

**ALDGATE AND ALLHALLOWS BARKING
EXHIBITION FOUNDATION
GOVERNORS' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

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 2004

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	(appointed September 2004)
MRS I. BUCKMAN	(retired May 2004)
M. G. DELAHOKE	(resigned May 2004)
VENERABLE P. DELANEY	(resigned June 2004)
G.B.FORBES	(appointed February 2005)
J.M.HALL	(appointed September 2004)
W.J.HAMILTON-HINDS	(appointed February 2005)
PROF.D.HOPKIN	(appointed September 2004)
R. HAZLEWOOD	
MS P. HULL	(resigned October 2004)
MRS D. JONES	
G. F. JONES	(retired October 2004)
MRS M. W. F. KELLETT CC	
MS C. MCMILLEN	(resigned January 2004)
REVD. B. OLIVIER	(appointed September 2005)
D. J. ROSS	
CLLR. M. A. SALIQUE	
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 2004

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 2004

The Governors present their report along with the financial statements of the charity for the year ended 31st December 2004. 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 and since the year-end are set out 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. Although there have been many changes to the governing body during the last year we are very pleased with the additional strengths in the field of education and in our area of benefit. In addition to the field of education, Billy Whitbread has wide experience in the investment industry which will help in our current review and planning. A skills audit is progressing this year to establish skills gaps for future appointments and training. The governing body meet formally three times per year and later this year will meet less formally to review their strategy and performance.

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.

Reserves

Investment policy is based on the needs of grant beneficiaries for the present and future, while maintaining the original endowment.

Sometimes grant awards do not succeed and may have to be cancelled. The resulting surplus of income would not be re-granted but lead to a growth in reserves which has then been compounded by stock market growth over many years.

Governors are reviewing the level of reserves built up over the last one hundred years, since the formation of the charity in 1895 and planning how any surplus to current requirement will be ploughed back into current and future grant giving.

Review of Investment Policy and Management

The review of the reserves will lead governors to re-plan the investment strategy. The strategy is set within an overall policy that states that the Endowment Fund is to be invested in low and medium risk investments with the aim being to preserve the real value of the Endowment Fund. The Endowment Fund represents the original bequests together with the realised and unrealised gains and losses arising from the investment assets. Income from the Foundation's Endowment Fund is used for grant making and the support costs of running the charity.

The majority of investments (98.33%) are managed by CCLA Investment Management Limited in a common investment fund with an asset allocation suitable for present and future income. A range of global factors lead the investment performance to fall short of several indexes but broadly in line with the WM Co. Charity Fund Service Universe. Dividend income fell slightly but the overall yield was 3.54%. Total return was 10.62% giving an unrealised gain on these investments of £313,523. Revaluation reserves have reached £3,481,537.

The Investment Managers maintain an ethical policy, approved by governors and fund a thriving Corporate Social Responsibility (CSR) unit.

As mentioned in note 1 c) and note 6 to the accounts, the Charity owns freehold land let on an agricultural tenancy valued at £82,000, an increase of £24,500 since its previous valuation five years earlier.

ALDGATE & ALLHALLOWS BARKING EXHIBITION FOUNDATION

GOVERNORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

Grants

The object of the charity is the promotion of education of young persons under 25 who or whose parents or guardians reside or 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.

The Foundation's main priorities, assessment criteria and application process are set out in Guidance Notes, available on request. Maintained schools and registered charities or groups with charitable purposes are eligible to apply. Applicants are invited to submit a summary of their proposals in a specified format. The applications are then reviewed against specific criteria. 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.

The grants awarded are summarised on pages 6-7 as an appendix to this report.

The Foundation also awards individual grants to young people under the age of 25 from the beneficial area who are pursuing courses of education leading to nationally recognised qualifications. These typically range from £500 to a maximum of £3,000 per annum.

Subject to a cancelled grant late in the year, the objectives were met. Continuing suitable applications give confidence that the aims of fully granting the income will be met in the current year.

Summary Of Activities

The activities are summarised in the statement on page 10 with further details in the notes to the accounts.

This enthusiastic and experienced body of governors will continue to use the Charity's funds to good effect for those seeking education in the area of benefit.

David B Mash
Chairman
28 September 2005

ALDGATE & ALLHALLOWS BARKING EXHIBITION FOUNDATION

APPENDIX TO GOVERNORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2004

GRANTS TO ORGANISATIONS DURING 2004

Arts Activities	Total	£82,150
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Poplar Partnership EiC Action Zone	£5,000	Funding towards the Poplar Partnership Choir
Spitalfields Festival	£15,000	Funds towards schools music residency projects in Tower Hamlets
Children's Music Workshop	£20,000	Exploring Identity: a programme of song and performance for Tower Hamlets Primary School Children
Magic Me	£13,000	Funding for an Arts project entitled Time Passing
The Poetry Society	£12,000	Funding towards a project entitled Poet in the City
Barbican Centre	£10,150	Funding for the Can I Have A Word programme involving Tower Hamlets Primary Schools
Poplar Partnership EiC Action Zone	£7,000	Funding towards the Poplar Partnership Choir

Literacy and Numeracy	Total	£56,200
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Tower Hamlets Education Business Partnership	£15,000	Pre-14 Literacy and Numeracy Projects
Cayley Primary School	£7,500	Three year funding for a 'Success for All' literacy programme
Eastside Arts	£3,700	Funding towards Reading Clubs and Meet The Author Events
Old Ford Primary School	£30,000	Towards the costs of purchasing a range of novels for pupils, costs for the Breakfast Club and a series of educational excursions.

Science & Technology	Total	£46,000
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Stepney Green School	£25,000	Sponsorship for Specialist Maths & Computing College Status
Central Foundation Girls' School	£21,000	Out of School Hours ICT Club

Miscellaneous	Total	£35,270
Langdon Park School	£25,000	Funding for Sports Specialist School Status
London Coaching Foundation	£4,300	Athletic Coaching Programme
The Network for Teaching Entrepreneurship	£2,420	NFTE Programme in Stepney Green School
Tower Hamlets Schools Gymnastics and Dance Display Team	£3,550	Gymnastics Club: 1 Year funding for a Dance Teacher, Coaching Costs & Costumes
Grand Total		£219,620

**INDEPENDENT AUDITORS' REPORT TO THE GOVERNORS OF
ALDGATE AND ALLHALLOWS BARKING EXHIBITION FOUNDATION**

We have audited the financial statements of Aldgate and Allhallows Barking Exhibition Foundation on pages 9 to 14 for the year ended 31 December 2004, 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 2004 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.

28 September 2005

Myers Clark
Chartered Accountants
Registered Auditors

ALDGATE AND ALLHALLOWS BARKING EXHIBITION FOUNDATION

BALANCE SHEET AS AT 31 DECEMBER 2004

	<u>Notes</u>	2004	2004	2003	2003
FIXED ASSETS					
CAPITAL INVESTMENTS					
Investment property	6	82,000		57,500	
COIF income shares	7	<u>3,031,120</u>		<u>2,841,274</u>	
			3,113,120		2,898,774
ACCUMULATED INCOME INVESTMENTS					
COIF income shares	8		<u>1,974,664</u>		<u>1,850,987</u>
			5,087,784		4,749,761
CURRENT ASSETS					
Debtors & prepayments	9	11,201		2,103	
Cash on deposit		169,000		237,000	
Cash at bank		<u>2,288</u>		<u>56</u>	
		182,489		239,159	
CREDITORS:					
Amounts falling due within one year	10	<u>93,761</u>		<u>148,497</u>	
NET CURRENT ASSETS			<u>88,728</u>		<u>90,662</u>
NET ASSETS			<u>£5,176,512</u>		<u>£4,840,423</u>
PERMANENT ENDOWMENT					
Capital account	11	823,980		823,980	
Capital revaluation reserve	12	<u>2,289,140</u>		<u>2,074,794</u>	
			3,113,120		2,898,774
UNRESTRICTED FUNDS					
Accumulated income account	11	788,996		790,930	
Accumulated income revaluation reserve	12	<u>1,274,396</u>		<u>1,150,719</u>	
			<u>2,063,392</u>		<u>1,941,649</u>
TOTAL FUNDS			<u>£5,176,512</u>		<u>£4,840,423</u>

Approved by the Governors on
28 September 2005 and signed on their
behalf by

.....)

Governors

.....)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	Unrestricted Funds £	Permanent Endowment £	Totals 31 December 2004 £	Totals 31 December 2003 £
Incoming resources					
Interest & Dividends	2	186,141		186,141	188,514
Gross Rents		3,150		3,150	3,150
Hickson's Endowment	3	<u>40,770</u>		<u>40,770</u>	<u>39,597</u>
Total incoming resources		<u>230,061</u>		<u>230,061</u>	<u>231,261</u>
Charitable Expenditure					
Grants to Organisations	4	162,926		162,926	157,600
Grants to Individuals	4	<u>37,000</u>		<u>37,000</u>	<u>32,000</u>
		199,926		199,926	189,600
Management and administration	5	<u>32,069</u>		<u>32,069</u>	<u>31,135</u>
Total resources expended		<u>231,995</u>		<u>231,995</u>	<u>220,735</u>
Net outgoing/incoming resources		(1,934)	-	(1,934)	10,526
Gains on investment assets - unrealised					
	6&7	<u>123,677</u>	<u>214,346</u>	<u>338,023</u>	<u>468,920</u>
Net movement in funds		121,743	214,346	336,089	479,446
Fund balances brought forward at 1 January 2004	11	<u>1,941,649</u>	<u>2,898,774</u>	<u>4,840,423</u>	<u>4,360,977</u>
Fund balances carried forward at 31 December 2004		<u>£2,063,392</u>	<u>£3,113,120</u>	<u>£5,176,512</u>	<u>£4,840,423</u>

ALDGATE AND ALLHALLOWS BARKING EXHIBITION FOUNDATION

NOTES TO THE ACCOUNTS - 31 DECEMBER 2004

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 2004

2. INTEREST AND DIVIDENDS

	<u>2004</u>	<u>2003</u>
	£	£
Dividends on COIF Income Shares	177,613	180,953
Interest	<u>8,528</u>	<u>7,561</u>
	<u>£186,141</u>	<u>£188,514</u>

3. HICKSON'S ENDOWMENT

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

4. GRANTS

Grants totalling £219,620 were made to 16 organisations, as noted in the appendix to the Governors' report on page 7. Thirty-three individuals equally received grants totalling £33,000 for studies at Queen Mary College, University of London. Two other students received grants totalling £4,000. Three grants totalling £56,694 to schools and other organisations from previous years were cancelled.

Commitments to future grants –

Grants totalling £113,500 (2003: £66,500) have been agreed for future years in respect of grants approved which have not been accrued in the financial statements.

These commitments will be met out of the income of future years and will form part of grants:

	<u>2004</u>	<u>2003</u>
	£	£
Within one year	73,500	47,500
Between one and two years	36,000	17,000
Between two and five years	<u>4,000</u>	<u>2,000</u>
	<u>£113,500</u>	<u>£66,500</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>2004</u>	<u>2003</u>
	£	£
Management fee	28,908	28,814
Audit fee	1,821	1,703
Governors' expenses	288	191
Other office expenses	<u>1,052</u>	<u>427</u>
	<u>£32,069</u>	<u>£31,135</u>

No remuneration was paid to Governors. (2003 - None)

Two Governors received reimbursement of expenses totalling £288 relating to travel, (2003 - £191).

ALDGATE AND ALLHALLOWS BARKING EXHIBITION FOUNDATION

NOTES TO THE ACCOUNTS - 31 DECEMBER 2004

6. CAPITAL INVESTMENTS - PROPERTY

Sandhill Farm, Preston Bissett

Valuation at 1 st January 2004	£ 57,500
Revaluation	24,500
Valuation at 31 st December 2004	<u>£82,000</u>

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

337,143.20 shares - Market Value 31 December 2003	£ 2,841,274
Gain on revaluation at 31 December 2004	<u>189,846</u>
Market Value 31 December 2004	<u>£3,031,120</u>

Historical Cost at 31 December 2004	£823,979
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8. ACCUMULATED INCOME INVESTMENTS
-COIF INCOME SHARES

219,636.57 shares – Market Value 31 December 2003	£ 1,850,987
Gain on revaluation at 31 December 2004	<u>123,677</u>
Market Value 31 December 2004	<u>£1,974,664</u>

Historical Cost at 31 December 2004	£700,268
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ALDGATE AND ALLHALLOWS BARKING EXHIBITION FOUNDATION

NOTES TO THE ACCOUNTS - 31 DECEMBER 2004

9. DEBTORS AND PREPAYMENTS

	<u>2004</u>	<u>2003</u>
	£	£
Interest receivable	2,001	2,103
Sundry debtors	<u>9,200</u>	<u>--</u>
	<u>£11,201</u>	<u>£2,103</u>

10. CREDITORS - Amounts falling due within one year

	<u>2004</u>	<u>2003</u>
	£	£
Grants	91,250	146,794
Audit Fee	1,821	1,703
Sundry	<u>690</u>	<u>--</u>
	<u>£93,761</u>	<u>£148,497</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	3,113,120	1,974,664	5,087,784
Current assets	-	182,489	182,489
Current liabilities	<u>-</u>	<u>(93,761)</u>	<u>(93,761)</u>
Total net assets	<u>£3,113,120</u>	<u>£2,063,392</u>	<u>£5,176,512</u>