

REGISTERED CHARITY NO. 1112995

REGISTERED COMPANY NO. 05311406

EAST FOUNDATION LIMITED

FINANCIAL STATEMENTS

PERIOD ENDED 31 MARCH 2009

TUESDAY



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EAST FOUNDATION

Financial Statements for the period ended 31 March 2009

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EAST FOUNDATION

Board of Trustees, Senior Staff, Bankers and Auditors

Board

Chair Mr. R. Henchley

Other Members

Mr. B. Robertson
Mr. K. Coello
Baroness Dean of Thornton le Flyde
Ms. F. Khasimi
Ms D. Sorkin
Mr B Spalding appointed 18/07/2008
Mr C Byrne appointed 18/07/2008

Senior Staff

Group Company Secretary Mr. H. Potter

Bankers

Barclays Bank plc
1 Churchill Place
LONDON E14 5HP

Auditors

Grant Thornton UK LLP
Byron House
Cambridge Business Park
Cowley Road
Cambridge CB4 0WZ

Registered Address

29-35 West Ham Lane
Stratford
LONDON E15 4PH

EAST FOUNDATION

Report of the Board of Trustees

The Board presents its report and audited financial statements for the year to 31 March 2009.

Legal status

East Foundation was incorporated under the Companies Act 1985 as a limited company on 13 December 2004 (registered company no. 05311406) and registered as a charity on 15 February 2006 (registered charity no. 1112995). Following resolutions from both Boards, the company became a subsidiary of East Thames Group Limited on 13 December 2004. Its registered office and principal place of business is 29-35 West Ham Lane Stratford London E15 4PH.

Board members, senior staff and advisers

The names of the Board members and charity trustees, senior staff and the names and addresses of principal advisers are disclosed on page 2.

Structure Governance and Management

The body responsible for the management of the Charity is the Board of Trustees. The Board meets four times a year, and East Thames Group Limited, the Group parent, endorses the appointment of Trustees and has the power to remove such Trustees.

Risk Management

The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by East Foundation. This process has been in place throughout the year of review, and is regularly reviewed by the Board. The internal control framework and the risk management process are subject to regular review by Internal Audit who is responsible for providing independent assurance to the Board via the Group Risk Management & Audit Committee. The Committee considers internal control and risk regularly during the year.

Statement of Responsibilities of the Board

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss 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;
- state whether applicable accounting standards 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 company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the 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 and other irregularities.

EAST FOUNDATION

Report of the Board of Trustees (continued)

Objectives and activities and public benefit.

In carrying out this review this year the Board has considered the Charity Commission's general guidance on public benefit entitled 'CCA15a – Charity Reporting and Accounting: The essentials'

The Charity's principal activity is to encourage, foster, assist and promote such activities of East Thames Group Limited and its subsidiaries as are charitable and those of any similar organisations established for charitable purposes as shall be approved by the Trustees from time to time.

During the year East Foundation selected three new priority themes for main grant programme funding as follows:

- **Stratford and New Town Ward - London Borough of Newham** with a focus on children and young people
- **Isle of Dogs, Cubitt Town and Blackwall and Millwall Wards – London Borough of Tower Hamlets** with a focus on Community Cohesion
- **London Borough of Havering** with a focus on older people and people with disabilities

During the year the Charity received 51 applications across all three themes, and twenty two of these applications were invited to submit full bids. In the year, three of these applications were funded, totalling £102,000, and a number of other shortlisted applications will be considered in the year ended 31st March 2010.

Within our small grants programme we awarded £20,000 in Aspiration Fund grants, and £15,000 in Community Chest grants.

The total of main and small grants programmes amounts to £500,000 with a total of £137,000 having been allocated in the year ended 31st March 2009.

In the year ended 31st March 2009 the Charity made grant payments of £776,000 of which £359,000 was paid against projects approved in 2007/08, £252,000 against projects approved in 2006/07 and the remaining £165,000 against projects approved in earlier years.

The current economic climate is having a significant impact on East Foundation in that it cannot solely rely on financial donations from the East Thames Group and external fundraising from other organisations is challenging.

We have reduced our administration costs by £7,000 during the year with the following improvements and cost saving measures:

- Selection of priority areas for funding is now led by the East Thames Sustainable Neighbourhoods Team, this has led to a reduction in consultancy costs, and an improvement in the service provided to the East Foundation board as this team can better ensure that the priority areas fit in with East Thames Group strategic priorities and initiatives.
- Reduction in application support provided to external applicants.
- Simplified reporting and Annual Review process
- Reduction in overall use of consultancy resource

EAST FOUNDATION

Report of the Board of Trustees (continued)

Financial performance for the financial period

The financial statements report on the Charity's results for the year ended 31 March 2009. The net expenditure for the year was £793k (2008: net expenditure £260k). Total funds carried forward at 31st March 2009 are £2,480k (2008: £3,273k).

Risks and uncertainties

The principal uncertainty for the Charity is the ability to raise funds and grants. The risk is managed through thorough assessment of potential for new funds and limiting the exposure to making awards ahead of funds being raised by the Charity.

Going concern

After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Reserves Policy

It is the Trustees' policy to hold unrestricted reserves at the lowest level consistent with good financial and risk management in order to achieve our objectives.

Relationship with East Potential Limited

East Foundation enjoys a close relationship with East Potential Limited which provides housing and training for young people. Additionally the parent company, East Thames Group Limited provides accounting, information technology and corporate services to East Foundation.

Annual general meeting

The group annual general meeting will be held on 16 September 2009 at West Ham Lane, Stratford, London E15 4PH.

Disclosure of information to auditors


At the date of making this report, the trustees, as set out on page 2, confirm the following:

- so far as each member and director is aware, there is no relevant information needed by the Group's auditors in connection with preparing their report of which the Charity's auditors are unaware, and
- each member and director has taken all the steps that they ought to have taken as a member or director in order to make them aware of any relevant information needed by the Charity's auditors in connection with preparing their report and to establish that the Charity's auditors are aware of that information.

External auditors

A resolution to re-appoint Grant Thornton UK LLP will be proposed at the forthcoming group annual general meeting.

Approved by the Board on 15 July 2009 and signed on its behalf by



Henry Potter
Group Company Secretary
29-35 West Ham Lane
Stratford
London
E15 4PH

Independent Auditors' Report to the Members of East Foundation

We have audited the financial statements of East Foundation for the year ended 31 March 2009, which comprise the Statement of Financial Activities (incorporating the income and expenditure account), the balance sheet, and the 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 regulations made under 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 the board and auditors

The Board's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of responsibilities of the board for the financial statements.

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 is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

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

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 significant estimates and judgements made by the board 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 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, of the state of affairs of the charitable company's as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- The financial statements have been properly prepared in accordance with the Companies Act 1985; and
- The information given in the Report of the Board is consistent with the financial statements.



Grant Thornton UK LLP
Chartered Accountants and Registered Auditors
Cambridge, England
28 August 2009

EAST FOUNDATION

Statement of financial activities for the year ended 31 March 2009 (incorporating the income and expenditure account)

	Note	Unrestricted £	Restricted £	2009 Total £	2008 Total £
Incoming Resources					
Incoming Resources from Generated Funds					
Activities for Generating Funds					
Voluntary Income		109		109	351,391
Interest	8	100,451	-	100,451	171,175
Gift Aid	8	-	-	-	-
Total Incoming Resources		<u>100,560</u>	<u>-</u>	<u>100,560</u>	<u>522,566</u>
Resources expended					
Charitable Activities					
Programme Costs		-	775,899	775,899	781,703
Management and Administration Costs		118,003	-	118,003	971
Total Resources Expended	2	<u>118,003</u>	<u>775,899</u>	<u>893,902</u>	<u>782,674</u>
Net (Expenditure) for the year		(17,443)	(775,899)	(793,342)	(260,108)
Reserves					
Funds brought forward at 1st April 2008		901,545	2,371,888	3,273,433	3,533,541
Transfers		-	-	-	-
Funds carried forward at 31st March 2009		<u>884,102</u>	<u>1,595,989</u>	<u>2,480,091</u>	<u>3,273,433</u>

EAST FOUNDATION

Balance sheet as at 31 March 2009

	Note	2009 £	2008 £
Investments		1,840,476	3,273,433
Current Assets			
Debtors	4	1,361,286	509,638
Cash at bank and in hand		-	23,433
		<u>1,361,286</u>	<u>533,071</u>
Less creditors : amounts falling due within one year	5	(721,671)	(533,071)
Net Current Assets		<u>639,615</u>	<u>-</u>
Net Assets		<u>2,480,091</u>	<u>3,273,433</u>
Funds			
Unrestricted Funds	6	884,102	901,545
Restricted Funds	7	1,595,989	2,371,888
		<u>2,480,091</u>	<u>3,273,433</u>

The financial statements were approved by the Board on 15 July June 2009 and signed on its behalf by:



EAST FOUNDATION

Notes to the financial statements year ended 31 March 2009

1 ACCOUNTING POLICIES

Basis of Preparation

The financial statements accounts have been prepared under the historic cost convention. The financial statements accounts have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2005 and applicable to accounting standards. Under FRS1 the charity is exempt from the requirements to prepare a cash flow statement on the grounds that its parent undertaking includes the charity in its published consolidated financial statements.

Donations and Similar Incoming Resources

Donations and similar incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Income is only deferred when the charity has to fulfill conditions before becoming entitled to it.

Grants Receivable

Grants are normally credited to incoming resources in the year in which they are receivable. If the grant has been specifically earmarked to be spent in a particular period, then it is credited to a deferred grant account and is released to incoming resources in the period for which it has been received.

Expenditure

All expenditure is accounted for on an accruals basis. Direct charitable expenditure comprises all expenditure directly relating to the objects of the charity including support costs. Management and administration costs comprise compliance costs together with central and non project management and administration costs. Costs are allocated to the functional expenditure categories as far as possible. The remaining costs are then apportioned on the basis of staff time spent.

Fund Accounting

Unrestricted funds are available for use at the discretion of the Board in furtherance of the general objectives of the charity and which have not been designated for other purposes. Restricted funds are to be used for the specified purposes as laid down by the donor. Further explanation of the nature and purpose of each fund is provided in the notes to the accounts.

EAST FOUNDATION

Notes to the financial statements year ended 31 March 2009

2 RESOURCES EXPENDED

Analysis of total resources expended	Apportioned Support Costs £	Other Direct Costs £	Total 2009 £	Total 2008 £
Unrestricted funds Charitable activities				
Management & Administration	118,003	-	118,003	971
Total unrestricted resources expended	118,003	-	118,003	971
Restricted funds Charitable activities				
Programme Costs	-	775,899	775,899	781,703
Total restricted resources expended	-	775,899	775,899	781,703
Total resources expended 2009	118,003	775,899	893,902	
Total resources expended 2008	971	781,703	782,674	

3 ANALYSIS OF SUPPORT COSTS

	Management & Administration	Total 2009 £	Total 2008 £
Management costs	-	-	-
Administration costs	118,003	118,003	971
Total	118,003	118,003	971

EAST FOUNDATION

Notes to the financial statements year ended 31 March 2009

4 DEBTORS

	2009 £	2008 £
Due within one year		
Investment	644,216	-
Trade debtors	-	10,180
Other	692	-
	<u>644,908</u>	<u>10,180</u>
Amounts due from group companies	716,378	499,458
Total	<u>1,361,286</u>	<u>509,638</u>

5 CREDITORS

	2009 £	2008 £
Amounts falling due within one year		
Accruals	-	47,680
Amounts due to group companies	721,670	485,391
Bank Overdraft	1	-
Total	<u>721,671</u>	<u>533,071</u>

6 UNRESTRICTED FUNDS

	1 April 2008	Incoming Resources	Resources Expended	31 March 2009
Charity Generated Funds	901,545	100,560	(118,003)	884,102
	<u>901,545</u>	<u>100,560</u>	<u>(118,003)</u>	<u>884,102</u>

7 RESTRICTED FUNDS

	1 April 2008	Incoming Resources	Resources Expended	31 March 2009
Charity Generated Funds	2,371,888	-	(775,899)	1,595,989
	<u>2,371,888</u>	<u>-</u>	<u>(775,899)</u>	<u>1,595,989</u>

EAST FOUNDATION

Notes to the financial statements year ended 31 March 2009

8 GIFT AID & INTEREST

East Foundation Limited invest Gift Aid funds with East Treasury Limited. Interest receivable for the year totalled £100,451 (2008:£171,175).

9 PARENT UNDERTAKING

The results of the charity are included in the consolidated accounts of East Thames Group Limited, its ultimate parent undertaking, which is registered in England. A copy of its accounts can be obtained from 29-35 West Ham Lane, Stratford, London E15 4PH. The registered office of East Thames Group Limited and East Foundation is at 29-35 West Ham Lane, Stratford, London E15 4PH.

10 NET INCOMING RESOURCES FOR THE PERIOD

This is stated after charging:

	2009 £	2008 £
Fees payable to the company's auditors for the audit of the financial statements	* 2,588	2,409
	<hr/>	<hr/>

* The audit fee is borne by a fellow group company.

11 EMPLOYEES

The charity has no employees.

The trustees did not receive any remuneration for services provided to the Charity.

12 POST BALANCE SHEET EVENTS

There are no significant post balance sheet events.

13 RELATED PARTY TRANSACTIONS

East Thames Group Limited and its subsidiary East Potential Limited have a significant influence over the operating and financial policies of East Foundation Limited.

East Foundation became a subsidiary of East Thames Group on 13 December 2004.