

ALDGATE AND ALLHALLOWS BARKING  
EXHIBITION FOUNDATION  
GOVERNORS' REPORT AND AUDITED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2005

Contents

	Pages
Information	2 - 3
Governors' Report	4 - 7
Independent Auditors' Report	8
Balance Sheet	9
Statement of Financial Activities	10
Notes to the Accounts	11 - 14

ALDGATE & ALLHALLOWS BARKING EXHIBITION FOUNDATION

GOVERNORS' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2005

REGISTERED ADDRESS: 31 Jewry Street,  
Aldgate,  
LONDON EC3N 2EY

CHARITY REG. NO: 312500

REGULATED BY: A scheme dated 8th February 1971 made by the Secretary of State for Education and Science under Section 18 of the Charities Act 1960.

PRINCIPAL OBJECTIVE: The promotion of education of young persons under 25 who or whose parents or guardians reside and have resided, or are and have been employed in the City of London or in the London Borough of Tower Hamlets for at least three years, and who, in the opinion of the Governors, are in need of financial assistance.

GOVERNORS:

D. B. MASH	Chairman
REVD. DR. B. J. LEE CC	Deputy Chairman
MRS L.J.BARLOW	(appointed February 2005)
R.J.BRISCOE	
G.B.FORBES	(appointed February 2005)
J.M.HALL	
W.J.HAMILTON-HINDS	(appointed February 2005)
PROF.D.HOPKIN	(resigned February 2006)
R. HAZLEWOOD	
MRS D. JONES	
MRS M. W. F. KELLETT CC	
REVD. B. OLIVIER	(appointed September 2005)
D. J. ROSS	
CLLR. M. A. SALIQUE	(resigned October 2005)
H.W.WHITBREAD	(appointed February 2005)

Revd. Olivier, Revd. Dr. Lee and Mr Mash are ex-officio governors respectively of All Hallows by-The-Tower, St. Botolph's Aldgate and The Merchant Taylors' School. Messrs Hamilton-Hinds, Ross and Whitbread are appointed by the Brewers Company. Mrs Kellett is appointed by the City of London Corporation. Cllr. Salique is appointed by the London Borough of Tower Hamlets. Mr Forbes is appointed by the Central Foundation Schools of London. All other governors are co-optative governors.

ALDGATE & ALLHALLOWS BARKING EXHIBITION FOUNDATION

GOVERNORS' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2005

STATEMENT OF GOVERNORS' RESPONSIBILITIES

Law applicable to charities in England and Wales requires the Governors to prepare financial statements for each financial year, which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the charity's assets and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

OFFICERS:

C. C. WRIGHT, Clerk to the Governors  
R.M.FOLEY, Grants Manager  
G.D.W.COLEMAN, Accountant

AUDITORS:

MYERS CLARK Chartered Accountants  
Woodford House  
Woodford Road  
Watford  
Herts WD17 1DL

BANKERS:

NATIONAL WESTMINSTER BANK PLC  
116 Fenchurch Street  
London EC3M 5AN

SURVEYORS:

FPD SAVILLS Chartered Surveyors  
Wytham Court  
11 West Way  
Botley,  
Oxford OX2 0QL

INVESTMENT MANAGERS:

CCLA INVESTMENT MANAGEMENT LTD  
80 Cheapside  
London EC2V 6DZ

**ALDGATE & ALLHALLOWS BARKING EXHIBITION FOUNDATION**  
**GOVERNORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005**

The Governors present their report along with the financial statements of the charity for the year ended 31<sup>st</sup> December 2005. The financial statements have been prepared in accordance with the accounting policies set out on page 11 and comply with the charity's trust deed and applicable law.

#### **Governance**

The Governors who have served during the year are shown on page 2. There are three ex-officio Governors; six Governors are appointed by nominating bodies and a further six Governors are co-opted. Governors serve for three years after which period they may put themselves forward for re-appointment. Governors meet formally three times per year.

A review of performance has included skills audit, training needs, and skills gaps within the overall body. Nominating bodies are made aware of skills requirements and their applicants are selected on these requirements. Co-opted vacancies are selected from similar criteria on recommendation from within the governing body.

Unfortunately we lost the experience and wise counsel of Professor Deian Hopkin in February due to his increasing commitments. At last years away day he spoke on student funding.

This years away day will focus on the grants strategy with the ever changing needs of students with their post school days of education and training.

#### **Grants**

Grants to individuals in the Tower Hamlets and City area of benefit have mainly been to students at Queen Mary College, University Of London. These typically range from £500 to a maximum of £3,000 per annum and will usually be renewed for the further normal two years depending on satisfactory reports from the College.

Student funding requirements will be prioritised in the latter part of 2006 and this area of awards is expected to increase especially in the area of part-time education and training.

The budget for grants to schools and organisations was increased this year and as there were no cancelled grants expenditure exceeded income by £67,000.

Five schools in Tower Hamlets were awarded grants totalling £100,000 for their applications in gaining status in a specialist subject. All have successfully gained further funding from DfES to grow the facilities in their specialist subjects. Not only do these schools improve results and interest in their chosen subject but tend to increase overall school performance.

A summary of the awards to schools and organisations is shown on pages 6 - 7 of this report. Through the organisation of the Monitoring and Evaluation Officer, governors and staff visit the projects in person. This helps to evaluate the success and consider future funding. Most projects are funded on an annual basis, but exceptionally grants may be approved for up to three years. Future grants are contingent upon the monitoring of satisfactory progress reports and evaluations.

**ALDGATE & ALLHALLOWS BARKING EXHIBITION FOUNDATION**  
**GOVERNORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005**

### **Reserves**

Over a 25 year period to the mid 1990s, the capital of the Foundation grew from £30,000 to £2m. resulting from the sale of mainly freehold residential property that had minimal written-down value.

Reinvestment was with the Official Custodian of Charities into COIF income generating shares. Not only did the capital valuations grow but the grant spending did not keep pace with the investment income and reinvestment of surpluses have led to Accumulated Income of over £700,000 now being valued at £2.3m.

The policy of governors is to reduce the reserve each year by overspending the income but retaining the opportunity to consider valuable grant giving or social investment that the Foundation could not otherwise consider.

### **Investments**

Governors intend to shortly restructure the investments to grow the capital at least in line with inflation but provide a total return sufficient to award grants of 5% of the capital. The Governors are currently undertaking an investment review and this policy will be revised.

By spreading the asset allocation for the capital investments, governors hope the investment manager will react quickly to the global market to enhance performance. Over the last decade the growth of capital has been in line with inflation despite the Stock Market falls in 2002/03. In 2005 the investment manager achieved growth of 16% and an income exceeding 3% after costs. With anticipated difficulty in maintaining income, governors will treat their investment policy on a Total Return basis.

There are no ethical constraints on the investments but governors take due regard of the Corporate Social Responsibility unit of the investment manager.

### **Risk management**

The day-to-day administration of the Foundation is carried out by the staff of Sir John Cass's Foundation for which a fee is paid. As the Foundation does not employ staff, or own property for the use of the charity, the Foundation is exposed to fewer risks than other organisations. With respect to the risks attached to investment management and grant making, governors are satisfied with the procedures that have been established to review these risks regularly, and with the actions taken to mitigate exposure to them.

David B Mash

Chairman  
27 September 2006

**ALDGATE & ALLHALLOWS BARKING EXHIBITION FOUNDATION**

**APPENDIX TO GOVERNORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2005**

**GRANTS TO ORGANISATIONS DURING 2005**

<b>Arts Activities</b>	<b>Total</b>	<b>£105,500</b>
Mulberry School for Girls	£20,000	Funding for Specialist Arts School Status
Spitalfields Festival	£4,000	Funding towards the costs of 10 music projects involving young people from Tower Hamlets schools linked to the Festival's 2005/06 season.
Children's Music Workshop	£20,000	Exploring Identity: a programme of song and performance for Tower Hamlets Primary School Children
Bow Boys' School	£15,000	Specialist Sports and Music School Status
Central Foundation Girls' School	£10,000	Creative Curriculum: a year-long arts project involving three local primary schools and leading to the development of 3 schemes of work, a website and CD-Rom to be distributed to every Tower Hamlets Primary School
Wilton's Music Hall	£4,500	Wilton's Wonder Project: a production of Hansel & Gretel involving young people from Tower Hamlets Primary Schools
Morpeth School	£25,000	Funding for Specialist Performing Arts School Status
St Paul's Church of England School	£7,000	St Paul's Nature Garden & Mural Project
<b>Literacy and Numeracy</b>	<b>Total</b>	<b>£40,000</b>
Tower Hamlets Education Business Partnership	£15,000	Funding towards the cost of the Reading and Number Partners Programmes in Tower Hamlets Schools
Cayley Primary School	£5,000	Three year funding for a 'Success for All' literacy programme
Old Ford Primary School	£20,000	Towards the costs of purchasing a range of novels for pupils, costs for the Breakfast Club and a series of educational excursions.

<b>Science &amp; Technology</b>	<b>Total</b>	<b>£5,000</b>
---------------------------------	--------------	---------------

St John's Church of England Primary School	£5,000	Towards the costs of equipping the School's Learning Zone and ICT Suite
--	--------	---

<b>Miscellaneous</b>	<b>Total</b>	<b>£72,552</b>
----------------------	--------------	----------------

George Green's School	£20,000	Specialist Humanities School Status
Newham Training and Education Centre Ltd	£13,062	Towards the cost of a mobile crèche to enable young parents from Tower Hamlets to continue with their education
Bishop Challoner Roman Catholic Collegiate School	£20,000	Specialist Humanities School Status
Tower Hamlets Schools Gymnastics and Dance Display Team	£4,590	Funding towards the cost of performance costumes and employing a teacher for dance classes over the coming year.
Thames Explorer Trust	£14,900	Expanding Eastwards: development of infrastructure and a programme of river related activities at Shadwell Basin Outdoor Activities Centre & Trinity Buoy Wharf for young people from Tower Hamlets schools

	<b>Grand Total</b>	<b>£223,052</b>
--	--------------------	-----------------

<p style="text-align: center;"><b>INDEPENDENT AUDITORS' REPORT TO THE GOVERNORS OF</b></p> <p style="text-align: center;"><b>ALDGATE AND ALLHALLOWS BARKING EXHIBITION FOUNDATION</b></p>
---

We have audited the financial statements of Aldgate and Allhallows Barking Exhibition Foundation on pages 9 to 14 for the year ended 31 December 2005, which comprise the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the charity's governors, as a body, in accordance with Section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's governors 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 charity's governors as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Governors and auditors**

The Governors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Governors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards. We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under Section 44 of that Act.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Governors' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Governors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

#### **Basis of opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Governors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 December 2005 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charity's Act 1993.

27 September 2006

Myers Clark  
Chartered Accountants  
Registered Auditors

**ALDGATE AND ALLHALLOWS BARKING EXHIBITION FOUNDATION**

**BALANCE SHEET AS AT 31 DECEMBER 2005**

	<u>Notes</u>	2005	2005	2004	2004
<b>FIXED ASSETS</b>					
<b>CAPITAL INVESTMENTS</b>					
Investment property	6	82,000		82,000	
COIF income shares	7	<u>3,511,380</u>	3,593,380	<u>3,031,120</u>	3,113,120
<b>ACCUMULATED INCOME INVESTMENTS</b>					
COIF income shares	8		<u>2,287,537</u> 5,880,917		<u>1,974,664</u> 5,087,784
<b>CURRENT ASSETS</b>					
Debtors & prepayments	9	1,883		11,201	
Cash on deposit		131,000		169,000	
Cash at bank		<u>13,138</u>		<u>2,288</u>	
		146,021		182,489	
<b>CREDITORS:</b>					
Amounts falling due within one year	10	<u>124,229</u>		<u>93,761</u>	
<b>NET CURRENT ASSETS</b>			<u>21,792</u>	<u>88,728</u>	
<b>NET ASSETS</b>			<u>£5,902,709</u>	<u>£5,176,512</u>	
<b>PERMANENT ENDOWMENT</b>					
Capital account	11	823,980		823,980	
Capital revaluation reserve	12	<u>2,769,400</u>		<u>2,289,140</u>	
<b>UNRESTRICTED FUNDS</b>			3,593,380	3,113,120	
Accumulated income account	11	722,061		788,996	
Accumulated income revaluation reserve	12	<u>1,587,268</u>		<u>1,274,396</u>	
			<u>2,309,329</u>	<u>2,063,392</u>	
<b>TOTAL FUNDS</b>			<u>£5,902,709</u>	<u>£5,176,512</u>	

Approved by the Governors on  
27 September 2006 and signed on  
their behalf by

.....)

Governors

.....)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	Unrestricted Funds	Permanent Endowment	Totals	Totals
		£	£	31 December 2005	31 December 2004
		£	£	£	£
<b>Incoming resources</b>					
Interest & Dividends	2	188,778		188,778	186,141
Gross Rents		3,150		3,150	3,150
Hickson's Endowment	3	<u>37,975</u>		<u>37,975</u>	<u>40,770</u>
<b>Total incoming resources</b>		<b><u>229,903</u></b>		<b><u>229,903</u></b>	<b><u>230,061</u></b>
<b>Charitable Expenditure</b>					
Grants to Organisations	4	223,052		223,052	162,926
Grants to Individuals	4	<u>41,000</u>		<u>41,000</u>	<u>37,000</u>
		264,052		264,052	199,926
Management and administration	5	<u>32,787</u>		<u>32,787</u>	<u>32,069</u>
<b>Total resources expended</b>		<b><u>296,839</u></b>		<b><u>296,839</u></b>	<b><u>231,995</u></b>
<b>Net outgoing/incoming resources</b>		<b>(66,936)</b>	-	<b>(66,936)</b>	<b>(1,934)</b>
<b>Gains on investment assets - unrealised</b>					
	6&7	<u>312,873</u>	<u>480,260</u>	<u>793,133</u>	<u>338,023</u>
<b>Net movement in funds</b>		<b>245,937</b>	<b>480,260</b>	<b>726,197</b>	<b>336,089</b>
<b>Fund balances brought forward at 1 January 2005</b>	11	<b><u>2,063,392</u></b>	<b><u>3,113,120</u></b>	<b><u>5,176,512</u></b>	<b><u>4,840,423</u></b>
<b>Fund balances carried forward at 31 December 2005</b>		<b><u>£2,309,329</u></b>	<b><u>£3,593,380</u></b>	<b><u>£5,902,709</u></b>	<b><u>£5,176,512</u></b>

ALDGATE AND ALLHALLOWS BARKING EXHIBITION FOUNDATION

NOTES TO THE ACCOUNTS - 31 DECEMBER 2005

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities".

b) Investments

Investments are held for the purpose of the generation of income for future grant payments and are stated at mid-market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

c) Investment property

The investment property is stated at market value, subject to tenancy. A valuation was carried out by professional valuers in February 2005. It is the intention of the governors to have such valuations carried out every 5 years, unless they consider a significant change in value warrants an earlier revaluation.

d) Income

Income is included in the accounts in the period in which the charity is entitled to receipt.

e) Grants payable

Grants are included in the accounts in the year in which they are payable. Grants which are subject to conditions which have not been met by the recipient at the year-end are not accrued as expenditure but noted as commitments.

f) Management and administration

Costs are applied consistently each year on an accruals basis. Liabilities incurred, not yet invoiced, are charged in the year of the commitment.

g) Cash flow statement

The Foundation has taken advantage of the exemption permitted by FRS 1 whereby a small entity as defined by the Companies Act 1985 need not prepare a cash flow statement.

**ALDGATE AND ALLHALLOWS BARKING EXHIBITION FOUNDATION**

**NOTES TO THE ACCOUNTS - 31 DECEMBER 2005**

2. INTEREST AND DIVIDENDS

	<u>2005</u>	<u>2004</u>
	£	£
Dividends on COIF Income Shares	178,726	177,613
Interest	<u>10,052</u>	<u>8,528</u>
	<u>£188,778</u>	<u>£186,141</u>

3. HICKSON'S ENDOWMENT

The Foundation is entitled to ten thirteenths of the surplus from Alderman Hickson's Trust.

4. GRANTS

Grants totalling £223,052 were made to 17 organisations, as noted in the appendix to the Governors' report on page 7. Thirty-two individuals equally received grants totalling £32,000 for studies at Queen Mary College, University of London. Five other students received grants totalling £9,000.

Commitments to future grants -

Grants totalling £91,000 (2004: £113,500) have been approved for future years dependant on progress reports in the current year. They have not been accrued in the financial statements but will form part of grants in future years:

	<u>2005</u>	<u>2004</u>
	£	£
Within one year	63,000	73,500
Between one and two years	20,000	36,000
Between two and five years	<u>8,000</u>	<u>4,000</u>
	<u>£91,000</u>	<u>£113,500</u>

5. MANAGEMENT AND ADMINISTRATION

The Foundation does not employ any staff. The day-to-day administration is carried out by the staff of Sir John Cass's Foundation to which a management fee is paid. It should be noted that each charity operates independently with its own policies and separate Governing bodies. They are not "connected charities".

	<u>2005</u>	<u>2004</u>
	£	£
Management fee	28,758	28,908
Audit fee	1,616	1,821
Governance	2,040	682
Other office expenses	<u>373</u>	<u>658</u>
	<u>£32,787</u>	<u>£32,069</u>

No remuneration was paid to Governors. (2004 - None)

One Governor received reimbursement of travel expenses totalling £221, (2004 - £288).

ALDGATE AND ALLHALLOWS BARKING EXHIBITION FOUNDATION

NOTES TO THE ACCOUNTS - 31 DECEMBER 2005

6. CAPITAL INVESTMENTS - PROPERTY

Sandhill Farm, Preston Bissett

Valuation £82,000

Historical written down cost £1

The investment property was revalued in February 2005 by FPD Savills, Chartered Surveyors in accordance with the accounting policy to revalue every 5 years, unless governors consider a significant change in value warrants an earlier revaluation.

7. CAPITAL INVESTMENTS  
- COIF INCOME SHARES

	<u>£</u>
337,143.20 shares - Market Value 31 December 2004	3,031,120
Gain on revaluation at 31 December 2005	<u>480,260</u>
Market Value 31 December 2005	<u>£3,511,380</u>
Historical Cost at 31 December 2005	£823,979

8. ACCUMULATED INCOME INVESTMENTS  
- COIF INCOME SHARES

	<u>£</u>
219,636.57 shares - Market Value 31 December 2004	1,974,664
Gain on revaluation at 31 December 2005	<u>312,873</u>
Market Value 31 December 2005	<u>£2,287,537</u>
Historical Cost at 31 December 2005	£700,268

**ALDGATE AND ALLHALLOWS BARKING EXHIBITION FOUNDATION**

**NOTES TO THE ACCOUNTS - 31 DECEMBER 2005**

9. DEBTORS AND PREPAYMENTS

	<u>2005</u>	<u>2004</u>
	£	£
Interest receivable	1,883	2,001
Sundry debtors	-	<u>9,200</u>
	<u>£1,883</u>	<u>£11,201</u>

10. CREDITORS - Amounts falling due within one year

	<u>2005</u>	<u>2004</u>
	£	£
Grants	122,437	91,250
Audit Fee	1,792	1,821
Sundry	-	<u>690</u>
	<u>£124,229</u>	<u>£93,761</u>

11. FUNDS

**Permanent endowment**

The permanent endowment fund comprises the original capital fund, and gains thereto, established to provide income for grant payments in accordance with the objectives of the Foundation. The capital cannot be converted into income. The fund is represented by the capital investments included in fixed assets. The original endowment and realised gains are credited to the capital account and the unrealised gains on investment assets are credited to the capital revaluation reserve.

**Unrestricted income fund**

The income of the Foundation is expendable at the discretion of the Governors in furtherance of the objects of the Foundation. Accumulated income is represented by the accumulated income investments in fixed assets and the net current assets of the Foundation. Undistributed income and realised gains are included in the accumulated income account and the unrealised gains on investment assets are credited to the accumulated income revaluation reserve.

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Permanent Endowment	Unrestricted Funds	Total
	£	£	£
Investments	3,593,380	2,287,537	5,880,917
Current assets	-	146,021	146,021
Current liabilities	-	<u>(124,229)</u>	<u>(124,229)</u>
Total net assets	<u>£3,593,380</u>	<u>£2,309,329</u>	<u>£5,902,709</u>