity but the Hall is being outgrown as a venue for lectures, and is difficult to manage and promote lectures on a site located nearly a mile away at the Museum, where major changes will also soon take place.

### **Risk management**

The College has undertaken a study of risks including health and safety, fire, public liability and risk to reputation. Procedures are in place to manage risk.

Members of Council considered staffing, ICT, financial and premises as the principal risks to the College. Staffing is an operational risk, and controls and procedures such as staff development programmes, regular review and appraisals are all in place to manage this. Staff workload analysis and reward systems are also in place.

ICT is also an operational risk with the possibility of inadequate systems in place, expansion outstripping infrastructure, loss and/or corruption of data and also loss and/or weakening of online provision. Members of Council agreed a Communications/IT Advisory Group would be beneficial to the staff and College. This was set up in January 2015. With investment during the year and replacement of video hosting companies and developers, the ICT risk, although still high, is being managed very well.

The main financial risks considered by the Members of Council are the reliance on the College's existing income source, financial shortfall and control of internal financial procedures. With a five year financial planning process in place together with annual budgets presented to both sponsors, quarterly reports to Council and management controls by the Finance Committee and auditors, this risk is managed well. A five year Funding Agreement is currently in place with The Mercers' Company and the City of London Corporation, ending in the academic year 2018/19. Plans are already in place for the formal review required in 2017/18.

The premises of the College are considered an operational/resources risk by the Members of Council. The continuation of the lease together with an increase in charges (rent, rates, fees, repairs etc) are the main factors but after liaison with the Landlords and the renewal of a longer term lease these have significantly reduced the risk. The College continues to review alternative lecture venues and alternative plans relevant to its growth.

### **Structure, Governance and Management**

#### **Members of the Company**

The Charitable Company is a Company limited by guarantee.

Following a special resolution passed on 31 August 2004, the members of the company are the City of London Corporation and the Mercers' Company.



## Report of the council 31 July 2017

The nominee of the City of London Corporation for 2016/17 was Simon Duckworth OBE DL and the nominee of the Mercers' Company during this period was Professor Daniel H. Hodson.

### Members of Council

Members of Council comprise up to four appointees each of the City of London Corporation and the Mercers' Company, together with up to four co-opted members, two Gresham Professors and the Provost.

Members of Council are Directors of the Charitable Company for the purposes of the Companies Act 2006. They are also Trustees of the Charitable Company within the Charities Act 2011. Insurance cover was maintained for Members of Council against liabilities arising from their duties, at a cost of £1,414 (2016 - £1,359) and provides cover of up to a maximum of £1 million (2016 - £1 million).

The Members of Council who served during the financial year 1 August 2016 to 31 July 2017 and up to the date of approval of this report were as follows:

---

#### Provost

Professor Sir Richard Evans

Appointed 1 August 2014

#### Appointed by City of London Corporation

Mr Simon Duckworth OBE DL (Vice Chairman)

Appointed 21 July 2009

Mr Tom Hoffman CC

Appointed 21 July 2009

Mr John Scott CC

Appointed 1 August 2016

Dr Giles Shilson

Appointed 7 March 2014

#### Appointed by the Mercers' Company

Professor Daniel H Hodson (Vice Chairman)

Appointed 13 March 2009

Mrs Xenia Dennen

Appointed 8 July 2011

Hon Tim Palmer

Appointed 1 August 2013

Ms Debby Ounsted CBE (Chair of the Nominations Committee)

Appointed 1 March 2016

#### Co-opted

Professor George Brock

Appointed 15 March 2012

Dr Andrew Burnett (Chairman of the Finance and Remuneration Committee)

Appointed 4 May 2010

Mr John C Carrington (Chairman of Council)

Appointed 1 September 2008

Alderman Professor Michael Mainelli

Appointed 24 November 2009

#### Gresham Professors

Professor Carolin Crawford

Appointed 1 August 2014

Professor Belinda Jack

Appointed 1 August 2015

Resigned 28 February 2017

Professor Martyn Thomas

Appointed 1 March 2017

---

## Report of the council 31 July 2017

### Procedures adopted for the induction and training of Members of Council

Upon appointment, Members of Council are provided with an information pack which includes the following documents:

- Charity Commission: *The Essential Trustee: What you need to know* (updated July 2015)
- Gresham College Handbook (now in 6th edition, 2017), incorporating:
  - The Articles of Association of Gresham College
  - Historical Background (including the Will of Sir Thomas Gresham)
  - Governance arrangements
  - Committee structure and Terms of Reference for all Committees
  - Definition of roles and appointments
  - Information on the Academic Programme
  - Quality Assurance and Monitoring arrangements
  - Collaborative activities
  - Fees and Honoraria
- Minutes and papers of at least the two previous meetings

### Decision making

The Charitable Company has two voting Members: the Mercers' Company and the Corporation of the City of London. The Members of Council are charity trustees and directors under the Companies Act.

The Council has two Committees: a Finance and Remuneration Committee and a Nominations Committee, which make recommendations to Council on an advisory basis. The Finance Committee reviews the accounts and proposed budget, and recommends the policy for the remuneration of staff. The Nominations Committee determines and agrees with the Council the framework and nominations relating to the appointment of new Members of the Council (other than those nominated by the core funders). It also determines the appointments process for new professorial appointments. Proposals regarding the academic programme, including costs, are first discussed by the Academic Board, and then recommended to the Council for approval.

### Key management personnel

The Members of Council, including the Provost, consider that they together with the Academic Registrar (Dr Valerie Shrimplin) comprise the key management of the College in charge of directing and controlling, running and operating the College on a day to day basis.

Arrangements for setting the pay and remuneration of Gresham College's key management personnel are determined by linking them to the University of Cambridge pay spines or equivalent positions. (<http://www.hr.admin.cam.ac.uk/Salaries/242>). This provides a most appropriate benchmark.

Members of Council are not remunerated for their services to the College as Trustees. The Provost is remunerated for his services as the College's Provost. One member also receives a professorial stipend in their capacity as a Gresham College Professor at the agreed rate.

## **Report of the council 31 July 2017**

### **Statement of Members of Council's responsibilities**

The Members of Council (who are the Directors of Gresham College for the purposes of company law and trustees for the purposes of charity law) are responsible for preparing the report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Members of Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the income and expenditure of the College for that period.

In preparing these financial statements, the Members of Council 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 to the United Kingdom and Republic of Ireland (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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Members of Council are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Members of Council confirms that:


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

## Report of the council 31 July 2017

The Members of Council are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Members of Council on 16 November 2017



V Shrimplin  
Registered Office  
Barnard's Inn Hall  
Holborn  
London  
EC1N 2HH

## **Independent auditor's report 31 July 2017**

### **Independent auditor's report to the members of Gresham College**

#### **Opinion**

We have audited the financial statements of Gresham College (the College) for the year ended 31 July 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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).

This report is made solely to the College'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 College'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 College and the College's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **In our opinion, the financial statements:**

- ◆ give a true and fair view of the state of the College's affairs as at 31 July 2017 and of 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 College 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.

#### **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 Members of Councils' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the Members of Council have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the College's ability to

## **Independent auditor's report 31 July 2017**

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 Members of Council 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 report of the council for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the report of the council 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 College and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the council.

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, 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 Members of Councils' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or

## Independent auditor's report 31 July 2017

- ◆ the Members of Council 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 report of the council and from the requirement to prepare a strategic report.

### Responsibilities of Members of Council

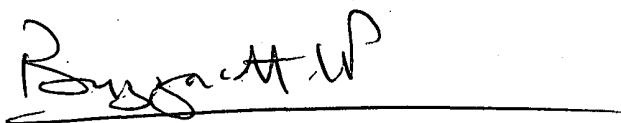
As explained more fully in the statement of Members of Council's responsibilities, the Members of Council are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Members of Council determine is necessary 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 Members of Council are responsible for assessing the College'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 Members of Council either intend to liquidate the College 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



Avnish Savjani (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

22 March 2018

# Statement of financial activities Year to 31 July 2017

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2017 £	Total funds 2016 £
<b>Income and expenditure</b>					
<b>Income from:</b>					
Donations	3	23,782	—	23,782	22,813
Other trading activities	4	15,363	—	15,363	10,887
Interest receivable	5	244	—	244	943
Charitable activities					
Provision of lectures, seminars and conferences	6	775,308	—	775,308	763,100
Production of Biography	7	—	1,650	1,650	8,058
<b>Total income</b>		<b>814,697</b>	<b>1,650</b>	<b>816,347</b>	<b>805,801</b>
<b>Expenditure</b>					
Charitable activities					
Provision of lectures, seminars and conferences	8	757,690	—	757,690	758,816
Production of Biography	9	—	1,650	1,650	8,058
Research grants payable	10	2,500	—	2,500	2,500
<b>Total expenditure</b>		<b>760,190</b>	<b>1,650</b>	<b>761,840</b>	<b>769,374</b>
<b>Net income / Net movement in funds</b>	13	<b>54,507</b>	<b>—</b>	<b>54,507</b>	<b>36,427</b>
<b>Reconciliation of funds</b>					
Balance brought forward at 1 August 2016		320,353	—	320,353	283,926
Balance carried forward at 31 July 2017		<b>374,860</b>	<b>—</b>	<b>374,860</b>	<b>320,353</b>

There is no difference between the net movement in funds stated above and the historical cost equivalent.

All of the Charitable Company's activities were 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 July 2017


	Notes	2017 £	2016 £
<b>Current assets</b>			
Debtors	16	24,721	15,815
Cash at bank and in hand		432,696	387,126
		<u>457,417</u>	<u>402,941</u>
Creditors: amounts falling due within one year	17	(82,557)	(82,588)
<b>Net current assets</b>		<u>374,860</u>	<u>320,353</u>
<b>Total net assets</b>		<u>374,860</u>	<u>320,353</u>
<b>The funds of the charity:</b>			
Unrestricted funds			
. General fund		127,739	106,128
. Designated funds		247,121	214,225
. Fixed assets fund		—	—
	18	<u>374,860</u>	<u>320,353</u>

The notes on pages 17 to 26 form an integral part of these financial statements.

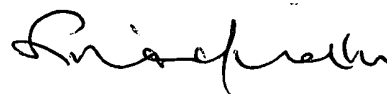
Signed on behalf of the Council of Gresham College (Company registration number 2953431 (England and Wales)) on by Date: 16 November 2017



Mr J C Carrington  
Chairman of Gresham College Council



Professor D H Hodson  
Vice-Chairman of Council



Mr S Duckworth  
Vice-Chairman of Council

## Statement of cash flows Year to 31 July 2017

	Notes	2017 £	2016 £
<b>Cash flows from operating activities:</b>			
Net cash provided by (used in) operating activities	A	45,326	136,068
<b>Cash flows from investing activities:</b>			
Interest received		244	943
Net cash provided by investing activities		244	943
<b>Change in cash and cash equivalents in the year</b>		<b>45,570</b>	<b>137,011</b>
<b>Cash and cash equivalents at 1 August 2016</b>	B	<b>387,126</b>	<b>250,115</b>
<b>Cash and cash equivalents at 31 July 2017</b>	B	<b>432,696</b>	<b>387,126</b>

### Notes to the statement of cash flows for the year to 31 July 2017.

#### A Reconciliation of net income to net cash provided by operating activities

	2017 £	2016 £
Net income (as per the statement of financial activities)	54,507	36,427
<b>Adjustments for:</b>		
Depreciation charge	—	—
Interest receivable	(244)	(943)
(Increase) decrease in debtors	(8,906)	88,440
(Decrease) increase in creditors	311	12,144
<b>Net cash provided by operating activities</b>	<b>45,326</b>	<b>136,068</b>

#### B Analysis of cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	432,696	387,126
<b>Total cash and cash equivalents</b>	<b>432,696</b>	<b>387,126</b>

## 1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

### **Basis of preparation:**

These financial statements have been prepared for the year to 31 July 2017.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the remaining notes to these 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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

### **Critical accounting estimates and areas of judgement:**

Preparation of the financial statements 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 estimates of the useful economic lives of tangible fixed assets used to determine the annual depreciation charge; and
- ◆ The assumptions adopted by the trustees and management in determining the value of any designations required from the charity's general unrestricted funds.

### **Assessment of going concern**

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

The Members of Council have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the College to continue as a going concern. The Members of Council are of the opinion that the College will have sufficient resources to meet its liabilities as they fall due.

**1 Accounting policies (continued)****Income**

Income is recognised in the period in which the College is entitled to receipt and the amount can be measured with reasonable certainty and it is probable that the income will be received. Income is deferred only when the College has to fulfil certain conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises donations receivable, bank interest and income from charitable activities, principally the grants receivable from The City of London Corporation and The Mercers Company Charitable Foundation, and other charitable grants.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the College 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. All expenditure is stated inclusive of irrecoverable VAT.

All expenses are allocated to the applicable expenditure headings. The majority of expenditure is directly attributable and any apportionment between headings is negligible. Expenditure on charitable activities comprises expenditure on the charity's primary charitable purposes as described in the Report of the Council. Such costs include, academic expenses, professors' stipends and technology costs associated with the delivery of the College lectures, grants payable towards research and other support costs associated with the furtherance of the College's objectives.

Governance costs, which comprise the costs involving the public accountability of the College (including audit costs) and costs in respect to its compliance with regulation and good practice, are allocated in full to the cost of the College's principal charitable activity.

**Tangible fixed assets:**

All assets costing more than £5,000 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated future lives:

- Furniture and general office equipment 33 $\frac{1}{3}$ % per annum based on cost
- Computer and similar equipment 33 $\frac{1}{3}$ % per annum based on cost

**Debtors:**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

## Notes to the financial statements 31 July 2017

### 1 Accounting policies (continued)

#### **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. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

#### **Creditors and provisions:**

Creditors and provisions 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 and provisions are recognised at the amount the College anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

#### **Fund accounting:**

Restricted funds comprise monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

General funds represent those monies that are freely available for application towards achieving any charitable purpose that falls within the College's charitable objects.

#### **Leased assets:**

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain within the lessor, are charged to the statement of financial activities in equal amounts over the lease terms.

#### **Pension costs:**

Gresham College participates in Superannuation Arrangements of the University of London ("SAUL") which is a centralised defined benefit scheme and is contracted-out of the Second State Pension. SAUL is a "last man standing" scheme so that in the event of the insolvency of any participating employers in SAUL, the amount of pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation. A formal valuation of SAUL is carried out every three years by professionally qualified and independent actuaries using Projected Unit method. Informal reviews of SAUL's position are carried out between formal valuations.

It is not possible to identify the College's share of the underlying assets and liabilities of the scheme. Therefore contributions are accounted for as if the scheme were a defined contribution scheme and pension costs are based on the amounts actually paid. Further details on the scheme are given in note 20.

The College is fully compliant with the Government's auto-enrolment scheme for pensions (for which the staging date was 1 February 2016).

## Notes to the financial statements 31 July 2017

### 2 Administration

The Charitable Company is governed by its Memorandum and Articles of Association dated 28 July 1994, which were subsequently amended on 31 August 2004, and again in November 2007 (with a minor amendment to Article 23 in 2013). On 1 January 1995 it took over the assets, liabilities and undertakings of Gresham College Trust, a registered charity number 283467. On behalf of the Mercers' Company, the City of London Corporation and the Mercers' School Memorial Trust it discharges their liability for the payment of stipends to the eight Gresham Professors. Under these arrangements, the accounts of the Charitable Company reflect in all respects a continuation of the activities of the predecessor body.

### 3 Income from donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Donations	23,782	—	23,782	22,813
<b>Total funds 2017</b>	<b>23,782</b>	<b>—</b>	<b>23,782</b>	<b>22,813</b>
<b>Total funds 2016</b>	<b>22,813</b>	<b>—</b>	<b>22,813</b>	

### 4 Income from other trading activities

	Unrestricted funds	
	2017 £	2016 £
Income from lettings	15,179	10,742
Publication sales and Royalties	184	145
	<b>15,363</b>	<b>10,887</b>

#### Donated facilities, venues and other services:

During the year the College received sponsorship in kind in the form of donations of venues, facilities and other services. The value of these donations of venues, facilities and other services is not of sufficient reliability to be included in the statutory accounts, but an approximation is as below:

	2017 £
Sponsored Events and donation of speaker fees	7,500
<b>Total donated facilities, venues and other services for the year ended 31 July 2017</b>	<b>7,500</b>

### 5 Income from investments

	Unrestricted funds	
	2017 £	2016 £
Bank interest	244	943

## Notes to the financial statements 31 July 2017

### 6 Income from charitable activities:

#### Provision of lectures, seminars and conferences

	Unrestricted funds					
	Professors' stipends £	General grant £	Total 2017 £	Professors' stipends £	General grant £	Total 2016 £
The Mercers' Company Charitable Foundation	28,100	352,654	380,754	20,700	353,950	374,650
The City of London Corporation	35,000	352,654	387,654	27,600	353,950	381,550
Mercers' School Memorial Trust	6,900	—	6,900	6,900	—	6,900
	70,000	705,308	775,308	55,200	707,900	763,100

### 7 Income from charitable activities:

#### Production of Biography

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
The Mercers' Company Charitable Foundation	—	825	825	4,029
The City of London Corporation	—	825	825	4,029
<b>Total funds 2017</b>	<b>—</b>	<b>1,650</b>	<b>1,650</b>	<b>8,058</b>
<b>Total funds 2016</b>	<b>—</b>	<b>8,058</b>	<b>8,058</b>	

### 8 Expenditure on charitable activities:

#### Provision of lectures, seminars and conferences

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Staff costs (note 12)	337,539	—	337,539	311,007
Operating costs	234,619	—	234,619	272,712
Sundry Fees and lecture expenses	753	—	753	3,156
Academic expenses	87,792	—	87,792	69,483
Professors' stipends	70,000	—	70,000	69,000
Governance costs (note 11)	26,987	—	26,987	33,458
<b>Total funds 2017</b>	<b>757,690</b>	<b>—</b>	<b>757,690</b>	<b>758,816</b>
<b>Total funds 2016</b>	<b>758,816</b>	<b>—</b>	<b>758,816</b>	

### 9 Expenditure on charitable activities:

#### Production of Biography

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Development costs	—	1,650	1,650	8,058
<b>Total funds 2017</b>	<b>—</b>	<b>1,650</b>	<b>1,650</b>	<b>8,058</b>
<b>Total funds 2016</b>	<b>—</b>	<b>8,058</b>	<b>8,058</b>	

## Notes to the financial statements 31 July 2017

### 10 Expenditure on charitable activities:

#### Grants payable

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Research grants	2,500	—	2,500	2,500
<b>Total funds 2017</b>	<b>2,500</b>	<b>—</b>	<b>2,500</b>	<b>2,500</b>
<b>Total funds 2016</b>	<b>2,500</b>	<b>—</b>	<b>2,500</b>	

### 11 Governance costs

	2017 £	2016 £
Legal and professional	3,308	3,416
Auditor's remuneration	8,390	7,600
Council and Academic Board	6,461	8,129
Professional indemnity insurance	1,414	1,359
Appointment of professors	7,414	12,954
	<b>26,987</b>	<b>33,458</b>

### 12 Staff costs and remuneration of key management personnel

The average number of persons employed during the year was 8 (2016 - 7).

	2017 £	2016 £
The total remuneration was as follows:		
Gross salaries	270,162	241,862
Social security costs	26,088	20,331
Pension contributions	20,269	22,420
	<b>316,519</b>	<b>284,613</b>
Accounting support	5,839	12,106
Temporary Staff	2,115	6,821
Other costs	13,066	7,467
	<b>337,539</b>	<b>311,007</b>

One employee earned £60,000 per annum or more (between £60,000 and £70,000) in 2016/17. (2015/16 – one). Employer pension contributions totalling £11,013 (2015/16 - £9,090) were payable for the year in respect of this employee.

The Members of Council, including the Provost, consider that they together with the Provost and the Academic Registrar comprise the key management of the College in charge of directing and controlling, running and operating the College on a day to day basis.

The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £115,279 (2015/16 - £108,792).

None of the Members of Council are remunerated for their services as trustees of the College. The Provost is remunerated for his services as the College's Provost. His remuneration for 2016/17 was £34,417 (2015/16 - £33,053).



## Notes to the financial statements 31 July 2017

### 12 Staff costs and remuneration of key management personnel (continued)

One of the Members of Council was a Gresham Professor during the year and received Professors' Stipends of £7,000 (2016 – one member received £6,900). No other Members of Council received any remuneration or reimbursement of expenses in respect of their services as members of Council during the year (2016 - £nil).

### 13 Net income and net movement in funds

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	—	—
Operating lease charges		
Land and buildings	35,000	35,000
Plant and machinery	5,503	5,503
Auditors' remuneration		
Current year audit fee (note 11)	8,390	7,600
Non-audit services	3,260	2,664

### 14 Taxation

As a registered charity, Gresham College 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.

### 15 Tangible fixed assets

	New technology and office equipment £
Cost at 1 August 2016 and 31 July 2017	6,450
Depreciation at 1 August 2016 and 31 July 2017	6,450
Net book value	
At 31 July 2017	—
At 31 July 2016	—

### 16 Debtors

	2017 £	2016 £
Trade debtors	3,558	—
Other debtors	3,320	—
Prepayments	17,843	15,815
	24,721	15,815

## Notes to the financial statements 31 July 2017

### 17 Creditors: amounts falling due within one year

	2017 £	2016 £
Accruals and deferred income	70,332	67,818
Taxation and social security	8,286	6,888
Other creditors	3,939	7,882
	<b>82,557</b>	<b>82,588</b>
<b>Movements on deferred income (included above)</b>		
Balance brought forward at 1 August 2016	36,226	25,237
Income deferred in current reporting period	27,978	35,945
Amounts released to income from prior reporting period	36,266	24,956
Balance carried forward at 31 July 2017	<b>27,978</b>	<b>36,226</b>

Deferred income relates to part grant payment made by The Mercers' Company in advance for the forthcoming academic year 2017/18.

### 18 Total Funds

	At 1 August 2016 £	Incoming resources £	Resources expended £	New designations/ released £	At 31 July 2017 £
<b>General fund</b>	106,128	814,697	(746,783)	(46,303)	127,739
<b>Designated funds:</b>					
Minimum reserves	208,500	—	—	—	208,500
App/website development	5,725	—	—	(5,725)	—
Future website/IT upgrade	—	—	(4,471)	42,152	37,681
Sir Thomas Gresham Booklet	—	—	(8,936)	9,876	940
<b>Total designated funds</b>	<b>214,225</b>	<b>—</b>	<b>(13,407)</b>	<b>46,303</b>	<b>247,121</b>
<b>Restricted funds:</b>					
Biography Fund	—	1,650	1,650	—	—
<b>Total Restricted funds</b>	<b>—</b>	<b>1,650</b>	<b>1,650</b>	<b>—</b>	<b>—</b>
<b>Fixed assets fund</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total funds</b>	<b>320,353</b>	<b>816,347</b>	<b>(761,840)</b>	<b>—</b>	<b>374,860</b>

Designated funds include the minimum reserve required by Council – 4 months operational and academic support costs – including provision for paying committed academic and staff costs should the College be wound up, as per the reserves policy noted in the Report of the Council.

Funds for core annual events and projects spanning more than one year are reviewed and accounted for at year-end.

## Notes to the financial statements 31 July 2017

### 18 Total Funds (continued)

A designated fund for Future Website Development and the upgrading of IT facilities has been created during the year, of which a small sum has been spent in 2016/17, with the remainder expected to be spent in 2017/18. The outstanding balance brought forward on the existing designated fund for app/website development has been transferred to this new fund.

A designated fund was also created to finance the production of a booklet (for sale) of Sir Thomas Gresham and this has been largely spent in 2016/17 with a small balance carried forward to meet costs to be incurred in 2017/18.

Restricted funds include the biography fund. This relates to funding received from The City of London Corporation and The Mercers' Company Charitable Foundation to be applied towards the production of a biography of Sir Thomas Gresham.

### 19 Operating lease commitments

At 31 July 2017 the College had total future commitments under non-cancellable operating leases as follows:

	Land and buildings		Plant and machinery	
	2017 £	2016 £	2017 £	2016 £
Within one year	35,000	35,000	2,688	5,044
Between one and five years	140,000	—	—	—
After more than five years	—	—	—	—
	175,000	35,000	2,688	5,044

### 20 Pension commitments

Gresham College participates in a centralised defined benefit scheme for all qualified employees with the assets held in separate Trustee-administered funds. It is not possible to identify Gresham College's share of the underlying assets and liabilities of SAUL. Therefore contributions are accounted for as if SAUL were a defined contribution scheme and pension costs are based on the amounts actually payable during the reporting period.

SAUL is subject to triennial valuations by professionally qualified and independent actuaries. The last available valuation was carried out as at 31 March 2014 using the projected unit credit method in which the actuarial liability makes allowance for projected earnings. The main assumptions used to assess the technical provisions were:

	31 March 2014
Discount rate	
— pre-retirement	5.96% p.a.
— post-retirement	3.86% p.a.
General Salary Increases	3.72% p.a.
Retail Prices Index inflation ("RPI")	3.57% p.a.
Consumer Price Index Inflation ("CPI")	2.72% p.a.
Pension Increases in payment (excess over GMP)	2.72% p.a.
Mortality – base table	S2 Pensioner (year of birth) 0.4 years for males and -0.4 years for females.
Mortality – future improvements	Future improvements in line with CMI 2013 projections with a long term trend rate of 1.5%

## Notes to the financial statements 31 July 2017

### 20 Pension commitments (continued)

The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of SAUL's assets was £1,927 million representing 97% of the liability for benefits after allowing for expected future increases in salaries.

Based on the strength of the Employer covenant and the Trustee's long-term investment strategy, the Trustee and the Employers agreed to increase Employer contributions from 13% to 16% and Member contributions would remain at 6% of Salaries following the valuation. Based on this valuation SAUL announced that the employer contribution rate would be increased to 16% from 1 April 2016. (The employee contribution rate remained unchanged).

A comparison of SAUL's assets and liabilities calculated using assumptions consistent with FRS102 (28) revealed SAUL to be in deficit at the last formal valuation date (31 March 2014).

The combined impact of the change to a CARE benefit structure and the increase in Employers' contributions is that, based on conditions at the valuation date, total Member and Employer contributions to SAUL are expected to exceed the total cost of providing future service benefits by approximately 3% of Salaries from 1 April 2016.

Based on conditions at 31 March 2014, and allowing for the assumption made on SAUL's asset return, the shortfall is expected to be eliminated by 31 March 2018, which is 4 years from the valuation date.

Pensions contributions charged to the statement of financial activities during the year amounted to £17,896 (2016 - £22,420).

### 21 Donated income

During the year the College received donations from the Jackson Foundation £11,300 (2016 - £11,300). The College also received donations from The Worshipful Company of Information Technologists of £11,300 (2016 - £11,300).

### 22 Related party transactions

City of London Corporation and The Mercers' Company Charitable Foundation are the College's principal funders. Both parties are able to appoint up to four Members of Council each and together up to four co-opted members, two Gresham Professors and the Provost. Details of the funding received from the City of London Corporation and The Mercers' Company Charitable Foundation are provided in notes 6 and 7 to the financial statements.

Transactions between the College and Members of Council are disclosed with note 12 to the financial statements.

The registered office of Gresham College: Barnard's Inn Hall, EC1N 2HH is owned by The Mercers' Company Charitable Foundation. The office is occupied under an operating lease, during the year rental payments totalling £35,000 were made under the terms of the lease.