

4362659

# **The Bishopsgate Foundation**

## **Reports and financial statements**

**For the year ended 31 March 2006**

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# **The Bishopsgate Foundation**

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## **The Bishopsgate Foundation 2005/06 Governors' Report**

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The Governors have pleasure in presenting the report and financial statements for the year ended 31 March 2006. This report is prepared under the Companies Act 1985, the Charities Act 1993, SORP 2005 and applicable accounting standards.

### **Reference and administrative information**

**Registered company number:** 4362659

**Registered charity number:** 1090923

**Governors:**

*Ex-officio:*

The Reverend David Paton (Rector of St Botolph  
Without Bishopsgate to May 31<sup>st</sup>, 2006) (Chairman)  
Alderman Sir Michael Oliver (Alderman of the  
Ward of Bishopsgate)

*Parish Governors: (Appointed by the  
Rector and Churchwardens of the  
Parish of St Botolph) (Term 4 years)*

Diane E Brunt  
Anthony C Graves (until 29 January 2006)

*Nominated by the City Parochial  
Foundation: (Term 4 years)*

Miles Barber (re-appointed 29 January 2006)  
Michael B Maunsell (re-appointed 29 January  
2006)

*Co-optative: (Term 5 years)*

Michael V Roberts  
Eugenie Maxwell  
William H Dove MBE JP CC  
Peter Luscombe  
Roger L Payton  
Edwin R Tarry  
Philip M Weaver  
Antonia Byatt  
David Paton (from June 1<sup>st</sup>, 2006) (Chairman)

**Management:**

Andrew Fuller	Clerk to the Governors, Chief Executive
Stewart Gilmour	Finance Manager
Anna Salaman	Director of Public Programmes
Mary Richards	PA to Chief Executive and Administration Manager

**Contact address:**

Bishopsgate Institute  
230 Bishopsgate  
London  
EC2M 4QH

**Independent auditors:**

Mazars LLP  
Times House  
Throwley Way  
Sutton  
Surrey  
SM1 4JQ

## **The Bishopsgate Foundation 2005/06 Governors' Report**

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<b>Solicitors:</b>	Farrer & Co. 66 Lincoln's Inn Fields London WC2A 3LH
<b>Bankers:</b>	HSBC Bank Plc 100 Old Broad Street London EC2N 3LN
<b>Investment advisor:</b>	M & G Securities Ltd Fairburn House Coval Wells Chelmsford Essex CM1 1WV
<b>Property advisors:</b>	Lamberts 387 City Road London EC1V 1NA

### **Structure, governance and management**

#### **Legal status**

The Bishopsgate Foundation is a charitable company limited by guarantee, incorporated on 29 January 2002 and registered with the Central Register of Charities on 5 March 2002. It was established to hold the non-permanently endowed assets and undertake the day-to-day activities of the Scheme Charity from 1 April 2002. The company's registration number is 4362659 and the charity registration number is 1090923. The permanent endowment assets are retained by the Scheme Charity pursuant to the terms of a Scheme of the Charity Commissioners, which became effective on 7 April 2003 and appointed The Bishopsgate Foundation as sole corporate trustee of the Scheme Charity.

The Bishopsgate Foundation Endowment Charity ('the Scheme Charity') is registered as Charity No: 208874 and is constituted under a Scheme of the Charity Commissioners dated 23 February 1891, with subsequent modifications, within the framework of the City of London Parochial Charities Act 1883.

On 17 February 2006 the charity created a wholly-owned subsidiary company called B.I (Trading) Limited, which was established to operate the Foundation's meeting and hall hire facility from 1 April 2006. The company's registration number is 5713796.

#### **Board of Governors**

The Foundation's Memorandum and Articles of Association state that the Board of Governors shall consist of at least ten and not more than fifteen persons: two Ex-officio Governors, two Parish Governors, two Nominated Governors and between four and nine co-opted Governors.

## **The Bishopsgate Foundation 2005/06 Governors' Report**

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Governor responsibilities are considered to be:

- Strategic – defining and approving the Foundation's Mission, Vision and Values within its overall charitable objects;
- Stewardship – of the Foundations assets: the assessment and mitigation of risk, their presentation and exploitation;
- Monitoring – of service delivery, supporting the Chief Executive and encouraging best practice in HR management;
- Promotion and advocacy – of the Foundation and its work to clients, partners and stakeholders;
- Governance – ensuring high standards of Board performance, following where possible best standards of compliance and governance.

The Board meets four times a year.

### **Governor selection process**

When a vacancy exists on the Board, the vacancy is referred to the Governors Appointment Group, a standing body, which consists of the Chairman, Vice Chairman, Chief Executive and one or more other governors to consider the skill and personal profile of the sort of person whose appointment would best contribute to the needs of the Institute. This Group will advise the Board on any proposed appointments.

### **Governor induction and training**

The Foundation recognises that new Governors need to be made aware of its charitable purposes, modus operandi, plans, problems and challenges etc.

All new Governors, Co-optative, Nominative, and Ex-officio will be provided with a copy of the Trust Deed, Standing Orders Rules & Regulations, the latest Annual Report & Accounts, Strategic Plan, Risk Assessment, publicity material and minutes, meet the Chief Executive and have a guided tour of the Institute, and a briefing with the Chairman and Deputy Chairman.

Governors are encouraged to attend external training events where these will facilitate their responsibilities as Governors.

### **Management**

The Board of Governors has established five principal committees to discharge functions relating to the day-to-day administration and management of the Foundation:

- Finance & General Purposes (meets three times a year)
- Property (meets twice a year)
- Public Programmes (meets three times a year)
- Human Resources (meets when required)
- Eleemosynary (responsible for grants & pensions) (meets once a year)

Other sub-committees are constituted on an ad-hoc basis as required.

A Senior Management Team has been created to facilitate the efficient running and development of the Foundation in accordance with the strategy, policies and decisions of the Board of Governors. Membership consists of the Chief Executive, Director of Public Programmes, Finance Manager and Administration Manager. It meets monthly.

# **The Bishopsgate Foundation**

## **2005/06 Governors' Report**

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### **Risk management**

The Governors completed a thorough re-assessment of the strategic, business and operational risks to which the charity is exposed and systems have been or are being established to mitigate those risks. Progress is reviewed periodically by the Senior Management Team and submitted annually for Board approval.

The Institute's location on a busy, primary thoroughfare in the City, means that a key element of our risk strategy is having disaster contingency and business continuity plans. Particular attention will be paid to developing these during 2006.

### **Objectives and activities**

The objects of the Foundation are:

1. The provision and maintenance of an Institute in, or near the City of London, for the purpose of promoting the education of the public and in particular the provision of:
  - a library comprised of books, journals and other materials (whether electronic or otherwise) for the use of members of the public to be managed under regulations made from time to time by the Governors; and
  - public facilities to be managed under regulations made from time to time by the Governors including the power to charge fees for their use.
2. The relief by all charitable means of persons in need who are resident or working or have resided or worked in the area of the ecclesiastical parishes of St Botolph Without Bishopsgate, Christchurch Spitalfields and St Leonard's Shoreditch as defined from time to time.

### **Current activities**

The Institute has grown to be a multi-functional organisation which seeks to fulfil its charitable objects by undertaking the following activities; either as principal or in association with partners:

1. Courses for adults covering a wide range of subjects and programmes which aim to expand the horizons and quality of life of those who participate.

A programme of cultural events including concerts, performances and talks. Concerts are arranged by the City Music Society.
2. A specialist library holding collections of national and international importance concerned with the history of London, the East End, the early labour movement and the radical left. In addition, it possesses substantial collections on family history, maps, prints and photographs of the City and surrounding area. A Quick reference section is also available.
3. Hall and meeting room hire. The Institute has a collection of halls and rooms for hire for examinations, meetings and other events.

Two choirs, London Symphony Chorus and the London Philharmonic Choir regularly rehearse.
4. Grants to local charities. The Institute provides grants to a wide range of charities that serve people in need in three local parishes of St Botolph Without Bishopsgate, Christchurch Spitalfields and St Leonard's Shoreditch.

A Pensioners group. The Institute supports fifty five pensioners with quarterly pensions, monthly lunches, a Christmas lunch and five day trips per annum.

## **The Bishopsgate Foundation 2005/06 Governors' Report**

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### **Organisational philosophy**

During the course of the year, the aim has been to express the mission, vision and values of the Institute in more contemporary language.

### **Mission**

The Bishopsgate Institute is an independent charity dedicated to providing accessible and inspiring learning, research and cultural opportunities for those who work and live in the City of London and neighbouring communities. We are committed to fostering the physical, intellectual and spiritual development of people in all walks of life through our educational and cultural programmes and our historic library and archive. Through these activities and our support for people in need, we will enrich lives and serve the communities around us.

### **Strategic review**

The Institute is largely a local charity, serving local workers and residents. The continuing development of the area immediately around the Institute as a lively commercial, retail and leisure area puts us at the heart of one of the busiest and most vital areas of the City of London. There is an opportunity for the Institute to respond to these rapidly changing circumstances by ensuring that:

- our activities are fully congruent with our mission
- we evolve our plans for broadening and strengthening our public programmes and that these activities serve the needs of our users and potential users in a changing and competitive world
- our building provides appropriate spaces, facilities and ambience to enable us to continue to attract users, use our heritage assets and deliver our activities to the highest standards.

To respond to these opportunities a further review of our 2004 strategic plan was conducted so as to inform the development of a robust business plan which would provide the framework for future activities, guide us in decisions on the nature and phasing of building works and improvements to facilities and equipment, and assist us in making decisions about capital funding, income generation and running costs.

Work on our strategy and business plan is ongoing and is being informed by our decision to apply to the Heritage Lottery Fund for a grant towards the development scheme.

## **Achievements and performance**

### **Public programmes**

#### *Bishopsgate library:*

Following the independent review of Bishopsgate Reference Library in June 2005, the Public Programmes Committee agreed that rather than continue as a general reference library, the Library should seek to promote itself as a specialist library concerned with the history of London and the East End, the early labour movement and radical movements, and hold a reduced Quick Reference section. It was also agreed that the library should change its name to reflect the change in its focus; it will now be known as "Bishopsgate Library".

A detailed strategic plan has been produced which has identified five strategic aims:

- *Collections management and development:*  
Re-positioning Bishopsgate Library as a specialist library for the study of the history of London, the early labour movement, and radical movements.
- *Cataloguing*  
Creating an electronic catalogue for all Bishopsgate Library's collections and archives and an OPAC (Online Public Access) system.

## The Bishopsgate Foundation 2005/06 Governors' Report

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- *Conservation and preservation*  
Creating a suitable storage area for Bishopsgate Library's archives and to maintain and develop high levels of conservation and preservation practice.
- *Marketing and outreach*  
Creating publicity materials to reflect the new focus of Bishopsgate Library; exploring wider partnerships with related museums, libraries, archives and other organisations towards pro-active outreach.
- *Staffing, procedures and resources*  
Developing an infrastructure for the effective delivery of Library services.

The Strategy also identifies the need to open up the collections to new audiences, including students from schools, colleges and universities. Consultation with teachers and tutors will take place accordingly in autumn 2006 pending support from the Heritage Lottery Fund.

The Institute's first full-time archivist was appointed who has responsibility for managing the library's archives.

The National Archives awarded the Institute a grant of £25,000 which will enable us to employ an additional archivist for one year to catalogue the George Howell collection. This is a prestigious award which underlines the significance of our collections.

New archives acquired during the year include the City Music Society, the George Butler notebook, and the Robert Barltrop papers.

### *e-learning and Learndirect:*

The decision was taken to close this facility at the end of July 2005. This was due to continued poor enrolments, unsustainable financial losses and an external consultant's advice that there was no clear market for Learndirect in this location.

### *Courses for adults:*

The programme of lunchtime and early evening courses for adults is now well-established and is the most prominent of the Institute's public activities. Both the number of students enrolling and the revenue generated continues to increase, although when direct expenses and an allocation of general overheads are deducted, the programme continues to make an unacceptable level of loss.

The quality of our facilities is an inhibiting factor in the uptake of some of our courses. Performing Arts in particular would be improved with the provision of new and better facilities, e.g. changing rooms, showers, ventilation to the rooms etc.

The future direction of our programme will be developed during the coming year, but there are three strategic issues to be addressed:

- Addressing the financial deficit
- Expanding our current offer to existing and new audiences
- Utilising our physical resources off-peak

### *Cultural events:*

At different times in the Institute's history, cultural events – concerts, lectures, art exhibitions – have played a greater or lesser part in its activities. Currently the programme is modest and intermittent, consisting mainly of the lunchtime concert series of the City Music Society, and a handful of walks and illustrated talks organised by the Institute. We intend that cultural activities should in the future play a regular and much more prominent role in our programmes, helping to create a vibrant, diverse and high quality public face for the Institute. A detailed strategy will be drawn up during 2006.



## **The Bishopsgate Foundation 2005/06 Governors' Report**

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In August, the Institute hosted a major exhibition of paintings by Boris Born, which consisted of twelve very large pictures specially commissioned for hanging in the Great Hall. This has been a very successful project and the Institute is now considering a proposal for an annual changing display of art.

However, developing this area of activity will be dependent on investment in our facilities.

### *Marketing:*

The Institute appointed its first Marketing and Communications Manager who has been appointed to help raise the profile of the Institute and its activities.

Substantial progress has been made re-developing our printed materials, updating our database of customers and production of a regular email newsletter. Our website will be totally redesigned to make it fully accessible. Work on an Audience Development Plan has commenced and we are working towards producing a full marketing strategy for all the Institute's activities.

### *Staffing:*

Last year, the Institute made some major changes to the way it delivered its activities which included the grouping together of our public-facing activities under the leadership of a new position of Director of Public Programmes. This year a complementary role was created on the support services side of the organisation which has overall responsibility for finance and building services/facilities management. From May 2006 operational management of building services has been temporarily outsourced to a specialist facilities management company.

### *Relief of need (Eleemosynary activities):*

The charity distributed £33,972 to thirteen charities serving young and old local people in need and supported fifty five pensioners, providing quarterly pensions, a monthly lunch club and day outings during the summer.

The Foundation gratefully acknowledges the support from the Trustees of the Dulwich Almshouse Charity for their continued contribution to help fund those charities that work with the elderly as well as provide ten additional pensions.

## **Plans for future periods**

### *Development of the premises:*

It is fundamental to everything the Institute does, that our building and the quality of its facilities keep pace with the expectations of the communities we seek to serve. With the development of Spitalfields and the area north along Bishopsgate the Institute finds itself at the heart of the newest and most culturally vibrant quarter of the City.

The Institute's plans to develop and extend the building, constituted its major focus during the year. The plans involve making the Institute compliant with the requirements of the Disability Discrimination Act legislation, upgrading and improving the facilities and creating a series of medium-sized rooms for teaching purposes.

The Heritage Lottery Fund (HLF) has expressed an interest in the project. The Institute is intending to make a stage 1 application to HLF by 31 December 2006. Other funding options being considered involve applying to other trusts, approaching the local business community and applying to the Charity Commission for consent to spend capital from the Foundation's permanent endowment.

# **The Bishopsgate Foundation**

## **2005/06 Governors' Report**

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### **Financial review**

The total assets of the Foundation have increased by £705,132 primarily due to unrealised gains on stock market investments and a realised gain on the sale of The Farmers public house.

A net surplus of £67,178 was also generated from activities which contrasts favourably with the previous year which had a net outflow of £(22,496).

Incoming resources increased by 5.8% to £1,709,763 mainly as a result of increased revenue from the education programme and an increase in deposit income arising from the sale of The Farmers.

### **Investment performance and policy**

The Trustee Act 2000 applies to the Foundation's endowment charity. The Governor's investment policy is biased towards income such that the portfolio should achieve an income of not less than £120,000 per annum, whilst maintaining the real value of the investment. Actual income for the year was £128,698 (2005: £125,843). The market value of the investments increased by £272,551 (2005: £2,175,113).

### **Reserves policy**

The Governors' policy is to maintain sufficient free revenue reserves to meet the equivalent of at least six months operating costs. At the balance sheet date, adjusted free revenue reserves stood at £1,043,796 which meets current policy. The reserves policy and position are reviewed annually.

### **Statement of Governors' Responsibilities**

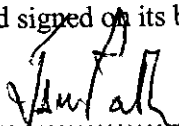
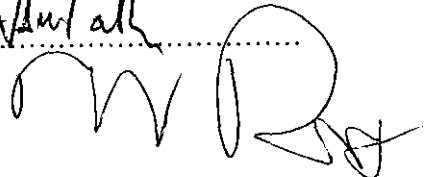
Charity law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of The Bishopsgate Foundation as at the balance sheet date and of its incoming resources and application of resources for the financial year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and 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 Bishopsgate Foundation will continue in operation.

The Governors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of The Bishopsgate Foundation and to enable them to ensure that the financial statements comply with the Charities Act 1993 and the Statement of Recommended Practice (SORP) 2005. They are also responsible for safeguarding the assets of The Bishopsgate Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board on ..... 19 July 2006

and signed on its behalf by

.....  
  


## Independent auditors' report to the members of The Bishopsgate Foundation

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We have audited the financial statements of The Bishopsgate Foundation for the year ended 31 March 2006 which comprise the Statement of Financial Activities, the Balance Sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

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 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 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

As described in the Statement of Governors' Responsibilities, the trustees, who are also the directors of The Bishopsgate Foundation for the purposes of company law, are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 if, in our opinion, the Report of the Board of Governors is not consistent with the financial statements, if the charitable 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 trustees' remuneration and transactions with the charitable company is not disclosed.

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

### Basis of audit 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 judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company'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 as to whether 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 of the state of the charitable company's affairs as at 31 March 2006 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



CHARTERED ACCOUNTANTS  
and Registered Auditors

Mazars LLP  
Times House  
Throwley Way  
Sutton  
Surrey SM1 4JQ

Date

19 July 2006

# The Bishopsgate Foundation

## Statement of financial activities For the year ended 31 March 2006

	Notes	Unrestricted Designated Development Revenue	Unrestricted Designated Development fund	Restricted	Endowment	Total funds 2006	Total funds 2005 Restated
		£	£	£	£	£	£
<b>Incoming resources</b>							
<b>Incoming resources from generated funds</b>							
Voluntary income		21,938	-	-	-	21,938	28,008
<b>Investment income</b>							
General estate:							
Rents and other income		113,231	-	-	-	113,231	130,004
Insurance		7,617	-	-	-	7,617	6,405
Listed investments		88,370	-	-	-	88,370	86,410
Deposit income		124,569	-	-	-	124,569	12,207
Underwood estate:							
Rents		292,745	-	-	-	292,745	296,578
Insurance		59,381	-	-	-	59,381	60,303
Listed investments		40,328	-	-	-	40,328	39,433
Deposit income		101,965	-	-	-	101,965	126,481
<b>Incoming resources from charitable activities</b>							
Provision of facilities		536,793	-	-	-	536,793	567,502
Education programme		295,707	-	-	-	295,707	243,315
Bishopsgate library		27,119	-	-	-	27,119	19,287
<b>Total incoming resources</b>		<u>1,709,763</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,709,763</u>	<u>1,615,933</u>
<b>Resources expended</b>							
<b>Cost of generating funds</b> 2							
Investment management costs		62,689	-	-	36,050	98,739	127,079
St Botolph Underwood estate income		47,000	-	-	-	47,000	60,784
<b>Charitable activities</b> 2							
Provision of facilities		346,947	83,143	-	20,000	450,090	473,488
Education programme		486,998	-	-	-	486,998	468,075
Bishopsgate library		442,982	-	-	-	442,982	412,129
Grants & pensioners	4, 6	74,925	-	-	-	74,925	63,783
<b>Governance costs</b> 2, 3		<u>41,851</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,851</u>	<u>33,091</u>
<b>Total resources expended</b>		<u>1,503,392</u>	<u>83,143</u>	<u>-</u>	<u>56,050</u>	<u>1,642,585</u>	<u>1,638,429</u>
<b>Net movement in funds before transfers and revaluations</b>							
		<u>206,371</u>	<u>(83,143)</u>	<u>-</u>	<u>(56,050)</u>	<u>67,178</u>	<u>(22,496)</u>

# The Bishopsgate Foundation

## Statement of financial activities For the year ended 31 March 2006 (continued)

	Notes	Revenue	Unrestricted Designated Development fund	Restricted	Endowment	Total funds 2006	Total funds 2005 Restated
		£	£	£	£	£	£
<b>Net movement in funds before transfers and revaluations</b>		206,371	(83,143)	-	(56,050)	67,178	(22,496)
Transfers		(14,448)	14,448	-	-	-	-
Recoupment		(25,000)	-	-	25,000	-	-
<b>Net movement in funds before revaluations</b>		166,923	(68,695)	-	(31,050)	67,178	(22,496)
<b>Gains and losses</b>							
Realised investment gains		-	-	-	365,403	365,403	-
Unrealised investment gains		-	-	-	272,551	272,551	2,175,113
		166,923	(68,695)	-	606,904	705,132	2,152,617
<b>Funds brought forward</b>	<b>12,13</b>	1,002,434	1,092,966	29,455	15,168,607	17,293,462	15,140,845
<b>Funds carried forward</b>	<b>12,13</b>	1,169,357	1,024,271	29,455	15,775,511	17,998,594	17,293,462

All of the Foundation's activities are derived from continuing operations.

The Foundation has no recognised gains and losses other than those shown above.

The notes on pages 13 to 23 form part of these financial statements.

# The Bishopsgate Foundation

## Balance sheet at 31 March 2006

	Notes	£	2006 £	£	2005 £
<b>Fixed assets</b>					
<b>Tangible fixed assets</b>					
Freehold properties:					
The Institute, including Brushfield Street Annexe		1,840,000		1,860,000	
Freehold improvements		1,050,739		1,119,434	
Furniture, fittings, and equipment		125,561		121,636	
	8		3,016,300		3,101,070
<b>Investment assets</b>					
Investment properties	9	6,129,650		8,569,650	
Investments	9	2,689,568		2,417,017	
Endowment cash	9	5,104,825		2,324,927	
Investment in subsidiary	9	1		-	
			13,924,044		13,311,594
			16,940,344		16,412,664
<b>Current assets</b>					
Debtors	10	125,948		167,698	
Bank deposits		973,877		822,239	
Cash at bank and in hand		151,246		111,197	
		1,251,071		1,101,134	
<b>Creditors: amounts falling due within one year</b>	11	(192,821)		(220,336)	
<b>Net current assets</b>			1,058,250		880,798
<b>Net assets</b>			17,998,594		17,293,462
<b>Funds</b>					
Endowment	12		15,775,511		15,168,607
Restricted			29,455		29,455
<b>Unrestricted</b>					
Revenue	13	1,169,357		1,002,434	
Development fund	13	1,024,271		1,092,966	
			2,193,628		2,095,400
			17,998,594		17,293,462

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

Approved by the Board on 19 June 2006.  
and signed on its behalf by

*[Signature]*  
*[Signature]*

# The Bishopsgate Foundation

## Notes to the financial statements For the year ended 31 March 2006

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### 1 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention, as modified by the revaluation of certain fixed assets and the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in 2005. The financial statements include those of the linked charity administered by the Foundation, "The Bishopsgate Foundation Endowment Charity".

SORP 2005 has been applied to these financial statements for the first time this year and the comparative figures have been restated as necessary.

### 1.2 Income

The Foundation's income is accounted for as follows:

#### i) Rental income from permanent endowment properties

Rental income from the Endowment Charity's properties is included in the financial statements when it falls due. However, where the lease has expired and the outcome of negotiations in respect of outstanding rent is uncertain, rental income is included on a cash received basis.

#### ii) Permanent endowment investment income

Deposit interest is accounted for on an accruals basis, dividend income on a receipts basis.

#### iii) Hall letting

Income is accounted for on an accruals basis in accordance with the date of letting.

### 1.3 Expenditure

The Foundation's expenditure is accounted for on an accruals basis.

### 1.4 Designated funds

In order to recognise the expenditure made from unrestricted funds on endowed assets, the governors will, when prudent, allocate such expenditure to a designated development fund.

### 1.5 Tangible fixed assets

The Institute building and freehold land, excluding the works on improvements, is included at a valuation as at 30 April 2002 provided by DTZ Debenham Tie Leung, who are unconnected with the Foundation. The valuation has been frozen under the transitional provisions of Financial Reporting Standard 15 and will not be updated.

All assets costing more than £1,000 are capitalised.

Fixed assets are capitalised and written off by equal annual amounts over their estimated useful lives as follows:

Institute	- 50 years
Freehold improvements	- 3 to 10 years
ICT equipment	- 3 years
Office and other equipment	- 1 to 5 years
Fixtures and fittings	- 1 to 5 years

# **The Bishopsgate Foundation**

## **Notes to the financial statements For the year ended 31 March 2006**

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### **1 Accounting policies (continued)**

#### **1.5 Tangible fixed assets (continued)**

Depreciation is charged to the fund to which the asset relates. Freehold land is not subject to depreciation.

#### **1.6 Investment assets**

Investments are held at market value at 31 March 2006. The market value is calculated at the average of bid and offer price on 31 March 2006.

Investment properties are included in the financial statements at their professional open market valuation as at 30 April 2002. Independent valuations are obtained on a five yearly basis or more frequently when Governors deem appropriate. These are reviewed on an annual basis by Governors to assess the valuation for the purposes of the financial statements.

#### **1.7 Cash flow statement**

Under Financial Reporting Standard 1 (Revised), the charity is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

#### **1.8 Prints and library collections**

The Institute possesses a substantial collection of books, prints, maps and photographs received at no cost. These assets are considered inalienable and their retention for historic reasons is essential to the furtherance of the charity's objects. Therefore no value in respect of these items is included in the balance sheet.

Bishopsgate Library holds unique collections of printed and archive material on the history and topography of London, and on free thought and working class movements in the 19th and 20th Centuries. The collections are recognised and valued by historians across the world.

The Library also holds collections relating to:

**George Howell** (1833-1910), trade unionist and MP for Bethnal Green

**George Jacob Holyoake** (1817-1906), secularist and early Co-operative Movement activist

**Charles Bradlaugh** (1833-1891), freethinker and politician, founder of the National Secular Society

**Raphael Samuel** (1934-1996), major cultural historian, local resident, and user of Bishopsgate Library over 25 years.

**The London Co-operative Society**

#### **1.9 Pension costs**

The charity operates a defined contribution scheme for employees. Contributions are charged in the Statement of Financial Activities as incurred.

#### **1.10 Support costs and governance costs**

Support costs include: expenditure on telephones, stationery, printing, marketing, subscriptions and equipment maintenance. These costs are apportioned across charitable activities and governance costs on an appropriate basis.



# **The Bishopsgate Foundation**

## **Notes to the financial statements For the year ended 31 March 2006**

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### **1 Accounting policies (continued)**

#### **1.10 Support costs and governance costs (continued)**

Governance costs include costs of governance arrangements which relate to the general running of the charity. These activities provide the governance infrastructure which allows the charity to operate and to generate the information required for public accountability.

# The Bishopsgate Foundation

## Notes to the financial statements For the year ended 31 March 2006

### 2 Analysis of charitable expenditure and allocation of support costs and overheads

The breakdown of support costs and how these are allocated between charitable activities and governance costs is shown below:

	Basis of allocation	Provision of facilities £	Education programme £	Reference library £	Grants & pensioners £	Governance costs £	2006 Total £	2005 Total Restated £
<b>Costs allocated to activities</b>								
Staff costs	Direct	133,922	133,922	200,883	-	-	468,727	445,962
Direct expenses	Direct	14,682	99,260	43,756	-	-	157,698	134,954
Marketing	Direct	8,000	63,473	8,000	-	-	79,473	77,007
Admin. & equipment	Direct	52,687	52,687	52,687	-	-	158,061	174,357
Grants	Direct	-	-	-	74,925	-	74,925	63,783
Premises	Usage	95,805	95,805	95,805	-	-	287,415	242,591
<b>Total</b>		<b>305,096</b>	<b>445,147</b>	<b>401,131</b>	<b>74,925</b>	<b>-</b>	<b>1,226,299</b>	<b>1,138,654</b>
<b>Support costs allocated to activities</b>								
General office	Staff time	41,851	41,851	41,851	-	41,851	167,404	191,567
<b>Total resources expended</b>		<b>346,947</b>	<b>486,998</b>	<b>442,982</b>	<b>74,925</b>	<b>41,851</b>	<b>1,393,703</b>	<b>1,330,221</b>
Other funds - Depreciation allocated		103,143	-	-	-	-	103,143	120,345
		<b>450,090</b>	<b>486,998</b>	<b>442,982</b>	<b>74,925</b>	<b>41,851</b>	<b>1,496,846</b>	<b>1,450,566</b>
<b>Cost of generating funds</b>							<b>145,739</b>	<b>187,863</b>
							<b>1,642,585</b>	<b>1,638,429</b>

# The Bishopsgate Foundation

## Notes to the financial statements For the year ended 31 March 2006

### 3 Analysis of governance costs

	2006	2005
	£	Restated £
Support costs	41,851	33,091

### 4 Grants to charitable organisations

	2006	2005
	£	£
Grants to local charities	33,972	30,000

The total number of grants paid in 2006 was 13.

Included in the above are the following grants of £1,000 or more:

Arts for All	1,500	-
Attlee Youth & Community Centre	2,622	-
City and East London Bereavement Service	3,000	1,000
Door of Hope	3,000	3,000
Families need Fathers	1,500	-
Hoxton Health Group	3,000	3,000
New Avenues Youth and Community Project	-	1,250
St Botolph Bishopsgate Youth Club	-	2,000
St Hilda's East Community Centre	3,000	3,000
Shoreditch Tabernacle	-	1,000
Tower Hamlets Friends and Neighbours	3,000	3,250
Tower Hamlets Parent Centre	2,500	-
Tower Hamlets Victim Support	-	1,500
Toynbee Hall	3,000	3,250
City Gateway	-	2,000
Spitalfields Crypt	-	2,500
Christchurch Youth	2,750	1,250
Spitalfields City Farm	2,900	1,000
Young News	2,200	1,000

# The Bishopsgate Foundation

## Notes to the financial statements For the year ended 31 March 2006

<b>5 Total staff costs</b>	<b>2006 £</b>	<b>2005 £</b>
Salaries and wages	508,629	491,833
Social Security costs	51,353	50,485
Pension costs	16,738	13,293
Other costs	59,412	51,508
	<u>636,132</u>	<u>607,119</u>

The average number of full time employees in the year was 19 (2005 : 20).

No employees received remuneration in excess of £60,000 in the year (2005 : none).

Reimbursement of travel and subsistence costs of £968 (2005 : £1,636) was made to two Governors (2005 : one).

£200 was paid to one Governor, Diane Brunt, in 2006 in accordance with an Order from the Charity Commission to ensure the good administration of the charity. In 2005, £460 was also paid to Diane Brunt.

### 6 Pensioners' support

	<b>2006 £</b>	<b>2005 £</b>
Cost of pensions and other support	<u>40,953</u>	<u>33,783</u>

### 7 Other costs

	<b>2006 £</b>	<b>2005 £</b>
Audit services		
- Current year	5,125	5,846
- Underprovision in respect of prior years	-	911
	<u>5,125</u>	<u>6,757</u>
Audit of pension plan	<u>750</u>	<u>852</u>
Other services	<u>6,190</u>	<u>-</u>

# The Bishopsgate Foundation

## Notes to the financial statements For the year ended 31 March 2006

### 8 Fixed assets

	Freehold land and building £	Development fund freehold improvements £	Furniture & equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2005	2,000,000	1,681,770	558,006	4,239,776
Additions	-	12,193	63,240	75,433
At 31 March 2006	2,000,000	1,693,963	621,246	4,315,209
<b>Accumulated depreciation</b>				
At 1 April 2005	140,000	562,336	436,370	1,138,706
Charge for the year	20,000	80,888	59,315	160,203
At 31 March 2006	160,000	643,224	495,685	1,298,909
<b>Net book value</b>				
At 31 March 2006	1,840,000	1,050,739	125,561	3,016,300
At 1 April 2005	1,860,000	1,119,434	121,636	3,101,070

All assets are held for charitable purposes. The value of freehold land included above is £1,000,000.

### 9 Investment assets

#### Investment properties

	Permanent endowment £
At 1 April 2005	8,569,650
Disposals	(2,440,000)
At 31 March 2006	6,129,650

The investment properties comprise the Underwood and General Estates. These properties were valued as at 30 April 2002 by DTZ Debenham Tie Leung, who are unconnected with the Foundation, at market value.

The public house known as The Farmers was sold on 29 February 2006 for £2,951,301.

# The Bishopsgate Foundation

## Notes to the financial statements For the year ended 31 March 2006

### 9 Investment assets (continued)

Investments	General estate £	Underwood estate £	Total £
Market value at 1 April 2005	1,659,646	757,371	2,417,017
Change in market value in the year	187,137	85,414	272,551
<b>Total market value at 31 March 2006</b>	<b>1,846,783</b>	<b>842,785</b>	<b>2,689,568</b>

	General estate £	Underwood estate £	Total £
Cost at 1 April 2005 and 31 March 2006	1,516,219	691,932	2,208,151

All investments are held in Exempt Unit Trusts, comprising a wide portfolio of investment assets.

### Endowment cash

The Foundation has endowment cash of £5,104,825 (2005: £2,324,927).

### Investment in subsidiary

The Foundation owns the entire share capital of B.I. (Trading) Limited which was incorporated on 17<sup>th</sup> February 2006. This company was dormant until 1 April 2006 when it commenced trading.

### 10 Debtors

	2006 £	2005 £
Hall letting debtors	27,876	20,920
Investment property rent debtors	36,255	52,427
Others	61,817	94,351
	<b>125,948</b>	<b>167,698</b>

# The Bishopsgate Foundation

## Notes to the financial statements For the year ended 31 March 2006

### 11 Creditors: amounts falling due within one year

	2006 £	2005 £
Payments received on account	66,168	25,173
Taxation and social security	13,522	14,018
Sundry creditors and accruals	113,131	181,145
	<u>192,821</u>	<u>220,336</u>

### 12 Endowment funds

	2006 £	2005 £
<b>General</b>		
Balance brought forward	15,168,607	13,055,021
Depreciation charge for the year	(20,000)	(20,000)
Repayment under recoupment order	25,000	25,000
Managing agent and legal fees	(36,050)	(66,527)
Realised gain on investment	365,403	-
Unrealised gain on investments	272,551	2,175,113
	<u>15,775,511</u>	<u>15,168,607</u>

### 13 Unrestricted funds

	2006 £	2005 £
<b>Revenue fund</b>		
Balance brought forward	1,002,434	972,341
Repayment under recoupment order	(25,000)	(25,000)
Transfer	(14,448)	(113,272)
Net movement in funds in the year	206,371	168,365
Balance carried forward	<u>1,169,357</u>	<u>1,002,434</u>
<b>Designated funds</b>		
<b>Development fund</b>		
Balance brought forward	1,092,966	1,080,039
Reclassification of funds	14,448	113,272
Depreciation & charges for the year	(83,143)	(100,345)
Balance carried forward	<u>1,024,271</u>	<u>1,092,966</u>
Total unrestricted funds	<u>2,193,628</u>	<u>2,095,400</u>

# The Bishopsgate Foundation

## Notes to the financial statements For the year ended 31 March 2006

### 14 Permanent endowment

The permanent endowment is represented by the Institute, the investment properties, financial investments, cash and other assets, the income from which is available for general purposes, except for that income specified in the Scheme which is required to be paid to St Botolph Without Bishopsgate. The Foundation is not at liberty to dispose of the capital of this endowment.

### 15 Pension costs

The Foundation operates a defined contribution pension scheme for its employees.

The assets of the scheme are held separately from those of the charity in independently administered funds.

The accounting policy of the Foundation is to charge employer's contributions to the Statement of Financial Activities as they fall due; the pension cost for the year amounted to £16,738 (2005: £13,293).

Separate audited financial statements are prepared for the scheme.

### 16 Analysis of net assets between funds

	Restricted £	Endowment and Recoupment £	Unrestricted Designated Development fund £	Revenue £	Total £
Tangible fixed assets	26,468	1,840,000	1,024,271	125,561	3,016,300
Investment properties	-	6,129,650	-	-	6,129,650
Investments	-	2,689,568	-	-	2,689,568
Investment in subsidiary	-	-	-	1	1
Bank deposits	2,987	5,104,825	-	1,122,136	6,229,948
Other net (liabilities)	-	11,468	-	(78,341)	(66,873)
	<u>29,455</u>	<u>15,775,511</u>	<u>1,024,271</u>	<u>1,169,357</u>	<u>17,998,594</u>

The Development Fund, which is a designated fund, was set up to reflect the capital expenditure incurred on the development and restoration of premises occupied by the Institute, required for the Foundation to meet its charitable objectives. A transfer to the development fund of £14,448 was made to equate the development fund total with the net book value of development fund assets not funded by restricted income.

The Foundation has a facility under a Charity Commission Order to borrow from its Permanent Endowment for the purposes of building improvements and provision of ICT facilities to the Institute. The amount to be drawn down under this facility was £500,000 and this was all drawn down by the end of 2005. To date, under the Recoupment Order £102,793 has been transferred to the Recoupment Fund.



# **The Bishopsgate Foundation**

## **Notes to the financial statements For the year ended 31 March 2006**

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### **17 Financial commitments**

The charity has entered into operating leases covering photocopiers with an annual charge of £8,040.

The number of leases entered into was 3; of these, two leases expire within one year and one lease expires between one to two years (2005: 3).

The charity has entered into a JCT minor works contract to the value of £60,000 for internal refurbishment to convert 6 Brushfield Street from office to residential use.

### **18 Related party transactions**

Under the terms of its charitable deed, the Foundation is required to pay two fifteenths of its income (after deduction of costs) from the Underwood Estate to St Botolph Without Bishopsgate. The Reverend David Paton is a trustee of the Foundation and was Rector of St Botolph Without Bishopsgate until May 31<sup>st</sup>, 2006.