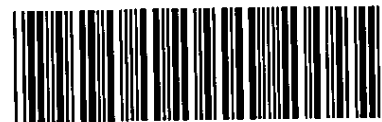


Reports and Financial Statements

For the year ended 31 March 2007

The Spitalfields Market Community Trust

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The Spitalfields Market Community Trust

TRUSTEES	H Abbas M Bear S E M Currie (Chairman) L Rahman
SECRETARY	Mr M Bear
REGISTERED OFFICE	65 Brushfield Street LONDON E1 6AA
COMPANY REGISTRATION NUMBER	2459631
CHARITY REGISTRATION NUMBER	1004003
REPORTING ACCOUNTANTS	Mazars LLP Chartered Accountants 24 Bevis Marks LONDON EC3A 7NR

THE SPITALFIELDS MARKET COMMUNITY TRUST

CONTENTS

Page

Report of the Trustees

1 - 3

Report of the Accountants

4

Statement of Financial Activities

5

Consolidated and Company Balance Sheet

6

Notes to the Financial Statements

7 – 15

THE SPITALFIELDS MARKET COMMUNITY TRUST

TRUSTEES' ANNUAL REPORT

The trustees present their report and the financial statements for the year ended 31 March 2007, which have been prepared in accordance with the Companies Act 1985, Statement of Recommended Practice 'Accounting and Reporting by Charities 2005' (SORP 2005), published in March 2005, and applicable UK accounting standards

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust was established as part of the planning negotiations on the development of Spitalfields Market. It was decided that a Community Trust should be established for the benefit of the residents the London Borough of Tower Hamlets. The Trust was endowed with two donations, one of £3,750,000 by Spitalfields Developments Limited (the developers of the market site) and one of £1,250,000 by the Corporation of London (the freeholders of the market)

Governing Document

The Trust is a company limited by guarantee and is governed by its memorandum and articles of association. It is registered as a charity with the Charity Commission.

Appointment of Trustees

The Board of the Trust consists of five members comprising -

- a) three residents of the London Borough of Tower Hamlets nominated by the Council
- b) a resident or a ratepayer of the City of London nominated by the Corporation and
- c) a resident of the London Borough of Tower Hamlets or a resident or rate payer of the City of London and nominated by Spitalfields Developments Limited

Initially each member of the Board was appointed for a period of three years but on 13th January 2006 a Special Resolution was passed stating that the Directors nominated by the Council shall hold office for a period of one year or for such lesser period of time as they shall be residents of the London Borough of Tower Hamlets. The other two Directors continue to hold office for a period of three years.

Stella Currie the member appointed by the Corporation of London has been a Trustee since the formation of the Trust. She is Solicitor, a member of the Court of Common Council of the Corporation of London and has had extensive interests in the charity field.

Mike Bear, the member appointed by the Developer, is a Chartered Civil Engineer, Company Director, Alderman of the Corporation of London and a member of the Institute of Directors.

Helal Abbas, one of the members appointed by the Council, is employed by a major London Charity and has been a resident and councillor of the London Borough of Tower Hamlets for many years. He is currently Lead Member, Children's Services for the Council.

Lutfur Rahman, another of the members appointed by the Council, is a Solicitor, longstanding resident and a councillor of the London Borough of Tower Hamlets. He is currently Lead Member, Culture for the Council.

Sirajul Islam, the remaining member appointed by the Council, is a longstanding resident and a councillor of the London Borough of Tower Hamlets. He is currently Deputy Leader of the Council.

The professional and work experience of the Trustees and their knowledge of the projects and needs of the area are of the utmost benefit to the operation and running of the Trust.

THE SPITALFIELDS MARKET COMMUNITY TRUST

TRUSTEES' ANNUAL REPORT (continued)

Trustees

The directors set out below have held office during the whole of the period from 1 April 2005 to the date of this report

H Abbas
M Bear
S E M Currie (Chairman)
L Rahman
S Islam

Directors' induction and training

All the Trustees have now been Trustees for a number of years. On appointment each of the Trustees were handed copies of the Trust's Memorandum and Articles of Association, recent Annual Accounts and they were briefed on the working of the Trust but it was already well known to them.

Organisation

The Trust has employed no staff during the year, administration of the Trust is looked after on a voluntary basis by Toby Brown Estates Director for the Spitalfields Development Group.

Risk Management

Major risks facing the Trust have been considered and appropriate procedures are in place to mitigate the exposure to these risks.

OBJECTIVES AND ACTIVITIES

The objects for which the Trust is established are

- a) the advancement of education and the relief of poverty in the London Borough of Tower Hamlets,
- b) to promote any other charitable purposes for the benefit of the community or of an appreciably important class of the community consisting of the inhabitants of the London Borough of Tower Hamlets.

In the early years of the Trust, only the net annual income of the Trust was distributed each year in grants. In 1994 this policy was changed as the Trustees wanted the Trust to make a greater impact on the area and they began to distribute the Trust's capital as well. This policy continued until 2004 when the capital of the Trust was greatly diminished.

The Trust has decided that it will continue to run the Trust on the interest arising from the capital invested in the CAF bank. All interest remaining after costs will be distributed in small grants of less than £5000 to local training and education organisations. The trust will seek to reduce all costs to a minimum so that the maximum amount of the interest can be distributed in Grants.

Four grants were paid during the year to March 31st 2007

The Collective of Bangladeshi School Governors	2,000
Horwood Estate Bangla School	2,000
Somali Education and Cultural Project	2,000
East End Community School	2,500

THE SPITALFIELDS MARKET COMMUNITY TRUST

TRUSTEES' ANNUAL REPORT (continued)

The Trust has one debtor. This originally comprised a loan of £120,000 to the Tower Hamlets Business Development Centre Trust. A sum of £90,443 remains outstanding and discussions are continuing with the aim of the loan being restructured over a 5 year capital and interest repayment plan. In the meantime, interest is being charged and paid on the loan.

In order to reduce the overheads of the Trust, the Trust's office at Attlee House, 28 Commercial Street, London E1 6LR has been vacated and the Trust's Registered Office has been moved to 65 Brushfield Street, London E1 6AA. A basement store has also been vacated at Attlee House and the appointment of the former Secretary has been terminated.

GRANT MAKING POLICY

The policy for grant making is to distribute grants once a year and these will be restricted to Education and Training organisations benefiting residents of Local Area Partnership 2, namely the London Borough of Tower Hamlets wards of Spitalfields, Banglatown and Bethnal Green South and no single grant will exceed £5,000.

ACHIEVEMENTS AND PERFORMANCE

The former secretary of the Trust completed the assessment the grant applications and four grants were recommended and approved by the Board of Trustees

The Collective of Bangladeshi School Governors	2,000
Horwood Estate Bangla School	2,000
Somali Education and Cultural Project	2,000
East End Community School	2,500

A second round of grants will be advertised and considered between May and August 2007

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the trustees, who are also directors for the purposes of company law, to prepare statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the excess or deficiency of the Trust's income over expenditure for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- comply with applicable accounting standards 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 Trust will continue.

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

THE SPITALFIELDS MARKET COMMUNITY TRUST

TRUSTEES' ANNUAL REPORT (continued)

Each of the trustees at the date of approval of this report confirms that

- 1 So far as the trustees are aware, there is no relevant audit information of which the Trust's auditors are unaware, and
- 2 The trustees have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s 234ZA of the Companies Act 1985

FUTURE PLANS

It is proposed that the Trust's remaining capital should remain invested with CAF Bank and that the resultant income will continue to be used for Education and Training grants. The Trustees will continue to see whether there is any opportunity for further funds being advanced to the Trust

Approved by the Board on
and signed on its behalf by

3rd December 2007



M Bear
Secretary

65 Brushfield Street
London, E1 6AA

Accountants' Report to the members of The Spitalfields Market Community Trust

We have examined the accounts of The Spitalfields Market Community Trust for the year ended 31st March 2007 which comprise of the Statement of Financial Activities, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us as at and for the year ended 31st March 2007

This report is made to the charity's trustees, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the charity's trustees those matters that we have agreed to state in this 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 and the charity's trustees, as a body, for our work or for this report.

Respective responsibilities of the Trustees and reporting accountants

As described in the Statement of Trustee's Responsibilities, the charitable company's Trustees, who are also the Directors for the purposes of company law, are responsible for the preparation of the accounts. The trustees consider that the charitable company is exempt from an audit in accordance with sections 249A, 249E of the Companies Act 1985. We have been appointed as reporting accountants under s249 of the CA 1985. Our responsibility is to report in accordance with section 249 of that Act.

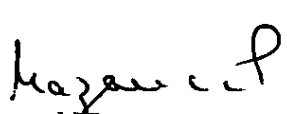
Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants. Our procedures consisted of comparing the accounts with the accounting records kept by the charitable company and making such limited enquiries of the officers of the charitable company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion

- the accounts for the year ended 31st March 2007 are in agreement with the accounting records kept by the charitable company under section 221 of the Companies Act 1985,
- having regard only to, and on the basis of, the information contained in those accounting records
 - the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act, and
 - the charitable company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act as modified by section 249A(5) and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1)


Mazars LLP
Chartered Accountants
and Reporting Accountants
Times House
Throwley Way
Sutton
Surrey
SM1 4JQ

16 January 2008

The Spitalfields Market Community Trust

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2007

	Notes	General Fund 2007 £	General Fund 2006 £
Incoming Resources			
Interest receivable		16,473	22,265
TOTAL INCOMING RESOURCES		<u>16,473</u>	<u>22,265</u>
Resources Expended			
Charitable activities:			
Grants making	2, 3 & 4	15,007	10,790
Governance	6	2,339	4,604
TOTAL RESOURCES EXPENDED		<u>17,346</u>	<u>15,394</u>
NET INCOMING/(OUTGOING) RESOURCES	14	<u>(873)</u>	<u>6,871</u>
NET MOVEMENT IN FUNDS		(873)	6,871
FUND BALANCES BROUGHT FORWARD at 1 April 2006		<u>528,383</u>	<u>521,512</u>
FUND BALANCES CARRIED FORWARD at 31 March 2007		<u>527,510</u>	<u>528,383</u>

All amounts relate to continuing activities

All recognised gains and losses are included in the consolidated statement of financial activities

The Spitalfields Market Community Trust

BALANCE SHEET as at 31 March 2007

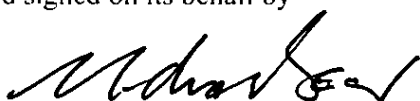
	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	9	-	-
		-	-
CURRENT ASSETS			
Debtors	10	92,053	102,053
Cash at bank and in hand	11	437,220	428,680
		529,273	530,733
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	12	(1,763)	(2,350)
NET CURRENT ASSETS		527,510	528,383
NET ASSETS		527,510	528,383
STATEMENT OF GENERAL FUND			
Unrestricted general fund	13	527,510	528,383
		527,510	528,383

In preparing these financial statements

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985,
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit and loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Approved by the Board on *3rd December 2007*
and signed on its behalf by



Trustee

The Spitalfields Market Community Trust

Notes to the financial statements For the year ended 31 March 2007

1 ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 1985, and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in March 2005 and applicable UK accounting standards

(b) Funds

(c) Bank interest

Interest on bank deposits is accounted for on the accruals basis

(d) Grants payable

Grants are provided when the relevant conditions have been met by the balance sheet date. Where conditions have not been met at the balance sheet date, the grants have been agreed in principle and have been disclosed by way of note.

(d) Fixed assets and depreciation

Fixed assets are stated at cost or valuation less depreciation as shown

Computer and office equipment	25% on cost
-------------------------------	-------------

(e) Support Costs

Support costs have been allocated between charitable activity and governance. Support costs related to charitable activity have been apportioned based on the individual number of grants made in recognition that the administrative burden of awarding, monitoring, and assessing grants

(f) Governance

Governance costs comprise all costs involving the public accountability of the Trust and its compliance with regulation and good practice. These costs include costs related to the statutory audit together with trustees expenses and an apportionment of overhead and support costs

The Spitalfields Market Community Trust

Notes to the financial statements

For the year ended 31 March 2007 (continued)

2. RESOURCES EXPENDED

	Grants payable (see note 3) £	Support costs (see note 5) £	2007 £	2006 £
Grant making	8,500	6,507	15,007	10,790

3. GRANTS

	2007 £	2006 £
Total grants awarded to beginning of the year	-	101,811
Movement during the year - grants approved (see note 4)	8,500	-
- grant written back	-	-
Total grants awarded to end of year	8,500	101,811
Less		
Total grants paid during the year	(8,500)	(101,811)
Net balance of grants payable	Nil	Nil

4. LIST OF GRANTS

	2007 £	2006 £
The Collective of Bangladeshi School Governors	2,000	-
Horwood Estate Bangla School	2,000	-
Somali Education and Cultural Project	2,000	-
East End Community School	2,500	-
	8,500	-

5. SUPPORT COSTS

	2007 £	2006 £
Premises	1,333	3,943
Consultancy	4,570	5,672
Depreciation	-	500
Other	604	675
	6,507	10,790

The Spitalfields Market Community Trust

Notes to the financial statements

For the year ended 31 March 2007 (continued)

6. GOVERNANCE

	2007 £	2006 £
Professional fees	576	836
Audit and accountancy	1,763	2,350
Consultancy	-	1,418
	<u>2,339</u>	<u>4,604</u>

7. TRUSTEES' REMUNERATION

No trustees received any remuneration or reimbursed expenses in respect of the company or the group during the period

8. TAXATION

The company is exempt from direct taxation as a charity, under Section 505 of the Income and Corporation Taxes Act 1988. The subsidiary accounts for taxation in its own financial statements as summarised in note 2.

9. TANGIBLE FIXED ASSETS

	Computer and office equipment £	Total £
COST OR VALUATION		
At 1 April 2005 and 31 March 2007	19,939	19,939
	<u>19,939</u>	<u>19,939</u>
ACCUMULATED DEPRECIATION		
At 1 April 2006	19,939	19,939
Charge for year	-	-
	<u>19,939</u>	<u>19,939</u>
At 31 March 2007	19,939	19,939
	<u>19,939</u>	<u>19,939</u>
NET BOOK VALUES		
At 31 March 2007	-	-
	<u>-</u>	<u>-</u>
At 31 March 2006	-	-
	<u>-</u>	<u>-</u>
Depreciation rate	25% pa on cost	

The Spitalfields Market Community Trust

Notes to the financial statements

For the year ended 31 March 2007 (continued)

10. DEBTORS

	2007 £	2006 £
Due within one year		
Other debtors	10,000	10,000
Prepayments and accrued income	1,610	1,610
	<u>11,610</u>	<u>11,610</u>
Due after one year		
Other debtors	80,443	90,443
	<u>92,053</u>	<u>102,053</u>

Included in other debtors due after one year is £80,443 advanced to the Tower Hamlets Business Development Centre (THBDC). A balance of £10,000 is included in other debtors due within one year. The loans are secured by legal charges over the properties occupied by THBDC.

11. CASH AT BANK AND IN HAND

	2007 £	2006 £
Cash at bank balances include amounts held in		
Overnight fixed deposit accounts		
Income accounts	437,220	428,580
Cash in hand	-	100
	<u>437,220</u>	<u>428,680</u>

12. CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Accruals and deferred income	1,763	2,350
	<u>1,763</u>	<u>2,350</u>

13. STATEMENT OF MOVEMENT ON GENERAL FUNDS

	2007 £	2006 £
Balance at 1 April 2006	528,383	521,512
Deficit for financial year	(873)	6,871
Balance at 31 March 2007	<u>527,510</u>	<u>528,383</u>

The Spitalfields Market Community Trust
Notes to the financial statements
For the year ended 31 March 2007 (continued)

14 NET INCOMING/(OUTGOING) RESOURCES

	2007	2006
	£	£
This is stated after charging or crediting		
Auditors' remuneration - audit	-	881
- accountancy	1,763	1,469
Depreciation	-	500
	<u> </u>	<u> </u>

The Spitalfields Market Community Trust

DETAILED INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2007

(not part of the audited financial statements)

	2007 £	2006 £
INCOME		
Interest receivable	16,473	22,265
	<u>16,473</u>	<u>22,265</u>
EXPENDITURE		
Premises	1,333	3,943
Audit and accountancy	1,763	2,350
Professional fees	576	836
Consultancy fee	4,570	7,090
Other expenses	604	675
Depreciation on office equipment	-	500
	<u>8,846</u>	<u>15,394</u>
Grants	8,500	-
	<u>8,500</u>	<u>-</u>
Net incoming/(outgoing) resources	(873)	6,871
	<u>(873)</u>	<u>6,871</u>
NET MOVEMENT IN FUNDS	(873)	6,871