



Reports and Financial  
Statements  
for the year ended 31  
March 2022

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## **MEMBERS OF THE BOARD OF GOVERNORS**

*who served during the period 1 April 2021 to 31 March 2022.*

### **Common Council Members**

Vivienne Littlechild (Chairman until 17 May 2021; resigned from Board on 21 February 2022)  
Deputy Graham Packham (Deputy Chairman until 17 May 2021, Chairman from 17 May 2021)  
George Christopher Abrahams  
Deputy Randall Anderson (Deputy Chairman from 17 May 2021)  
Munsur Ali  
The Right Hon. Emily Benn (from 16 May 2022)  
Deputy David John Bradshaw (until 22 February 2022)  
Deputy Simon Duckworth (from 17 May 2021)  
John Foley (from 16 May 2022)  
Marianne Fredericks (until 22 February 2022)  
Andrew Mayer  
Jeremy Mayhew (until 22 February 2022)  
The Rt Hon. the Lord Mayor, Alderman William Russell

### **Principal of the Institution**

Lynne Williams, as Principal of the Guildhall School of Music & Drama (until 6 September 2021)  
Jonathan Vaughan, as interim Principal of the Guildhall School of Music & Drama (from 6 September 2021)

### **Institution's Staff Members**

Steven Gietzen, elected by the Administrative Staff  
Andy Taylor, elected by the Academic Staff

### **Institution's Student Representative**

Harry Plant as President of the Students' Union

### **Co-opted Governors**

Natasha Bucknor  
Professor Geoffrey Crossick  
Professor Maria Delgado  
Amatey Doku (from 22 November 2021)  
Neil Greenwood  
Paula Haynes

### **Advisory Members**

*Chairman of the Barbican Centre Board*  
Chairman of the Culture, Heritage & Libraries Committee  
Representative of the Centre for Young Musicians

### **Officers of the Board of Governors**

Clerk to the Governors: John Barradell, OBE  
Town Clerk & Chief Executive, City of London Corporation

## STRATEGIC REPORT 2021/22

### Overview

The Guildhall School has historically prepared financial statements with a year-end date of 31 July, in keeping with the Academic Year and in common with almost all other higher education providers previously funded by HEFCE. However, following the introduction of the Office for Students as the regulator for the Higher Education sector the need for a 31 July year-end has been removed and at the February 2021 meeting of the Governing Board, the School resolved to move to a 31 March year-end, in keeping with that of The City of London Corporation, the School's ultimate controlling entity. These accounts therefore cover the year ended 31 March 2022, and the comparative figures in the Income Statement and associated tables covers the eight months ended 31 March 2021.

In academic year 2021/22, Guildhall School was the top conservatoire in the UK for Music, as ranked by the Guardian University Guide 2022. It rose to third place among all higher education institutions nationally for Music. The School was also ranked second in the Arts, Drama and Music Complete University Guide League Table 2022 – up from third last year. It was the highest-ranked university in England in the table, which compares specialist arts colleges and conservatoires by using data from the National Student Survey, Research Excellence Framework and the Higher Education Statistics Agency.

The period of these accounts saw the tail-end of blended learning delivery, in summer term 2021, with a return to full in-person teaching from September for academic year 2021/22. National Student Survey results reflected very well on the School's management of teaching through the pandemic, with graduating students in 2022 giving an 88% overall satisfaction rate for their time spent at Guildhall School, with a 90% overall satisfaction rate for teaching across the School. Overall satisfaction was at 93% for Acting students, 86% for Music and 85% for Production Arts students, with the Music and Drama departments at Guildhall receiving the highest scores across UK conservatoires and drama schools for overall satisfaction, learning community and student voice.

The School's COVID-19 Gold Group continued to manage day-to-day decision-making on pandemic-related matters during this period, with the Group Accountant sitting on this group to ensure the School's financial position was taken into account in its decision making. Towards the end of this period, the Gold Group expanded its remit to consider other business continuity matters going forward.

Student enrolment numbers held up after a bumper year of applications across the sector, with 1,084 higher education students enrolling in autumn 2021. The only notable exception was the School's double degree programme with Central Academy of Drama in Beijing, which was impacted by the reluctance of Chinese students to travel to the UK while COVID-19 was still prevalent. The School's Supported Application Scheme continued to successfully increase the intake of students from underrepresented backgrounds to undergraduate programmes, with a record 26 offers made across Acting and Music, and 14 new entrants in September 2021 - just under 10% of all UK undergraduate new entrants, and a 27.3% increase on the previous year.

The School's public-facing performances were broadcast online only for audiences in summer term, with highlights including the Gold Medal, broadcast from the Barbican Hall, a quintuple bill of opera, the Summer Jazz Festival, and three drama productions. More than a fifth (22%) of the summer season digital broadcast audience was from outside the UK, including over a quarter of viewers of the Gold Medal performances.

Additionally, in July 2021, the School jointly coordinated a new digital arts festival, DISRUPT, which took place virtually in partnership with a number of arts and cultural organisations. The festival was created in response to the global pandemic, and aimed to explore the ways in which COVID-19 intensified socio-economic inequalities, deprivation, and isolation.

The School resumed performances to in-person audiences from September, for the first time since March 2020, with highlights to the end of this accounts period including two opera productions, seven drama productions, two Total Immersion collaborations with the BBC Symphony Orchestra, three Guildhall Symphony Orchestra concerts in the Barbican Hall, and a number of major jazz performances including the Guildhall Autumn Jazz Festival.

The School's graduation ceremonies returned in person in November, where 370 students graduated (284 in attendance) and where a number of honorary fellowships, some of which were outstanding due to the pandemic period, were awarded to prestigious alumni and industry professionals. While some international auditions were still unable to proceed, principally those in Asia, the School's New York-based auditions were able to go ahead

in January, when the Music department's bi-annual showcase in Carnegie Hall concert took place despite a number of pandemic-related challenges.

In Guildhall Young Artists, the School's offer for children and young people under the age of 18, teaching was similarly blended until September then returned fully in person, with the largest cohort ever – over 1500 students – participating across the School's five centres. In addition, a new online centre was launched, offering one-to-one tuition and a course for young composers.

In terms of income-generating activity, the School's short course offer was initially restricted to a series of online evening courses in summer term. In July 2021 however, as government restrictions partly eased, we were delighted to re-open in-person courses again, running a mixture of online and in person short courses from this period, slowly returning a consistent level of commercial income to the School after a long period of disruption and welcoming a total of 879 participants across the period. Coaching & Mentoring courses ran online throughout this period, again generating valuable commercial income for the School, and Guildhall Live Events were able to resume their work on major multimedia public events, including an outdoor augmented reality installation nearby in the City of London and a major audio-visual experience in London's Royal Docks.

The School's investment in digital technology, referenced in last year's statements, continued to pay dividends, with a Studio Orchestra concert in spring 2021 using the low latency technology to undertake one of the School's largest broadcast cross-departmental performances to date. Following 2020's massive infrastructure and control room refurbishments, the Recording & AV department, who won three awards for their installation of technology during the pandemic, upgraded their space over summer 2021 to incorporate a second TV control room and a world-class audio mastering facility. We are now an IRSC Registrant, which means that for the first time, Guildhall School has the in-house capabilities to create commercial material from initial recording to release.

The School's commitment to sustainability was recognised in the 2021 People and Planet University league, where it was the highest-ranking conservatoire. Of the 154 universities assessed, the School was ranked 50<sup>th</sup>, up from 77<sup>th</sup> in 2019, and was also amongst the top 20 institutions overall for Carbon Management – a testament to the institutional resource that has been committed to this vital work.

Meanwhile, the School's commitment to equality, diversity and inclusion was strengthened by specific work at faculty level, including a series of 'Designing for Diversity' masterclasses delivered by production professionals in Production Arts; a partnership with the School of Sexuality Education to deliver a programme for Acting staff and students on consent, sexual violence and bystander intervention; and a conference convened and hosted by the School's Institute for Social Impact Research on 'Strengthening Music in Society', part of a research focus to set new progressive and inclusive directions for the classical music industry which support performance excellence and the relevance and impact of the sector's work within 21st century society.

Finally, in August 2021, Lynne Williams stepped down as Principal after five years in post and Professor Jonathan Vaughan, previously Vice Principal & Director of Music, was appointed Interim Principal. In July 2022, just beyond the period of these accounts, Professor Vaughan was formally appointed to the post after an international search and assessment process by the School's Board of Governors.

## **The Guildhall School**

Founded in 1880 by the City of London Corporation, and managed as a department of the City, the Guildhall School is eloquent testimony to its founders' commitment to education and the arts. The School was designated as a Higher Education Institution on 1 August 2006, since when it has received an annual teaching grant the Office for Students (OfS) (until 2018 - HEFCE), together with Higher Education Innovation funding for its third-stream activity and, from 2009 a Quality Research grant, following a successful first entry to the Research Assessment Exercise in 2008 and an even more successful submission to the 2014 REF. The funding council review of institution-specific funding delivered an additional four million pound per annum of additional funding from the academic year 2016/17. The School was registered with the Office for Students during 2019.

Situated in the heart of the City, the School moved to its present premises in the Barbican estate in 1977. The opening of the Barbican Arts Centre in 1982 enabled the School to forge a unique link with both a world-class arts centre and a world-class orchestra, the London Symphony Orchestra.

In addition to the support of the principal funders, Guildhall School students receive significant assistance through scholarships and bursaries administered by the Guildhall School Trust, the School's linked charity.

<b>Student Population, all full-time equivalent (fte):</b>					
	<b>2021/22</b>	<b>2020/21</b>	<b>2019/20</b>	<b>2018/19</b>	<b>2017/18</b>
TOTAL	1084.45	998.5	1077	999.8	1008.3
By division:					
	<b>2021/22</b>	<b>2020/21</b>	<b>2019/20</b>	<b>2018/19</b>	<b>2017/18</b>
Music Undergraduate	481.5	471.0	464	429	429
Music Postgraduate	384.95	293.3	351	342.8	359.3
Acting and Technical Theatre	218	234.2	262	228	220
The total also included:					
	<b>2021/22</b>	<b>2020/21</b>	<b>2019/20</b>	<b>2018/19</b>	<b>2017/18</b>
Non-HEFCE-funded programmes	0	0	0	6.5	17.5
The total does not include					
Junior Fellows	0	0	76	47	39
61 (2019/20: 54, 2018/19: 55, 2017/18: 64, 2016/17: 65) countries represented in the student body:					
<b>Domicile (Headcount of whole nominal roll population inc. Fellows)</b>	<b>2021/22</b>	<b>2020/21</b>	<b>2019/20</b>	<b>2018/19</b>	<b>2017/18</b>
Outside UK	343.5 31.7%	302.4 30.3%	356 31.9%	363 33.5%	394 (36.0%)
Outside of EU	186 17.2%	150.4 15.1%	177 15.9%	155 14.3%	172 (15.7%)
First Class Honours	N/A	45%	35%	34%	31%
Second Class Honours	N/A	52%	61%	54%	60%

NB: The data in the above table refers to the Academic Year that commenced during each reporting period and has not been adjusted to account for the revised Financial year end date in 2020/21 or 2021/22.

## Funding

The Guildhall School of Music & Drama is a department of the City of London Corporation which was its sole funder until 2006 when the School was designated as a publicly-funded Higher Education Institution and started to receive funding from HEFCE. The Office for Students (“OfS”) replaced HEFCE as funder and regulator with effect from 1 April 2018.

Despite having received designation, the School’s relationship with the City has not altered; the City still contributes significant support to the School on an annual basis and the School continues to operate within the City’s governance arrangements.

The financial accounts presented here have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education (SORP 2019) and other relevant Accounting Standards in so far as they are relevant to the School in the context above.

## Financial Results for the year

The School recorded a deficit of £1.172m for the year ended 31 March 2022 (eight months ended 31 March 2021: Deficit of £1.027m). The 2021/22 outturn was always anticipated to be challenging as the School continued its efforts to recover from the pandemic and deliver a new business model to build a sustainable

financial future for the School.

Over the last year the School has conducted a thorough review of its finances to identify efficiency savings where these can be made without damaging academic delivery standards and to identify a number of new programmes and activities to generate new income streams. The School is projecting a small surplus for the year to 31 March 2023, though it is noted that there remain several external factors that need to be resolved (including the continuation of the School's status as a world leading specialist provider and the resultant impact on funding from the Office for Students).

In July 2022, the School was delighted to receive confirmation of its Research and Knowledge Exchange funding for academic year 2022/23 following on from our strong performance in the 2021 REF exercise. With a c70% increase in mainstream QR funding and QR RDP supervision funding and a c150% increase in specialist provider element funding the key task at hand for the coming months will be to ensure that the School is well placed to use this additional funding to its best advantage, ensuring that research at the School continues to thrive and that the School is well placed to play a leading role in research practice for music & the performing arts over the next REF cycle.

### **Conclusion**

The Guildhall School continues to offer world-leading professional training in music, drama and production arts and works in dynamic partnership with some of the world's most outstanding individual artists, companies and ensembles. The School fosters research, innovation and entrepreneurship among both staff and students and increasingly looks to embed distinctive research programmes which examine the social impact of the arts and the role of artists in 21<sup>st</sup> century society.

Alongside the highest professional standards of performance and technical excellence, our students learn to work together in ensembles and companies, learn how to create new work and engage with new audiences, and how to be ambassadors for their art and advocates for culture more generally.

At the same time, our staff have committed strongly to professional development and we now have over 80 fellows of the Higher Education Academy, have won national teaching fellowships and validation by the HEA of our professional development and PGCert programmes.

Despite a successful year, the uncertainties within the higher education landscape and the more general political uncertainties in Britain and Europe have been unsettling. As with other higher education institutions across the UK, the School faces a growing number of risks and challenges which make it essential to adopt a robust business plan for the future, incorporating accelerated growth in both philanthropic fundraising and earned income, a regenerated Higher Education offer including new courses and refreshed curricula and step-change in ambition for Widening Participation, Diversity and Inclusion. We are confident that the new five-year business plan has begun to address these challenges but delays in national decision-making are making planning for the School's future difficult.

My thanks to our Board of Governors, staff and all our students who work so hard to ensure the ongoing success of the Guildhall School and to the wider Guildhall School community who support the institution in so many ways.

**Jonathan Vaughan**  
**Principal**  
**August 2022**

## **STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL**

The Guildhall School of Music & Drama (Guildhall School) is owned and governed by the City of London Corporation (City Corporation), the legal status of which is that of a municipal Corporation by Prescription.

The Guildhall School was designated as a publicly-funded Higher Education (HE) Institution for the first time on 1 August 2006. It is unusual in the HE sector in that it is essentially a department of a much larger corporate body and has no legal personality of its own. Arrangements for the distribution of funding to the Guildhall School by the Office for Students (OfS) take account of these circumstances to ensure that public funds are used for the purpose intended at all times.

Before designation, the Guildhall School operated exclusively under the standing orders and regulations of the City Corporation. As a result of designation it has adjusted its governance arrangements to enable it to comply with the responsibilities and reporting requirements placed on it as a publicly-funded body, whilst also maintaining its compliance with those of its owner.

### **City of London Corporation**

The City Corporation provides local government services for the 'Square Mile', but its responsibilities extend to many other facilities for the benefit of the nation. These include open spaces such as Epping Forest and Hampstead Heath, Smithfield and Billingsgate Markets, maintenance of five Thames bridges, and grants for charitable purposes across Greater London. These services are funded from the City Corporation's own resources at no cost to the public.

The City Corporation has been in existence since before 1189 and operates through its Lord Mayor, Aldermen and other members of the Court of Common Council elected by the residents and businesses of the City's 25 wards. Like the Lord Mayor and Aldermen, the Members of the Court of Common Council carry out their work unpaid.

The Court of Common Council is the City of London's primary decision-making assembly. It works through committees, but it is unique in that, as a body, it is non-party political. Its main business focuses on the reports of committees and members' questions and motions.

### **Board of Governors**

One of those committees is the Board of Governors of the Guildhall School of Music & Drama. Although part of the City Corporation's overall committee structure, it acts as the Guildhall School's governing body and discharges its duties accordingly. Assurances have been made by the City Corporation that it recognises the need for the Guildhall School's Board of Governors to enjoy operational autonomy and will not without good cause challenge any decision of the Board of Governors that has been properly arrived at, is within its terms of reference and is in accordance with a business plan approved by the City Corporation.

The Board is compliant with the Committee of University Chairs (CUC) Code of Governance in all practical respects, except where our status as a department of the City of London with no independent legal status makes full compliance impractical to deliver. The Board last reviewed its statement of compliance, and the reasons for divergence, in November 2021. Specifically, as a department of the city of London, the Board does not necessarily have the final decision on all matters of fundamental concern, though the City has formally recognised, in a letter to the OfS dated February 2019, the need for the Board of Governors to enjoy operational autonomy and will not without good cause challenge and decision of the Board of Governors. Our status as a department of the City of London also means that members of the Governing Board are neither Trustees or Directors of the School. Finally, some central services, such as HR, procurement, finance and estates are delivered by the City of London, meaning that the Principal does not enjoy complete management freedom and institutional autonomy over these functions, though the Heads of those function work closely with the Principal to ensure that the School's needs are being met at all times.

The Board of Governors includes independent governors who are not members of the Court of Common Council, and who bring expertise to the Board from the arts and education sectors. The Board consists of:

- 8 Members elected by the Court of Common Council for a term of three years (renewable twice) at least one of whom shall have fewer than five years' service on the Court at the time of their appointment



- the Principal of the Guildhall School of Music & Drama
- one member of the Guildhall School academic staff to be elected by the Academic staff for a term of three years (renewable twice)
- one member of the Guildhall School administrative staff to be elected by such staff for a term of three years (renewable twice)
- one Guildhall student representative who shall normally be the President of the Students' Union
- up to six co-opted non-City of London Corporation Governors with appropriate expertise for a term of three years (renewable twice)

None of the appointed Governors shall serve on the Board for more than a maximum of nine years.

The Chairman and Deputy Chairman of the Board shall be elected from the City Corporation Members. The Board shall also be permitted to appoint a second Deputy Chairman from amongst its external (co-opted) Members, who shall also be the Senior Independent Governor for compliance with the Committee of University Chairs' (CUC) Higher Education Code of Governance.

The Chair of the Barbican Centre Board, the Chair of the Culture, Heritage & Libraries Committee, the Chair of the Guildhall Trust and one representative of the Centre for Young Musicians shall be permitted to attend the Board in a non-voting, advisory capacity.

Appointment to the Board of Governors is confirmed each April by resolution of the Court of Common Council. The full list of Governors who served on the Board during the year to 31 March 2022 and up to the date of signing these accounts is given at the beginning of this document.

The Board of Governors normally meets four or five times per year and is now advised by six committees, each of which operates according to Terms of Reference approved by the Board, and whose membership must be approved by the Board on an annual basis. All of the committees report directly to the Governing Board and membership of the committees is predominantly derived from Board members, though committees can appoint external co-opted members where specific expertise is required to ensure the effective operation of the committees.

The Audit & Risk Management Committee meets at least three times per year and advises the Board on the effectiveness of arrangements for risk management, control and governance, economy, efficiency and effectiveness (including arrangements that support the culture and behaviour that is prevalent within the institution, and that ensure the effective management of conflict of interest), for management and quality assurance of data submitted to the Higher Education Statistics Agency, the Student Loans Company, OfS and other bodies, and gives assurance that arrangements are in place to ensure the financial, social and environmental sustainability of the institution. The committee also considers all reports from the internal and external auditors, and has the right to discuss with them any and all concerns raised by them with or without Officers present.

The Nominations Committee seeks out and makes recommendations to the Board on the appointment of new non-City Corporation governors with a particular brief to ensure transparency in the process. It meets as required when vacancies occur.

The Remuneration Committee meets as required to review and make recommendations on the salaries and terms and conditions of the Principal and such other members of staff as the Board deems appropriate.

The Governance and Effectiveness Committee normally carries out full reviews to consider improvements to the effectiveness of the Board of Governors every three years. When a full review is being undertaken the Committee determines the frequency of its meetings. In those years when a full review is not being undertaken, the Committee meets two to three times a year to consider progress of implementation of the Committee's recommendations and ensure due implementation of the Committee of University Chairs (CUC) Code of Governance.

The Finance and Resources Committee was set up in 2009 as a result of an Effectiveness Committee review on the Board of Governors. The Committee is chaired by the Chairman of the Board, and meets to review any matters that may affect the finances of the Guildhall School, reporting to the Main Board. The Committee meets at least 3 times a year to discuss, advise on and examine finance and resource issues.

The Reference Sub Committee meets as required to address any issues that may arise outside the cycle of the Board, and are moderately urgent, but the Chairman and Deputy Chairman feel that the matter is sufficiently great that other Members' views should be sought before a decision is made, thus ruling out urgency procedures. The Reference Sub Committee can meet in conjunction with the Reference Sub Committee of the Barbican Centre Board to discuss matters referred to the joint meeting by the respective Boards of Barbican Centre and Guildhall School of Music and Drama with powers to act as prescribed by the two Boards.

Through the work undertaken directly by the Board, and on its behalf by its sub-committees, the Board is satisfied that it has taken reasonable steps to:

- Ensure that funds from the Office for Students and Research England are used only for the purposes for which they are intended,
- Ensure that there are appropriate procedures and controls in place to safeguard public funds and funds from other sources,
- Prevent fraud and corruption,
- Ensure the efficient and effective management of the Schools assets and resources

### **Statement of primary responsibilities**

The School operates according to an Instrument and Articles of Government revised and approved in 2015 by the Privy Council following granting of degree-awarding powers.

Except where otherwise noted in this statement, and consistent with an undertaking given by the Court of Common Council in December 2005, the Board of Governors also complies, as far as is consistent with its unique constitutional status, with the Higher Education Code of Governance published by the Committee of University Chairs in September 2020.

In common with all the committees of the City Corporation, the Board also operates to Terms of Reference, which are approved by the Court of Common Council each April and are incorporated into the Instrument and Articles. These act as the Board's Statement of primary responsibilities and are given below.

To be responsible for:

- the approval of a strategic plan and the determination of the educational character and the mission/aims of the Guildhall School and oversight of its activities;
- the effective and efficient use of resources;
- the approval of an annual business plan;
- the approval of annual estimates of income and expenditure;
- the approval of the annual audited financial statements of the Guildhall School of Music & Drama;
- the appointment of the Principal of the Guildhall School and, where appropriate, the deputy;
- the management of the School's land and buildings belonging to the City Corporation (with the exception of those that are in the province of another City Corporation committee) subject always to compliance with the Code of Practice for Disposal of Property;
- writing off debts in accordance with such terms and conditions as are from time to time established by the Court of Common Council;
- authorising the institution of any criminal or civil proceedings arising out of the exercise of its functions;

each of the above to be subject to the City Corporation's Standing Orders, Financial Regulations, and such other terms and conditions as the City Corporation may determine, other than where varied otherwise.

Following granting of degree-awarding powers in 2014, and as provided for in the Instrument and Articles (paras 7 and 8), the School Board of Governors has established an Academic Board, responsible under delegated authority from the Board for the regulation of the academic work of the School in teaching, examination and research and to advise the Board on academic matters affecting the School. In common with the practice in all other HEIs, the Board is required to consult the Academic Board on any matter coming before the Board of Governors which has academic implications and which has not previously been considered by the Academic Board.

Following designation as an HEI in 2006, financial accounts were prepared for each academic year ending 31 July in accordance with the current Higher Education SORP, notwithstanding the omission of a Balance sheet and Cash flow Statement in line with the School's agreement with the Office for Students in keeping with the School's status as a department of the City of London Corporation. This is in addition to the accounts required for the City's financial year end of 31 March. As noted in the overview on page 2, the School has now opted to prepare financial statements for submission to the Office for Students with a year-end of 31 March each year.

### **Executive management**

The Principal is the chief officer of the Guildhall School, with responsibility to the Board of Governors for its organisation, academic and artistic direction and day-to-day management. He is supported in his work by a Senior Leadership Team which meets fortnightly and consists of the four Vice-Principals (Directors of Music, Drama, Production Arts and Innovation & Engagement), the Head of Finance, the Deputy Director of Advancement and such other senior managers as are required by the business in hand. The Senior Leadership Team also meets as required with members of the Board who act in an advisory capacity.

The Principal is also a chief officer of the City Corporation, responsible to the Town Clerk who is its chief executive. The City Corporation's standing orders and financial regulations govern the extent to which powers are delegated to chief officers, and when decisions must be taken by committee.

Under Ongoing Conditions of Registration between the Guildhall School and the OfS, the Principal is the Accountable Officer and in that capacity can be summoned to appear before the Public Accounts Committee.

### **Prevention and detection of fraud, and conflicts of interest**

The City Corporation expects all people and organisations associated with it to be honest and fair in their dealings with the City Corporation and its clients and customers. The City Corporation expects members and officers to lead by example in this respect, observing the seven Principles of Public Life promoted by the Nolan Committee.

The Guildhall School adheres and is subject to the Anti-Fraud and Corruption Strategy of the City Corporation. Employees must report any suspected cases of fraud and corruption to the appropriate manager, or if necessary, direct to the Chief Internal Auditor of the City Corporation.

Governors are required to operate within the requirements of the Standing Orders of the Court of Common Council and the City Corporation's Code of Conduct for Members. These include the requirement to declare at meetings and to register with the Monitoring Officer potential areas of conflict between their City Corporation duties and responsibilities and other areas of their personal and professional lives. As a result of designation, this register has been extended to include the senior management team of the Guildhall School most closely involved in servicing the Board of Governors.

### **Statement on Internal Control**

As part of the City Corporation, the Guildhall School operates within an overall environment that has the identification and management of risk firmly embedded in all its systems and procedures. Central to this approach is the City Corporation's Internal Audit service, which undertakes regular reviews of a wide range of activity throughout the organisation. The annual audit plan for each department of the City Corporation is developed using a risk-based approach, taking account of the key areas of risk identified for the City Corporation as a whole and of specific areas of risk highlighted by the Chief Officers of each City Corporation department. The internal audit plan aims to cover all significant areas of risk at least once during each five year cycle. Any major risks are reviewed more frequently.

It is the Head of Audit and Risk Management's opinion that, based on the audit work undertaken during the year to 31 March, the School's systems of risk management, control and governance, and economy, effectiveness and efficiency are generally robust and can be reasonably relied upon to ensure that objectives are achieved.

The finance functions of the School and its neighbour, the Barbican Centre, were merged in February 2007. This has provided the School with a much strengthened ability to manage its finances, improving overall control. In 2011 a restructure of the wider finance function in the City Corporation has meant that the School and Barbican Centre finance functions now report directly into the Chamberlain's office. As a result there are much closer working relations between the different finance teams of the City Corporation.

The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, a system of delegation and accountability, and independent scrutiny. In particular the system includes:

- comprehensive budget setting and monitoring systems;
- regular reviews of periodic financial reports which indicate financial performance against budgets and forecasts;
- access by all finance staff and appropriate departmental staff to systems providing a suite of enquires and reports to facilitate effective financial management on an ongoing basis;
- clearly defined capital expenditure guidelines;
- formal project management disciplines;
- an in-house internal audit service; and
- scrutiny by Governors, OfS, other inspectorates, external audit and other stakeholders.

As a result of designation, the Guildhall School has adopted its own risk management policy to complement that of the City Corporation, and has developed its own comprehensive risk register which is monitored on a regular basis. The risk management policy was first approved by the Board of Governors in April 2009 and makes clear that overall responsibility for the control and management of risk rests with the Board. Updates to the policy are considered by the Board at regular intervals with the most recent update to the protocols having been agreed by the Board at its meeting on 22 November 2021. Detailed monitoring and evaluation of risk is delegated to the Audit & Risk Management Committee, which must consider the Guildhall School's risk register at each of its meetings. Risk is also a standing item on the agenda for all staff committees at the School to ensure that risks and mitigating actions are flagged at the earliest opportunity and added to the register where appropriate.

The risk register was developed at individual department level within the School, with the information then consolidated into a School-wide register by the Executive Directorate team, and each risk evaluated according to its probability and impact. The register is reviewed and updated by the Executive Directorate team prior to consideration by the Audit & Risk Management Committee at each of its meetings. A crucial part of this process is an evaluation of the effectiveness of management action to mitigate each risk, and risk owners have been identified in order to facilitate this.

The following key risks have been identified by the Senior Management Team:

- Inability to invest in infrastructure and teaching spaces;
- Inability to deliver a balanced and sustainable model over the School's business cycle; and
- Inability to adequately address Equity & Inclusion

In reviewing the register, consideration is given at all times to the School's *Business Recovery Plan 2021-2025* and to the risks associated with its delivery. Similarly, risk is considered whenever strategic documents and policies are being developed, and appropriate commentary and management action is included. The Guildhall School's risk register is referred to by the City Corporation's Internal Audit section when updating its five-year rolling audit plan for the School, to ensure that all the key risks in the School's risk register are reviewed as part of the cycle.

The Board has relied on the opinions contained in the annual report received by it from the Audit & Risk Management Committee, which in turn is informed by the annual report and opinion of the City Corporation's Internal Audit section and the external auditors' management letter. Any system of internal control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss. The Board acknowledges that it is responsible for ensuring that a sound system of control is maintained, and that it has reviewed the effectiveness of this process.

A handwritten signature in black ink that reads "G. Packham".

**Graham Packham**  
Chairman

Date:

A handwritten signature in blue ink that reads "Jonathan Vaughan".

**Jonathan Vaughan**  
Principal

Date:

## **Independent Auditor’s report to the Board of Governors of the Guildhall School of Music and Drama**

### **Opinion**

We have audited the Statement of Comprehensive Income of the Guildhall School of Music and Drama (the School) for the year ended 31 March 2022, and notes to the financial statement, including a summary of significant accounting policies (together “the financial statement”).

In our opinion the financial statement:

- presents fairly, in all material respects, the state of the School’s affairs income and expenditure, for the year ended 31 March 2022;
- has been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (including FRS 102) relevant to preparing such a statement; and
- has been prepared in accordance with the requirements as agreed with the Office for Students (OfS) of the *Statement of Recommended Practice – Accounting for Further and Higher Education* and the OfS Accounts Direction (issued October 2019) (“the OfS Accounts Direction”);

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”), including ISA (UK) 800 and ISA (UK) 805. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statement* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statement in the United Kingdom, 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.

### **Emphasis of Matter – Basis of Accounting**

We draw attention to Note 1a to the financial statement, which describes the basis of accounting. The financial statement is prepared to assist the School to meet the requirements of Office of Students. As a result, the financial statement may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### **Opinion on other matters prescribed by the OfS accounts direction**

In our opinion:

- in all material respects, income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the Guildhall School of Music and Drama have been properly applied for the purposes for which they were received.

### **Matters on which we are required to report by exception**

We have nothing to report on the following matters where the OfS Accounts Direction requires us to report to you where:

- The School’s grant and fee income, as disclosed in note 2 and 3 to the accounts, has been materially misstated.
- The School’s expenditure on access and participation activities for the financial year has been materially misstated.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statement**

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the financial reporting provisions and for such internal control as management determines is necessary to enable the preparation of financial statement that is free from material misstatement, whether due to fraud or error. In preparing the financial statement, management, with reference to the ongoing support provided by the City of London Corporation, is responsible for assessing the School’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the School or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the School’s financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statement**

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 this financial statement.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statement 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.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statement from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the School operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statement. The laws and regulations we considered in this context were safeguarding regulations, health and safety requirements, GDPR. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statement but compliance with which might be fundamental to the school's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the School for fraud. The laws and regulations we considered in this context for the UK operations were health and safety legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statement from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing audit procedures over the timing of income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statement, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statement, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**Use of this report**

This report, including the opinion, has been prepared for and only for the Members of the City of London Corporation and the Governors of Guildhall School of Music and Drama to meet the accountability requirements of the OfS. Our audit work has been undertaken solely so that we might state to the Governors those matters that we have agreed to state to them in our report in order to assist the Governors to meet their obligation under those requirements to procure such a report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Governors for our audit work, for this report or for the opinions we have formed.

Crowe U.K. LLP

Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor  
London

Date: 1 September 2022



**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	Year Ended 31 March 2022 £000	Eight months Ended 31 March 2021 £000
<b>Income</b>			
Funding Body Grants	2	6,095	4,007
Tuition fees and education contracts	3	15,607	10,166
Research grants and contracts	4	680	264
Other Income	5	14,070	10,021
<b>Total Income</b>		<b>36,452</b>	<b>24,458</b>
<b>Expenditure</b>			
Staff Costs	8	23,223	16,006
Other operating expenses	11	14,401	9,479
<b>Total Expenditure</b>		<b>37,624</b>	<b>25,485</b>
<b>Deficit on continuing operations</b>		<b>(1,172)</b>	<b>(1,027)</b>
Deficit for the year met by the City of London Corporation from its City's Cash Fund		1,172	1,027
<b>Result for the year</b>		<b>-</b>	<b>-</b>



.....  
**Graham Packham**  
 Chairman

Date: 30/08/22



.....  
**Jonathan Vaughan**  
 Principal

Date: 30/08/22

## NOTES TO THE ACCOUNTS

### 1. Principal Accounting Policies

The Guildhall School is owned, funded and managed by the City of London Corporation and forms part of the services funded from City's Cash. This is a private fund that is not governed by statute or regulations. The School is a Public Benefit Entity. The following accounting policies have been applied.

#### a) Basis of Preparation

The School is not itself a legal entity and as such does not produce its own statutory accounts. For this reason, and as agreed with the Office for Students, the statements exclude a balance sheet, cash flow statement and other disclosures usually contained in the financial statements of OfS registered organisations.

The statement has been prepared under the historic cost convention in accordance with United Kingdom Generally Accepted Accounting Practice (including FRS 102). The School's Statement of Comprehensive Income has been prepared following the general format of the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 and the OfS Accounts Direction (2019).

#### b) Recognition of Income and Expenditure

All income and expenditure is recognised in the accounts on an accruals basis. Income is included gross without deduction of expenses.

Income from tuition fees is recognised in the academic year to which it relates and includes all fees chargeable to students or their sponsors. The costs of any fees waived by the School are included as expenditure in Note 11 within Scholarships, Bursaries and Prizes.

Income from grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned or when conditions attached to their receipt has been met.

Grants (including research grants) from non-Government sources are recognised in income when the School is entitled to the income and performance related conditions are met. Income received in advance of performance related conditions being met is held as deferred income and released to income as the conditions are met.

Income from UK charities is restricted and recognised when the grant conditions, including incurring expenditure, have been met.

Income receivable from the Office for Students is recognised in the Academic Year to which it relates

#### c) Foreign Currencies

Transaction of foreign currencies is recorded using the rate of exchange ruling at the date of the transaction. Where there is a need to do so, foreign exchange transactions are restated at the accounting date.

#### d) Balance Sheet

As the Guildhall School of Music & Drama is owned, funded and managed by the City of London Corporation, assets and liabilities relating to the School are consolidated into the City of London Corporation's City's Cash balance sheet. No Balance sheet is presented for the School.

#### e) Pension schemes

The City of London Corporation's Pension Scheme is a funded defined benefits scheme. City of London Corporation staff are eligible for membership of the pension scheme. Details of the pension scheme are disclosed in Note 12 in accordance with FRS 102.

#### f) Capital Expenditure

The School operates a rolling programme of planned capital expenditure covering substantial works to the School's premises and acquisition of major items of equipment. The cost of these approved capital projects is met directly by the City Corporation's City's Cash and is not accounted for within the financial statements of the School. The cost of smaller items of equipment, and any associated grant income, is recognised in the income and expenditure account in the year it is incurred.

**g) Maintenance of premises**

The cost of routine corrective maintenance is charged to the income and expenditure account in the period that it is incurred.

**h) Taxation**

As the Guildhall School is part of the City of London Corporation, and not a separate legal entity, it shares the same tax status as the City Corporation which is exempt from Income and Corporation Tax.

2. Funding Body Grants	Year Ended 31 March 2022	Eight Months Ended 31 March 2021
	£000	£000
Basic Teaching Grant	4,799	3,066
Higher Education Innovation Fund – Round 4	607	430
Teaching & Research Capital Investment Funds	50	137
Enhancing Research Culture	36	-
Policy Support Fund	50	-
Quality Research Grant	553	374
<b>Total</b>	<b>6,095</b>	<b>4,007</b>

  

3. Tuition fees and education contracts	Year Ended 31 March 2022	Eight Months Ended 31 March 2021
	£000	£000
UK Students – Tuition fees	6,649	4,443
EU Students – Tuition fees	1,553	970
Overseas Students – Tuition fees	3,484	2,041
Summer Schools – Tuition fees	-	41
Part-time non award bearing courses – Tuition fees	539	230
Junior School – Tuition fees	1,520	824
Centre for Young Musicians – Tuition fees	1,584	1,347
Examination fees	6	-
Audition fees	272	270
<b>Total</b>	<b>15,607</b>	<b>10,166</b>

  

4. Research grants and contracts	Year Ended 31 March 2022	Eight Months Ended 31 March 2021
	£000	£000
UK based charities	96	17
Other grants and contracts	584	247
<b>Total</b>	<b>680</b>	<b>264</b>

5. <b>Other Income</b>	<b>Year Ended 31 March 2022</b>	<b>Eight Months Ended 31 March 2021</b>
	<b>£000</b>	<b>£000</b>
Residencies, catering and conferences	1,601	798
Other income generating activities	488	117
Other income	980	741
City of London Corporation support:		
An annual cash limited contribution towards net operating costs	8,721	7,550
Reimbursement of administrative and central service costs attributed to the School as shown in note 11	1,602	815
Funding of major repairs and maintenance projects	678	-
<b>Total</b>	<b>14,070</b>	<b>10,021</b>

6. <b>Grants &amp; Fee Income</b>	<b>Year Ended 31 March 2022</b>	<b>Eight Months Ended 31 March 2021</b>
	<b>£000</b>	<b>£000</b>
Grant Income from the Office for Students	5,506	3,633
Grant Income from other bodies	1,269	638
Fee income for taught awards	11,348	7,191
Fee income for research awards	338	264
Fee income for non-qualifying courses	3,921	2,712
<b>Total Grants &amp; fee income</b>	<b>22,382</b>	<b>14,438</b>

7. <b>Staff Numbers</b>	<b>Year Ended 31 March 2022</b>	<b>Eight Months Ended 31 March 2021</b>
	<b>FTE</b>	<b>FTE</b>
Teaching departments	193	203
Teaching support services	1	1
Administration and central services	126	128
<b>Total</b>	<b>320</b>	<b>332</b>

The average number of persons (including Senior postholders) employed by the Guildhall School of Music & Drama during the period expressed as full time equivalents was:

8. <b>Employee Benefits</b>	<b>Year Ended 31 March 2022</b>	<b>Eight Months Ended 31 March 2021</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	18,243	12,563
Social Security costs	1,644	1,141
Pension contributions	3,336	2,302
<b>Total – Staff costs</b>	<b>23,223</b>	<b>16,006</b>

*Included within the above totals is the sum of £109k (2021: £Nil) paid to 7 (2021: None) employees in respect of compensation for redundancy or loss of office.*

9. **Senior Employee Benefits**

The Principal's emoluments included in note 8 are made up as follows:

	<b>Year Ended 31 March 2022 (LW)</b>	<b>Year Ended 31 March 2022 (JV)</b>	<b>Eight Months Ended 31 March 2021 (LW)</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Salaries	93	110	128
Other Pension contributions	17	23	27
<b>Total</b>	<b>110</b>	<b>133</b>	<b>155</b>

- i) The head of the provider's basic salary is 4.1 times the median pay of staff (2020/21: 4.4 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.
- ii) The head of the provider's total remuneration is 3.6 times the median total remuneration of staff (2020/21: 4.3 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration paid by the provider to its staff.
- iii) NB: Professor Lynne Williams served as Head of Provider until her retirement 31 August 2021. Professor Jonathan Vaughan became Acting Head of Provider on the same date. For the purposes of the pay multiple in this note the annualised salary of the Acting Head has been used.
- iv) Remuneration for senior staff, including the Principal, is determined by the City of London Corporation with input from the Remuneration & Nomination Sub Committee of the Governing Board. Being a small specialist institution and based in the City of London, there are some posts which are difficult to recruit. Accordingly there is often the need to use market forces supplements to attract, recruit and retain highly sought after skills. The School is satisfied that the remuneration package for the Principal is appropriate and is consistent with those provided by comparable providers. Any request for a market forces supplement must be supported by independent market data and is considered by a panel of senior officers and the Establishment Committee of the City of London where appropriate. The Establishment Committee is responsible for personnel and establishment matters throughout the City of London, including negotiations with the recognised trade unions and is not within the Guildhall School's governance structure. The data that supports remuneration recommendations is drawn from a variety of sources including:

- (1) Higher Education Statistics Agency data
- (2) Times Higher Education salary data
- (3) Reports and reviews from external experts commissioned by Human Resources
- (4) Internal analysis of salary distributions, performance and contribution to the strategy of the Guildhall School

10. **Total employee benefits in excess of £100,000**

The number of staff including the Principal whose total employee benefits (including taxable benefits but excluding employer's pension contribution) in excess of £100,000 in the following ranges was:

	<b>Year Ended 31 March 2022</b>	<b>Eight Months Ended 31 March 2021</b>
No. of staff paid between £190,000 and £194,999	-	1
No. of staff paid between £165,000 and £169,999	1	-
No. of staff paid between £150,000 and £154,999	-	1
No. of staff paid between £135,000 and £139,999	1	1
No. of staff paid between £120,000 and £124,999	1	1
No. of staff paid between £105,000 and £109,999	1	-
No. of staff paid between £100,000 and £104,999	1	1
<b>Total</b>	<b>5</b>	<b>5</b>

Note: The staff numbers in the above table for the eight months ended 31 March 2021 reflect the annualised employee benefits for the staff members in question for the purpose of allowing comparisons to be made against the prior reporting period.

**Key management personnel**

Key personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Guildhall School. The School consider the key management personnel to be the Principal and the Vice Principals of the School. There was no compensation for loss of office paid to key personnel during the year and there were no salary sacrifice arrangements in place for any key personnel during the year. The total remuneration, including employer pension contributions paid to the 6 (2020/21: 7) key management personnel was £814,491 (2020/21: £852,292).

11. Other Operating Expenses	Year Ended 31 March 2022	Eight Months Ended 31 March 2021
	£000	£000
Administration & Central Services	1,064	803
Administration & Central Services met by the City of London Corporation <sup>1</sup>	1,592	805
Amount paid to Accountants:		
- Assurance Review <sup>2</sup>	10	10
Bank charges & Legal Fees	38	117
Catering	77	70
Contracted-out Lecturing Services	1,938	1,271
Equipment	792	832
Information Technology	548	231
Non teaching – fees	1,419	785
Premises	4,528	3,124
Publicity	129	65
Scholarships, Bursaries & Prizes	1,867	1,070
Student support (Library, Student Placement expenses and Student Union subsidy)	128	169
Subscriptions	185	91
Training & development	86	26
<b>Total</b>	<b>14,401</b>	<b>9,479</b>

**12. Pensions**

The Guildhall School of Music & Drama is owned by the City of London Corporation and the employees of the School are also employees of the City of London Corporation. As such they are eligible for membership of the City of London Corporation Pension Scheme (the “Scheme”).

The Scheme is operated under the regulatory framework for the Local Government Pension Scheme with policy determined in accordance with the Pension Fund Regulations. It is a funded defined benefit scheme, meaning that the employers and employees pay contributions into a fund calculated at a level intended to balance the pension liabilities with investment assets. Prior to 1 April 2014, LGPS pension benefits were based on final pensionable pay and length of pensionable service. From 1 April 2014, the scheme became a career average scheme.

The City Corporation administers the Scheme on behalf of its participating employers. The City Corporation’s Establishment Committee is responsible for personnel and administration matters, whilst its Financial Investment Board is responsible for appointing fund managers and monitoring performance. The principal risks to the authority of the scheme are the mortality rate assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme.

The Guildhall School does not have an exclusive relationship with the Scheme, neither is the portion of the Scheme that relates to City of London employee members engaged on Guildhall School activities separately identifiable. Consequently, in accordance with FRS 102, the pension arrangements are treated as a defined contribution scheme in the Guildhall School accounts. This

<sup>1</sup> City of London Corporation central department costs attributed to the School relating to financial, legal, secretarial, human resources and building services together with various insurances.

<sup>2</sup> The cost of the assurance review is also met by the City of London Corporation.



means that the FRS 102 surplus or deficit on the Scheme is not included in the Guildhall School accounts.

The annual actuarial valuation of the defined benefit scheme was updated to 31 March 2020 by an independent qualified actuary in accordance with IAS19. As required by IAS19, the defined benefit liabilities have been measured using the projected unit method. The valuation has been completed under IFRS, in line with the City Fund requirements, rather than under FRS102, with the differences considered not to be materially incorrect.

As an employer the City of London Corporation's share of the deficit on the Pension Fund at 31 March 2022 (calculated in accordance with IAS19) is £832.7 million (31 March 2021: £919.7 million).

**13. Debtors**

As stated previously, the School's assets and liabilities are consolidated into the City of London Corporation's City's Cash balance sheet. The total outstanding Tuition Fees and Bursaries for the Guildhall School of Music & Drama as at 31 March 2022 were £99,269 (31 March 2021: £233,810).

**14. Access & Participation**

	Year Ended 31 March 2022	Eight months Ended 31 March 2021
	£000	£000
Access investment	374	258
Financial support for students	79	30
Support for disabled students	16	18
Research & Evaluation	48	7
<b>Total</b>	<b>517</b>	<b>313</b>

Included in the above amounts is £166k (2021: £116k) relating to staff costs that have also been reported within Note 7 to these accounts. A copy of the Schools current Access & Participation Plan can be found at <https://www.gsmd.ac.uk/about-guildhall/corporate-documents/policies>

**15. Capital Expenditure**

Capital expenditure totalling £1.529million (2020/21: £337,000) was incurred during the period. This mainly related to works improving lighting, heating, ventilation and air conditioning across the estate to support the School's efforts to reduce carbon emissions. (2020/21: this mainly related to the ongoing renewal of fire alarm systems and upgrades to engineering controls). The totals include amounts funded by the City of London Corporation.

**16. Related Party Transactions**

Elected Members of the City of London Corporation are represented on the Board of Governors of the Guildhall School of Music & Drama. A full list of Governors who served on the Board during the eight months from 1 April 2021 to 31 March 2022 and up to the date of signing these accounts is given at the beginning of this document. The City of London Corporation provides administration and central services to the School. The costs incurred by the City of London Corporation in providing these services are charged to the School.

Members of the Board of Governors responsible for managing the School are required to comply with the Relevant Authority (model code of conduct) Order 2001 issued under the Local Government Act 2000 and the City of London Corporation's guidelines which require that:

- Members sign a declaration agreeing to abide by the City of London Corporation's code of conduct;

- A register of interest is maintained;
  - Personal, prejudicial, pecuniary and non-pecuniary interests are declared during meetings;
- and
- Members do not participate in decisions where they have an interest.

There are corresponding arrangements for staff to recognise interests and avoid possible conflicts of those interests. In this way, as a matter of policy and procedure, the School ensures that Members and Officers do not exercise control over decisions in which they have an interest.

There are no material transactions with organisations related by virtue of Members and officers interests which require separate reporting. Transactions are undertaken by the School on a normal commercial basis.

The Guildhall School Trust, a registered charity independent of the School, exists solely to support the School's students. A number of members of the School Board are also trustees of the Guildhall School Trust. During the academic year 2021/22 the School received £1,600,000 (2020/21: £1,740,000) from the Trust for scholarships for tuition fees and bursaries for maintenance.