

THE SPITALFIELDS HISTORIC BUILDINGS TRUST

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

Registered Company No 01312292



The Spitalfields Historic Buildings Trust

Reference and Administrative Details

Patrons	F A A Carnwath CBE M Girouard
Council of Management	P Streeter (Chairman) Mrs C Roughton (Treasurer) A Byrne P Cooke D G R Cruickshank G Harris (appointed 15/2/2007) Ms M Kennedy Mrs E F H McKay P B McKay W M Palin R A J Pollard (appointed 15/2/2007)
Secretary	D E Blain
Administrators	T Whittaker O Leigh-Wood
Charity Registration Number	273695
Company Registration Number	01312292
Registered Office	18 Folgate Street London E1 6BX
Auditor	Wilkins Kennedy Bridge House London Bridge London SE1 9QR
Banker	Barclays Bank Plc PO Box 544 54 Lombard Street London EC3V 9EX

The Spitalfields Historic Buildings Trust

Report of The Council of Management

The Members of the Council of Management present their report and the financial statements for the year ended 31 March 2007

Structure, Governance and Management

Constitution

The Spitalfields Historic Buildings Trust ('The Trust') is incorporated as a company limited by guarantee under company number 1312292 and is registered as a charity, registration number 273695. The Trust is governed by its Memorandum and Articles of Association.

The Members of the Council of Management are directors of the charitable company for the purposes of the Companies Act 1985 and trustees of the charity for the purposes of the Charities Act 1993.

Directors

The directors of the charitable company who are also trustees for the purposes of the Charities Act 1993 and who served during the year are as follows:

A Byrne	
P Cooke	
D G R Cruickshank	
G Harris	- appointed 15 January 2007
Ms M Kennedy	
Mrs E F H McKay	
P B McKay	
W M Palin	
R A J Pollard	- appointed 15 January 2007
Mrs C Roughton	
P T Streeter	
O Leigh-Wood	- resigned 7 June 2006

The maximum number of members in the Council is 50, however this can be increased by Article 2 of the Articles of Association. A proposal for membership must be given to the council with 14 days notice and resignations must be in writing. Each member of the Council receives an equal vote, with the chairman holding the casting vote.

In accordance with Article 41 of the Articles of Association which states that 1/3 of the Council are required to retire at each AGM, G Harris, R A J Pollard, Mrs E F H McKay and W M Palin retire by rotation and, being eligible, offer themselves for re-election.

The Council of Management may appoint any member of the Trust as a Trustee until the next AGM when such Trustee may be eligible for re-election. Members of the Council of Management may invite members who are known to have an interest in the activities of the Trust to meet the Council and discuss the role they might have in the Trust. At a subsequent meeting of the Council the formal appointment will be made. Upon appointment new trustees are provided with the Charity Commission's literature detailing the duties of a trustee and information about the Trust.

The Trust has a very small staff. There are two part time administrators who have different responsibilities. Dennis Severs' house is run by two managers with part time helpers.

Organisational Structure

The affairs of the Trust are managed by the Trustees who make strategic and organisational decisions at their meetings which are held at 2 to 3 weekly intervals throughout the year.

The Trust has no affiliations with a wider network.

Risk Management

The Council of Management has conducted a review of the major strategic, operational and business risks to which the charity is exposed and systems have been established to manage those risks.

The Spitalfields Historic Buildings Trust

Report of The Council of Management (continued)

Objectives and Activities

The Trust exists to preserve for the benefit of the people of the London Borough of Tower Hamlets and of the nation at large, whatever of the English and Welsh historical, architectural and constructional heritage may exist in and around the district of Spitalfields or elsewhere in the form of buildings of particular beauty or historical, architectural or constructional interest

Aims

The Trust was incorporated for the purpose of preserving the architectural heritage of the area in the London Borough of Tower Hamlets known as Spitalfields, or elsewhere, by acquiring and repairing buildings and helping and encouraging others to do so

Main objectives for the year

In 2005/06 the Company's key objectives were to

- Commence the restoration of Shurland Hall on the Isle of Sheppey
- Continue to advise on the preservation and restoration of properties in danger of being altered or demolished
- Continue to look after Dennis Severs' House and open it to the public

Strategies for achieving these objectives

- The administrators and several of the Trustees and professional advisors worked hard throughout the year to ensure that the plan for the restoration and purchase of the Shurland Hall was begun
- Both administrators dealt throughout the year with enquiries and plans for possible future projects
- The staff at Dennis Severs House maintained the continuing interest in this fine property

All these objectives are in line with the continuing strategy of the Trust

Achievements and Performance

18 Folgate Street

This fine 18th century house furnished and opened by the late Dennis Severs, and left to us in his will, continues to be a great draw

Shurland Hall, Isle of Sheppey

The restoration of this magnificent 16th century Hall commenced in the year

Other Projects

We continue to look at a wide range of other threatened properties and are in negotiations to acquire a number of them in association with local authorities in Yorkshire and Kent. Our efforts to find a solution for the Nature Study Museum behind St George's-in-the-East have failed and we have not received enough support over a property in Yorkshire. Our advice continues to be sought by owners seeking a viable future for buildings at risk both in Spitalfields and elsewhere

The Spitalfields Historic Buildings Trust

Report of The Council of Management (continued)

Financial Review

The financial activities are set out in the Statement of Financial Activities together with the relevant accompanying notes. The net decrease in funds of £17,775 is deducted from the existing funds of £1,273,123. At 31 March 2007 most of this was represented by monies following the sale of Allt-y-Bela in 2006 and ongoing expenditure on Shurland Hall.

The Trust funds its activities from the sales of renovated properties and grants together with entrances fees to Dennis Severs House and sales of books. In addition we have had the benefit of a loan from the Architectural Fund and a loan from The Chantry Bank both of which have been repaid during the year.

Market value of land and buildings

The Council of Management considers that the market value of its land and buildings is in excess of the book value.

Reserves Policy

It is the policy of the charity to maintain unrestricted free funds at a level which equates to at least six months unrestricted expenditure (approximately £50,000), while also providing sufficient funds to complete those building and refurbishment projects to which the Trust is committed. Unrestricted funds were maintained at this level throughout the year and at 31 March 2007 unrestricted funds were made up of a designated fund of £900,000 and general reserves of £373,123.

Restricted Reserves

Restricted funds comprise grants received for specific projects. All amounts received have been fully utilised on those projects as at the year end.

Designated Funds

A designated fund, the property renovation reserve, has been established by the Council which represents unrestricted funds earmarked for specific future renovation projects. An amount of £900,000 has been designated for this purpose.

The Trust commenced the restoration of Shurland Hall on the Isle of Sheppey in 2006/7. This project is likely to take about 4 years to complete and cost about £2million. We will be in receipt of a grant from English Heritage and a beneficial loan from the Architectural Heritage Fund.

Plans for Future Periods

Aims for 2007/08

The main activity in 2007/8 will be the restoration of Shurland Hall but we will continue our activities in maintaining public awareness of buildings in need of salvation.

We have also commenced advising and assisting residents and businesses in Spitalfields to restore the facades or shop fronts of their buildings.

The Spitalfields Historic Buildings Trust

Report of The Council of Management (continued)

Statement of Trustees' Responsibilities

Company and charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing those financial statements the trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the accounts on a going concern basis unless it is inappropriate to assume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

Statement as to disclosure of information to auditors

So far as the trustees are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that he or she ought to have taken as a trustee/director in order to make himself or herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

A resolution for the re-appointment of Wilkins Kennedy as auditors to the charitable company will be submitted to the Annual General Meeting, in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the Statement of Recommended Practice, 'Accounting and Reporting by Charities', and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

By Order of the Board


C. ROUGHTON

30th January 2008

The Spitalfields Historic Buildings Trust

Independent Auditors' Report To The Members

We have audited the financial statements of The Spitalfields Historic Buildings Trust for the year ended 31 March 2007 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein, the requirements of the Statement of Recommended Practice Accounting and Reporting by Charities and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The charity's trustees, who are also directors for the purposes of the Companies Act 1985, are responsible for the preparation of the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), as set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Trustees is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 trustees 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.

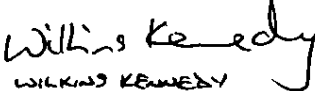
Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to charitable companies and to smaller entities, of the state of the charitable company's affairs as at 31 March 2007 and of its incoming resources and application of resources in the year then ended, and have been properly prepared in accordance with the Companies Act 1985;
- the information given in the Trustees' Report is consistent with the financial statements.

Bridge House
London Bridge
London SE1 9QR

30 January 2008


WILKINS KENNEDY
Chartered Accountants
and Registered Auditor

The Spitalfields Historic Buildings Trust

Statement of Financial Activities

For The Year Ended 31 March 2007

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2007 £	Total 2006 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	1,885	88,989	90,874	124,749
Investment income		17,229	-	17,229	3,328
Incoming resources from charitable activities					
	3	104,274	-	104,274	1,282,062
Total incoming resources		123,388	88,989	212,377	1,410,139
Resources expended					
Charitable activities.					
Property renovation & restoration		41,103	88,989	130,092	900,170
Dennis Severs's House		95,560	-	95,560	71,531
Governance costs					
		4,500	-	4,500	4,537
Total resources expended	4	141,163	88,989	230,152	976,238
Net movement in funds		(17,775)	-	(17,775)	433,901
Fund balances brought forward 1 April 2006					
		1,290,898	-	1,290,898	856,997
Fund balances carried forward 31 March 2007		£1,273,123	-	£1,273,123	£1,290,898

The notes on pages 9 to 14 form part of the financial statements

The Spitalfields Historic Buildings Trust


Balance Sheet

As at 31 March 2007

	Note	2007	2006
		£	£
Fixed Assets	5	338,415	342,276
Current Assets			
Tangible current assets	6	440,278	8,519
Stocks	7	4,058	11,052
Debtors	8	18,675	1,124,001
Cash at bank and in hand		586,966	40,497
		<u>1,049,977</u>	<u>1,184,069</u>
Creditors amounts falling due within one year	9	(115,269)	(235,447)
Net Current Assets		934,708	948,622
Net Assets		£1,273,123	£1,290,898
Represented by:			
Unrestricted funds	10		
- Designated fund		900,000	900,000
- General fund		373,123	390,898
		<u>1,273,123</u>	<u>1,290,898</u>
Restricted funds	11	-	-
		<u>£1,273,123</u>	<u>£1,290,898</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities and with the Financial Reporting Standard for Smaller Entities (January 2005)

Approved by the Council of Management on 30th January 2008
and signed on its behalf by


C ROUGHTON

The notes on pages 9 to 14 form part of these financial statements

The Spitalfields Historic Buildings Trust

Notes To The Financial Statements

For the Year Ended 31 March 2007

1 ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), applicable UK Accounting Standards and the Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005), issued in March 2005

The charity has utilised Paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities

1.2 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at a rate calculated to write off the cost on a straight line basis over the expected useful life as follows

Freehold buildings	- over 50 years
Office equipment	- over 4 years

1.3 Tangible current assets

The cost of acquisition of properties and renovations thereto are held in the balance sheet as development properties for renovation and subsequent sale

1.4 Stock

Stock is carried at the lower of cost and net realisable value

1.5 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income

- Voluntary income including grants and donations are credited to the Statement of Financial Activities to match the expenditure to which the grant relates. Grants received for specific purposes are treated as restricted funds. Amounts restricted to future accounting periods are deferred and recognised in those periods
- Incoming resources from charitable activities includes income from carrying out the charity's activities

1.6 Resources expended

Expenditure is accounted for on an accruals basis. Any irrecoverable element of VAT is included with the item of expense to which it relates. Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on an individual basis

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them
- Governance costs include those incurred in the governance of the charity and are primarily associated with constitutional and statutory requirements

The Spitalfields Historic Buildings Trust

Notes To The Financial Statements

1 Accounting Policies (continued)

1.7 Funds accounting

Restricted funds – these are funds that can only be used for specific restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

1.8 Legal status

The Spitalfields Historic Buildings Trust is a company limited by guarantee and has no share capital. The liability of each member in the event of a winding up is limited to £1.

1.9 Taxation

The company is a registered charity and is therefore entitled to the exemptions from corporation tax afforded by section 505 of the Income and Corporation Taxes Act 1988. Accordingly, there is no corporation tax charge in these financial statements.

2	Voluntary Income	2007 £	2006 £
	Grants receivable	88,989	50,714
	Donations and gifts	1,885	74,035
		<u>£90,874</u>	<u>£124,749</u>
3	Incoming Resources from Charitable Activities	£	£
	Sale of renovated freehold property	-	1,170,000
	Income from Dennis Severs's House	101,243	98,319
	Sales of books	2,751	1,184
	Other income	280	12,559
		<u>£104,274</u>	<u>£1,282,062</u>

The Spitalfields Historic Buildings Trust

Notes To The Financial Statements

4	Resources Expended	Staff costs £	Direct costs £	Support Costs £	Total 2007 £	Total 2006 £
	Charitable activities					
	Property expenditure	9,170	97,409	23,513	130,092	900,170
	Dennis Severs's House	29,811	65,749	-	95,560	71,531
	Governance costs	-	-	4,500	4,500	4,537
	Total resources expended	£38,981	£163,158	£28,013	£230,152	£976,238

All costs are allocated between the expenditure categories noted above on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, for example, time spent, per capita or floor area.

4.1	Staff Costs	£	£
	Wages and salaries	39,840	45,870
	Social security costs	3,772	4,110
		<u>43,612</u>	<u>49,980</u>
	Less amounts carried forward as tangible current asset (note 6)	(4,630)	(16,400)
		<u>£38,982</u>	<u>£33,580</u>

The average number of employees during the year was 3 (2006 5)

One trustee was reimbursed expenses totalling £1,298 during the year (2006 £942) and one trustee received £150 in respect of storage and insurance of the Trusts' stock (2006 £150). No trustee received any remuneration during the year (2006 Nil).

No employee earned more than £60,000 per annum (2006 Nil).

4.2	Net Incoming Resources for the Year	2007 £	2006 £
	Depreciation	6,271	5,915
	Auditors' remuneration – for audit	4,000	4,000
	Auditors' remuneration – for non-audit	500	750

The Spitalfields Historic Buildings Trust

NOTES TO THE FINANCIAL STATEMENTS

5	Tangible Fixed Assets	Freehold property £	Office equipment £	Total £
	Cost			
	As at 1 April 2006	368,216	2,278	370,494
	Additions	-	2,971	2,971
	Disposals	-	(940)	(940)
	As at 31 March 2007	368,216	4,309	372,525
	Depreciation			
	As at 1 April 2006	26,667	1,551	28,218
	Charge for year	5,364	907	6,271
	Disposals	-	(379)	(379)
	As at 31 March 2007	32,031	2,079	34,110
	Net Book Values			
	At 31 March 2007	£336,185	£2,230	£338,415
	At 31 March 2006	£341,549	£727	£342,276

Freehold property includes freehold land with a value, estimated by the trustees, of £100,000 that is not depreciated

6	Tangible Current Assets	2007 £	2006 £
	Freehold land and buildings at cost		
	At 1 April 2006	8,519	664,695
	Expenditure on new properties and renovations	431,759	153,533
	Disposals	-	(809,709)
	At 31 March 2007	£440,278	£8,519
7	Stock	£	£
	Fixtures and fittings	£4,058	£11,052
8	Debtors	£	£
	Loan	10,000	10,000
	Other debtors	8,387	3,297
	Prepayments	288	1,704
	Sale proceeds of tangible current assets	-	1,109,000
		£18,675	£1,124,001

The Spitalfields Historic Buildings Trust

Notes To The Financial Statements

9. Creditors' amounts falling due within one year	2007	2006
	£	£
Secured loan	-	171,575
Taxes and social security costs	10,239	2,695
Other creditors	28,384	25,652
Accruals	76,646	35,525
	£115,269	£235,447

10. Unrestricted Funds	Balance 1 April 2006 £	Income £	Expenditure £	Transfers £	Balance 31 March 2007 £
Designated Funds					
Property renovation reserve	900,000	-	-	-	900,000
Other					
General reserve	390,898	123,388	141,163	-	373,123
	£1,290,898	£123,388	£141,163	-	£1,273,123

A designated fund, the property renovation reserve, has been established by the Council which represents unrestricted funds earmarked for specific future renovation projects. An amount of £900,000 has been designated for this purpose. The balance on unrestricted funds after the above designation represents the charitable company's general reserves held to cover the fixed assets and provide working capital.

11. Restricted Funds	Balance 1 April 2006 £	Income £	Expenditure £	Transfers £	Balance 31 March 2007 £
Project grants	-	88,989	88,989	-	-
	£ -	£88,989	£88,989	-	-

Restricted income comprises grants received for specific projects. All amounts received have been fully utilised on those projects as at the year end.

12. Allocation of Net Assets Between Funds

The funds of the group are represented by the following net assets

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	338,415	-	338,415
Current assets	1,049,977	-	1,049,977
Current liabilities	(115,269)	-	(115,269)
	£1,273,123	-	£1,273,123

The Spitalfields Historic Buildings Trust

Notes To The Financial Statements

13 Related Party Transactions

Loans were made by the following trustees to the trust during the year

	£
C Roughton	42,144
P McKay	7,000
D Blain	7,000
P Cooke	7,000
	<hr/>
	£63,144
	<hr/>

All had been repaid by 31 March 2007, apart from £2,000 due to P Cooke