



# **The Bishopsgate Foundation**

## **Trustees Report and Financial Statements**

**For the year ended 31 March 2011**

Company Registration No: 4362659

Charity Registration No: 1090923



# The Bishopsgate Foundation 2010/11

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## The Bishopsgate Foundation 2010/11

### General Information

Registered Company Number: 4362659

Registered Charity Number: 1090923

#### Board of Trustees:

Ex-officio (2): The Reverend Dr Alan McCormack (Rector of St Botolph without Bishopsgate)  
Alderman Neil Redcliffe (Alderman of the Ward of Bishopsgate)

Parish Trustees (2): (Nominated by the Rector and Churchwardens of the Parish of St Botolph) (Term 4 years)  
Diane Brunt (Retired 30 April 2011)  
May Dare (Appointed 29 July 2010)

Nominated by the City Parochial Foundation (2): (Term 4 years)  
Miles Barber  
Michael Maunsell (Chairman until 27 April 2011)

Co-opted: (Term 5 years)  
Max Weaver (Chairman from 27 April 2011)  
Antonia Byatt  
Abigail Pogson  
Ruth Lesirge  
Marc Jordan  
Nigel Brockmann  
Christopher Cook (Appointed 5<sup>th</sup> June 2010)  
Duncan Steel (Appointed 7<sup>th</sup> June 2010)  
Graham Bulpitt (Appointed 16<sup>th</sup> February 2011)  
*Retired during the year:-*  
Zubia Masood (Retired 2<sup>nd</sup> November 2010)

Principal Officers: Andrew Fuller Chief Executive; Company Secretary  
Kira Milmo Director of Public Programmes  
Geoff Wilson Director of Finance & Administration

Registered Office: Bishopsgate Institute  
230 Bishopsgate  
London EC2M 4QH

Auditors: Mazars LLP  
Times House, Throwley Way  
Sutton, Surrey SM1 4JQ

Solicitors: Farrer & Co.  
66 Lincoln's Inn Fields  
London WC2A 3LH

Bankers: HSBC Bank Plc  
100 Old Broad Street  
London EC2N 3LN

Investment Property advisors: Lamberts  
387 City Road  
London EC1V 1NA

## **The Bishopsgate Foundation 2010/11**

### **Vision, Mission, Values & Activity**

Bishopsgate Institute is about people. Since 1895 the Institute has been serving the people of London in a unique way; providing a library, a broad spread of educational and leisure courses and cultural events all housed under one roof, in a building and a programme that intends to open minds, elevate spirits and raise aspirations.

#### **Vision**

Dedicated to opening minds, challenging perceptions and enriching lives.

#### **Mission**

We provide welcoming and inspiring spaces for people with a thirst for knowledge to learn and flourish. Through our library, historic collections, courses and cultural events, we enrich, entertain, and stimulate independent thought in a vibrant city environment.

#### **Values**

##### **Welcoming**

The visitor's experience of Bishopsgate Institute will be warm, inviting and inclusive.

##### **Independent**

We value and protect our freedom to choose our programmes and direction.

##### **Professional**

Our knowledgeable staff provide a high quality and helpful service to all our visitors.

##### **Stimulating**

Our programmes and activities inspire, challenge and entertain.

#### **Activity**

Bishopsgate Institute is a multi-faceted organisation that seeks to fulfil its charitable objects by providing educational and cultural facilities for the people of London and beyond. Our activities consist of:

**Courses for Adults** - A programme of short courses covering a wide range of subjects and programmes which aim to expand the horizons, quality of life and skills of those who participate. Concessions and bursaries are available.

**Cultural events** - A programme including talks, debates, concerts and other performances. Free concerts are arranged by the City Music Society and in association with other partners.

**Library & Archive** - A specialist Library holding collections of national and international importance concerned with the history of London, the East End, the labour and co-operative movements, freethought and humanism. In addition, Bishopsgate Library possesses substantial collections of maps, prints, oral histories, photographs and illustrations of the City and surrounding area. A

## **The Bishopsgate Foundation 2010/11**

### **Vision, Mission, Values & Activity**

quick reference section is also available. To use the Library and consult its collections is free.

**Community Programme** – Activities in support of local people including:

- Grants to local charities. The Institute provides grants to a wide range of small 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 a number of day trips per annum.

**Bishopsgate Halls** - The Institute has halls and rooms for hire for examinations, meetings and community events. The Institute has a policy of offering a 40% discount to all UK Registered Charities . Local organisations which are recipients of a grant from the Community Programme are offered free use of our spaces.

### **Charitable Objects**

The objects of the Charity are:

- 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:
  1. 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 Trustees; and
  - 2 public facilities to be managed under regulations made from time to time by the Trustees including the power to charge fees for their use.
- 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.

### **Public benefit**

The trustees have had regard to the Charity Commission's general guidance on public benefit and are satisfied the charity's activities are a faithful expression of the aims of the charity and that, where a fee is charged, no member of the public need be excluded by the inability to pay.

The Institute takes very seriously the importance of measuring the success of what it does against its objectives. This is done through a range of qualitative and quantitative methods. Whilst the number of students or researchers attracted is very important, the quality of their engagement with us is central. This is measured in a variety of ways which we are developing as our programmes expand.

# The Bishopsgate Foundation 2010/11

## Five year financial summary

	2011 £'000	2010 £'000	2009 £'000	2008 £'000	2007 £'000
<b>Incoming Resources</b>					
Voluntary Income (note 1)	813	678	93	35	97
Bishopsgate Halls	271	306	601	545	516
Investment income	785	826	937	1,039	880
From charitable activities	480	486	627	563	368
<b>Total incoming resources</b>	<b>2,349</b>	<b>2,296</b>	<b>2,258</b>	<b>2,182</b>	<b>1,861</b>
<b>Costs of generating funds</b>					
(note 2)	820	694	535	554	562
Charitable activities	1,374	1,247	1,403	1,184	1,145
Governance costs	71	85	84	58	47
<b>Total resources expended</b>	<b>2,265</b>	<b>2,026</b>	<b>2,022</b>	<b>1,796</b>	<b>1,754</b>
<b>Net incoming resources before investment gains</b>					
	<b>84</b>	<b>270</b>	<b>236</b>	<b>386</b>	<b>107</b>
Development project (note 3)	(564)	-	(81)	(237)	(167)
Gain (losses) on investments (note 4)	324	546	(2,582)	(367)	5,008
<b>Net movement in funds</b>	<b>(156)</b>	<b>816</b>	<b>(2,427)</b>	<b>(218)</b>	<b>4,948</b>
General funds	1,672	2,072	2,260	1,895	1,402
Designated funds	5,312	3,556	1,588	1,215	936
Restricted funds	(1)	6	-	-	3
Endowment funds	14,038	15,544	16,514	19,679	20,666
<b>Total Funds</b>	<b>21,021</b>	<b>21,177</b>	<b>20,362</b>	<b>22,789</b>	<b>23,007</b>
<b>Percentage of total expenditure</b>					
Costs of generating funds	36%	34%	27%	31%	32%
Charitable activities	61%	62%	69%	66%	65%
Governance costs	3%	4%	4%	3%	3%

Note 1 Voluntary income in 2010 and 2011 includes £1,089,797 from the Heritage Lottery Fund for the development project. A further £290,026 for the development project was received from other donors.

Note 2 Costs of generating funds includes the Hall Hire and of investment management fees. It has increased in the past two years for two reasons: the impact on operating costs whilst the building was partially closed; the impact of re-organising investment properties. Both these costs are not expected to recur. (See note 4, Page 27)

Note 3 Development Project shows separately operational costs relating to the Development project due to their materiality 2007-2009. There was a disposal of superseded development assets in 2011 (see note 9 Page 29).

Note 4 Gains/Losses on investments includes favourable Investment Property revaluations in 2007 and adverse Investment Property revaluations in 2009.

# The Bishopsgate Foundation 2010/11

## Chief Executive's Report

As I write this, I can see behind my computer screen a picture of our library manager in his office in the library. It is the early-1960's. The room is a clutter of books from floor to ceiling: slim volumes, enormous old leather-bound ledgers, the whole atmosphere redolent of obscurity and slow decay.

I find it difficult to imagine the scene would have looked any different had the photo been taken 60 years earlier. Our extensive archive records also bear this out; from the First World War until the 1990's the Institute changed very little. Over the last 20 years we have come a long way. It has been a continual process of change; slowly at first but gathering momentum, culminating in the full refurbishment of the Institute in early 2011 and our commitment to a new and exciting vision.

Our achievements this year include:

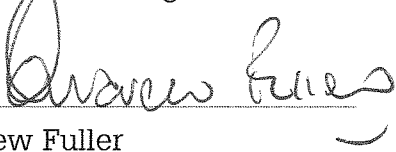
1. Completing the refurbishment of the Institute; the most extensive refurbishment of halls, facilities and services since the building was opened in 1895
2. Recruiting Benugo Ltd to run our new café
3. Keeping disruption of our services to a minimum during the works and managing to maintain a programme of courses and cultural events
4. Managing to achieve a smaller than planned deficit
5. Launching our new brand identity across all our publicity, signage, website and paper and electronic communications
6. Launching a new website reflecting our new brand. It now has live online booking for all courses and cultural events
7. Producing a Visitor Experience Charter which clearly defines our organisational commitment to visitors and the experiences we wish all our visitors to have.
8. A new strategic plan covering the next five years; from 2011 to 2016.

Our new strategic plan is challenging. Broadly, our main goals will be to:

- grow and develop all our public programmes activities in line with our vision and to achieve higher and wider visibility and increase audience numbers.
- return the Institute to surplus, achieve financial stability and continue to ensure that we provide maximum public benefit.

There are many challenges ahead, but we believe that burgeoning interest in discussing and debating the nature of the good life and the good society, prompted by concerns about the environment, relieving poverty, economic sustainability and how to lead fulfilling lives, are a match for the themes that are at the heart of our library archive collections and that they will enable us, using our premises and a stronger online presence, to make a useful contribution to the lives of many people.

Finally, I would like to acknowledge the strong support and leadership given by our retiring chairman Michael Maunsell, during what has been three years of momentous change.



Andrew Fuller



# The Bishopsgate Foundation 2010/11 Trustees' Report

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## Bishopsgate Institute refurbishment

After two years of planning and a successful application to the Heritage Lottery Fund, followed by two long years of extensive refurbishment works, the Institute has now re-opened to the public. The works have been a huge success. Our flagship hall – the Great Hall – looks tremendous; freshly decorated, ventilated and re-lit, the great lantern-canopy presiding over the space has been re-exposed and the whole impression is simply magnificent. The full project includes the creation of a new learning suite and garden area, an expanded and environmentally controlled archive store for our library collections, a new working space for researchers, new and improved toilet and changing facilities, a new passenger lift, the re-opening of the Spitalfields entrance, cleaning and lighting of our wonderful Arts & Crafts façade on Bishopsgate and a new café in what was the old service yard on Brushfield Street, but which is now a prime site overlooking the vibrant commercial area of Spitalfields.

Research and surveys among Institute visitors over the last ten years consistently identified the need for a café. During 2010 the Institute advertised inviting expressions of interest from professional caterers and we were pleased with the wide variety of interest that was expressed. Benugo Ltd were chosen and awarded a concession for a term of seven years. The café is known as The Bishopsgate Kitchen. It is expected to be an income generator as well as significantly raise the profile of the Institute.

The full cost of the building works has yet to be determined, but is likely to be in the order of £6.8m. The majority of the funds (£4.8m) were provided by the Institute. We would like to acknowledge the very generous support all our funders, including especially the Heritage Lottery Fund, City Bridge Trust, The Wolfson Foundation, The Garfield Weston Foundation, the Worshipful Company of Leathersellers and the Worshipful Company of Mercers.

The Institute was opened in 1895, *“contributing to the beauty and importance of the neighbourhood”*, and our records show that the land was purchased at a cost of £29,000 and the Institute build cost £41,000. The relative worth of £70,000 spent in 1895 using the RPI index of inflation, makes £70,000 equivalent to almost £6m today, not far off the cost of the current refurbishment.

Inevitably there have been ‘hidden’ costs during the project. The most significant of these has been a loss of income while much of the building was unavailable due to building works. This was the main cause of an operational deficit on the General Fund in 2010/11 of (£399,797) and of a deficit (£208,741) in the year before.

In 1895 the Institute was opened by Lord Rosebery who was then Prime Minister. The official re-launch of the Institute took place on 22<sup>nd</sup> June 2011 with an evening of celebration for the Institute’s funders, partners and supporters attended by the Lord Mayor of London. This was followed by a week of free courses and events, culminating in a special open day full of free taster courses, talks, tours and music.

## Public Programmes

The start of major refurbishment works in July 2010 with their accompanying noise, dust and general disruption together with the closure of the entrance on Bishopsgate, heightened the public’s perception that the Institute was a building site and therefore closed. This continued to impact adversely on all our activities until the works were completed in May 2011.

From March 2011 we have been able to offer courses students and cultural events visitors an improved online booking procedure.

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### Culture

Our cultural events programme is mostly informed by the themes contained in our library's archives.

During the year, our programming focused on our mission. We introduced into each season's theme more contemporary talks such as *The Honourable MP? Corruption in British Politics* (part of Corrupt London series) and the debate *The Census – Survey or Surveillance?* (part of our series of talks on the Census).

Themes for 2010/11 included:

1. My East End (summer): a series of talks and walks exploring photography in East London (which was part of the My East End project funded by the Heritage Lottery Fund and run by the Institute in partnership with Four Corners, the Geffrye Museum and Birkbeck College).
2. Corrupt London (autumn): looking at scandal, sleaze and greed in the capital both past and present.
3. Domesday to our Day (winter/spring): A thousand years of the census to coincide with the UK census.

Due to the loss of the Great Hall during the refurbishment of the building, events from summer onwards could take place only in the Library, with a maximum capacity of 50.

Our free series of lunchtime concerts which is run in partnership with the City Music Society were successfully relocated to St Botolphs church and attracted an average audience of 135 people.

The total number of events held was substantially less than it would have been for a normal year; see the table below:

	2010/11*	2009/10*	2008/09
Total number of Events	59	88	97
Total Audience	4,497	7,401	8,800
Average attendance per event	76	84	91

\* During 2009/10 and 2010/11 the building was being refurbished.

### Courses

*"I love the tutor, the course and the whole feeling of the building. Bishopsgate Institute is an oasis in the city!"*

Art Appreciation student

We have continued to develop the programme in the spirit of our new vision and mission, by creating two new categories of courses: Arts & Culture and Words & Ideas. Between them, 18 new courses have been introduced; five of them using material from our library archive as part of their course.

New courses have also been developed to run on weekday mornings and afternoons and on Saturdays.

Annual enrolments for all courses fell for the second year running to 4,045 representing a 62% utilisation of available student places. However, utilisation

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for our new strands of Arts & Culture and Words & Ideas was 76% and 77% respectively.

With the completion of the building project in April 2011, re-branding plus new courses, we have implemented plans to attract more students during 2011/12. The following table places the current year in context:

	2010/11*	2009/10*	2008/09
Students	4,045	4,104	5,753
Utilisation	62%	68%	75%

\* During 2009/10 and 2010/11 the building was being refurbished.

A bursary scheme is available for those students who for good reason are unable to afford the course fee. A total of 24 full-fee bursaries (2009/10: 33) were awarded out of 43 applications. The value of the bursaries awarded amounted to just under £3,000. We are seeking to raise further funds to expand this important activity.

### Collections

The library has continued to add to and so strengthen the principal themes that runs through its main collection themes, namely freethought and radical protest movements, as a result of several major accessions including the Lesbian and Gay Newsmedia Archive which contains over 200,000 press cuttings from the non-gay press about lesbian, gay, bisexual, and transgender experience from the 1890s to the present, alongside other campaigning material. We have also accepted the Parliamentary Profiles Archive, containing biographical files compiled by Andrew Roth on every MP, MEP and Peer from 1953 to 2009. Other new collections include the archives of historian Gilda O'Neill and politician Bernie Grant.

Our electronic catalogue continues to grow as we managed to add 11,164 records, bringing the total number of records available on the on-line catalogue to 43,654, an increase of over 33%. This included the completion of several special collections cataloguing projects (Labour History, Feminist Library, etc.). We also managed to get the complete library catalogue to be added to the national union catalogue, Copac.

The library had 18,847 visits, the highest recorded in at least five years. This is especially notable considering the extensive building works that were taking place in the Institute. There were also 908 separate visits to the new Researchers' Area.

We have hosted over 40 visits and tours from family, local, special interest and Higher Education groups.

# The Bishopsgate Foundation 2010/11

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### Community Benefit

#### Schools & Community Learning

A key strategic aim is to develop our educational activities using our archive collections as a learning resource. Since the opening of our new learning suite on the completion of phase 1 of the project, most of the workshops have been hosted at the Institute. There are still a number of off-site workshops, particularly for older people's community groups.

##### *Schools and young people:*

We hosted workshops for 257 school students or young people over the last year (2009/10: 250). This included workshops for Years 3-5 from Virginia Road Primary linked to a project celebrating 100 years of the Arnold Circus Bandstand and workshops using the Wensley collection for the entire Year 7 (100 students) of Oaklands Secondary School. We also provided a workshop for an out-of-school-hours History club as part of the University of East London's Raphael Samuel History Centre Young History Workshop project and we have continued to work with Spitalfields City Farm, providing workshops to complement their programme for schools.

In addition to these workshops for students we also ran an INSET day for teachers in partnership with Historic Royal Palaces Tower of London about the Take One project, and received a Learning Links grant from the Museum Libraries Archives to develop a 'Campaign! Make an Impact' project with a local secondary school teacher.

##### *Community and adult learners:*

In 2010/11 we reached 477 adults through a mixture of workshops and talks (2009/10: 155). In addition to workshops held at the Institute for local community groups, we have continued an outreach programme for older residents in our neighbouring boroughs through talks on local history at LinkAge Plus centres. We have also continued working with English for Speakers of Other Languages (ESOL) learners at Crisis Skylight. We have been providing workshops for adult learners including Birkbeck College's London Certificate courses and the Institute's own history courses, allowing students to experience hands-on research as part of their course.

#### Charitable Support (Eleemosynary activity)

Whilst the focus during the year has been on the building project, our work with our group of pensioners and grant giving has continued.

During the year the Institute distributed 21 grants totalling £35,000 (2010: 21 grants totalling £35,000). The size of the grant ranged from £1,000 up to a maximum of £3,000. Many of the organisations supported are very small and our grant can help to make a real difference.

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Grants were given across the following categories of need:

		No of grants
Elderly	£10,000	5
Mental Health	£7,000	4
Youth	£6,200	5
Other	£11,800	7
Total	£35,000	21

A total of 55 pensioners were supported during the year with a top-up pension, day outings and a Christmas lunch and carol service at St Botolph Church.

The Institute gratefully acknowledges the support from the Trustees of the Dulwich Almshouse Charity for their contribution of £10,000 to help fund those charities that work with the elderly as well as providing ten additional pensions.

### St Botolph without Bishopsgate

By virtue of the original charity scheme dated 1891, the Institute has to pay the church 2/15ths of the net income of the assets which comprise the Underwood Estate. These assets include listed securities and property. For the current year, the Institute paid £20,728 to the church to help with the cost of its upkeep.

## Strategy and Plans for the Future

The completion of the building project in April 2011 marked a watershed where the focus shifted from the Institute building and back to our activities and the task of restoring income.

A new strategic plan reflecting this change in emphasis was adopted in November 2010. The plan sets out our aims for the next five years, 2011-2016:

### Financial stability

Financial independence is crucial to the Institute's mission and its strategy and will enable the Institute to protect its freedom to choose its programmes and the direction that it chooses to take. Having invested so much in the building, it is now our number one priority to restore our income in 2011/12 to the level achieved in the last full year of operations in 2008/09 before the two-year closure and to surpass it in future years. This is essential because the Institute is obligated under a Charity Commission Order to repay to the endowment fund the sum of £1,846,124 over 25 years; an annual payment of £73,850 commencing 2011/12.

Income from commercial sources is conducted through the Foundation's trading subsidiary, B.I. (Trading) Ltd: hall hire and the new café operation will form the most important element of our approach to securing our income.

### Higher and wider visibility

The Institute has always been a rather well kept secret; its purpose not easily revealed by a relatively small frontage albeit on a very busy thoroughfare. We are

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hopeful that the refreshed façade, eye-catching rebranding and promotion through our new café, will help to promote us more effectively.

Perhaps even more important than revealing the building will be programming more courses and cultural events according to our new vision, making the most of digital media and utilising external PR opportunities as much as possible.

### **Increased audiences**

The Institute is seeking to position itself as a venue for thought-provoking talks and debates; what will include programming developed from our vision and from our archive collections' chief subject areas of London, Labour, freethought, Humanism and Co-operation.

During the next five years, we are planning to increase volume, reach and range through more distinctive and conjoined programming across all our different programme strands: Cultural events, Courses for Adults and our Schools & Community Learning programme.

## **Financial Review**

### **Review 2010/11**

The development project has had a significant impact on the Foundation's finances throughout the year. The consumption of cash reserves and the disruption to Hall Hire and Courses for Adults income were recognised and planned for when the refurbishment project was approved.

The general fund suffered an operational deficit of £399,797 (2009/10 £208,741 deficit) due primarily to the impact of the building works. The slow recovery from recession, however, has continued to effect returns from cash, listed investments and investment property adversely.

Total resources expended increased by £238,699 to £2,265,058. The launch of the new schools and community learning department cost £79,984 in its first full year. The reorganisation of 16-24 Underwood Street following the loss of a key tenant increased investment management costs by £147,006 and a further £38,962 costs associated with launch and branding costs were incurred.

During the year the Foundation spent £2,396,936 on the development project and received £699,500 from the Heritage Lottery Fund towards the project. Other grants received towards this project were £51,885 from individuals and foundations and the balance of expenditure was transferred from the Endowment Reserve under Orders made by the Charity Commission.

### **Listed investments performance and policy**

The Trustee Act 2000 applies to the Foundation's endowment charity. The Foundation's investment policy is biased towards income such that the portfolio should achieve an income of not less than £220,000 per annum, whilst maintaining the real value of the investment. Actual income for the year was £253,936 (an increase of £117,644 on 2009/10) following an increase in the level of listed Investments of £2,000,000 in February 2010. There has been a further improvement in the value of our Listed Investment Unit Trusts of £153,479,

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following last years gain of £546,193. The investment funds were valued at £4,551,695 on March 31<sup>st</sup> 2011.

### **Investment properties**

Rental income from all the properties amounted to £514,570 (a decrease of £83,672 on 2009/10). The previous year's income was enhanced by the release of a bad debt provision. The properties have been maintained at the value used last year. Advice from our property managing agents indicates that there have not been material movements in market values during the year and no changes in value have been included in these financial accounts. A full revaluation will take place at the end of 2011/12.

### **Reserves policy**

The Trustees' policy is to maintain sufficient free revenue reserves to meet evaluated risks and approved operational plans. As of 31<sup>st</sup> March 2011 an evaluation of risks and business plans showed that reserves of £1,373,971 were required. As of 31<sup>st</sup> March 2011 adjusted free revenue reserves stood at £1,595,600 (excluding fixed assets (see note 17)) which meets current policy. The reserves policy and position are reviewed annually.

### **Risk management**

The Trustees reviewed the strategic, business and operational risks to which the Institute is exposed and systems have been established to mitigate those risks. Progress is reviewed regularly by the Senior Management Team. The Finance & General Purposes Committee reviews the risk register annually and reports to the Board annually.

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. An interim business continuity plan is in place during the period of the development project and this plan will be updated now that the project is complete.

## **Organisation and Governance**

### **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 Bishopsgate Foundation Endowment Charity ('the Scheme Charity') from 1 April 2002. 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. Under the name Bishopsgate Institute the Foundation provides a library, a community programme and undertakes a range of educational and cultural activities from a grade II\* listed building in the heart of Spitalfields in the City of London.

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The Scheme Charity (Charity No: 208874) 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 Institute's meeting and hall hire facility from 1 April 2006

### Board of Trustees

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

The Board of Trustees approved at its April 2011 meeting to terminate the nomination rights of Trust for London (formerly known as City Parochial Foundation). The number of Co-opted Trustees will be increased by two, the size of the Board will remain the same. It was also decided to adjust the number and length of terms that any member could serve so that, subject to the Board's agreement in exceptional circumstances, the term of any Trustee (other than an ex-officio Trustee) will be limited to 9 years. These and other changes to the Articles (see section: 'Review of the year' below) have been approved by the Charity Commission.

General Trustee responsibilities are considered to be:

1. Strategic – defining and approving the Institute's Mission and Values, the Aims and Objectives arising from these, and arriving at appropriate policy decisions to take them forward;
2. Stewardship – to have responsibility for the Institute's assets, their presentation and exploitation, and assessing risks;
3. Monitoring – to oversee the effective management of the Institute and its service delivery, selecting and supporting the Chief Executive, and ensuring that good human relations practice is pursued for its paid staff;
4. Promotion of and advocacy for the Institute to external clients/partners/stakeholders;
5. Governance – ensuring that Trustee business is effectively conducted and that the Trustees' Code of Governance is followed.

The Board meets at least four times a year.

### Trustee selection process

When a vacancy exists, the Trustees' Governance Committee considers the skills and personal profile of the sort of person whose appointment would best contribute to the needs of the Institute. The Governance Committee also recommends to the Board the substance of the process to be adopted and supervises the selection process. Since 2007 it has been the practice to advertise vacancies in the press and other media and to carry out a competitive process with interviews with a selection panel of Trustees to whom the responsibility for



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## Trustees' Report

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selection has been delegated by the Board. It has been the policy of the Board to establish a method for this which makes it more likely that over time the profile of the Board will become more similar to that of the users of the Institute.

### Trustee induction and training

The Foundation recognises that new Trustees must be made aware of its charitable purposes, modus operandi, plans, problems and challenges etc. All new Trustees, Co-opted, Nominative, and Ex-officio are 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 are shown the main areas and facilities of the Institute. Where appropriate, other steps, including briefing by the Chairman and the appointment of another Trustee to act as mentor, may be taken.

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

### Management

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

1. Finance & General Purposes (meets at least three times a year)
2. Public Programmes (meets at least twice a year)
3. Human Resources (meets at least once a year)
4. Eleemosynary (responsible for charitable grants & pensions) (meets at least once a year)
5. Governance Committee (meets when necessary)

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

The Senior Management Team (the Chief Executive, Director of Public Programmes and Director of Finance & Administration) are responsible for the efficient running and development of the Institute in accordance with the strategy, policies and decisions of the Board of Trustees. They meet as a group monthly.

### Review of the year

The Trustees take the need to review the performance of the Board seriously and look at how Trustees can best carry out their functions. In this context it has now become the practice for the Chairman to meet each Trustee once a year and discuss issues of governance and personal concerns. A report is made to the Board. Where something is identified from that process or otherwise, action is taken. Steps have been taken to ensure that the Trustees' contribution of ideas about more important projects is timely and appropriately facilitated.

Later in the year we undertook a major review of the Memorandum & Articles and Standing Orders. This was done in the context of recommendations by our solicitors following the Companies Act 2006 and recommendations by the Charity Commission. Apart from changes which were needed to ensure consistency between our governing documents and the new legislation, the main area of consideration was the length and number of terms of office which a Trustee could serve without a break. It was agreed that, subject to the

# The Bishopsgate Foundation 2010/11

## Trustees' Report

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Board's agreement in exceptional circumstances, the term of any Trustee (other than an ex-officio Trustee) will be limited to 9 years.

### Statement of Trustees' Responsibilities

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 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 Trustees 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.

### Statement as to disclosure of information to auditors

- a) So far as the Trustees are aware, there is no relevant audit information of which the Bishopsgate Foundation auditors are unaware, and
- b) They have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Foundation's auditors are aware of that information.

Approved by the Board on 13 July 2011

and signed on its behalf by .....



Max Weaver

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

We have audited the financial statements of The Bishopsgate Foundation for the year ended 31 March 2011 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

## **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 18, the trustees (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

## **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

## **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group and the charity's affairs as at 31 March 2011 and of their incoming resources and application of resources, including their income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Opinion on the other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the charity's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*N J Wakefield*

Nicola Wakefield (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Times House  
Throwley Way  
Sutton  
Surrey  
SM1 4JQ

Date: 26 August 2011

**The Bishopsgate Foundation**  
**Consolidated Statement of Financial Activities**  
**For the year ended 31 March 2011**

	Notes	Revenue £	Unrestricted Designated Development Fund £	Restricted £	Endowment £	Total funds 2011 £	Total funds 2010 £
<b>Incoming resources</b>							
Voluntary income	14	36,668	-	776,000	-	812,668	677,664
Activities for generating funds							
Bishopsgate Halls	2	271,501	-	-	-	271,501	306,415
Investment income	3	784,822	-	-	-	784,822	825,614
Incoming resources from charitable activities	3	479,988	-	-	-	479,988	486,157
<b>Total incoming resources</b>		<b>1,572,979</b>	<b>-</b>	<b>776,000</b>	<b>-</b>	<b>2,348,979</b>	<b>2,295,850</b>
<b>Resources expended</b>							
Cost of generating funds		680,780	14,904	-	124,473	820,157	693,729
Charitable activities		1,221,094	61,947	74,836	16,122	1,373,999	1,247,028
Governance costs		70,902	-	-	-	70,902	85,602
<b>Total resources expended</b>	4	<b>1,972,776</b>	<b>76,851</b>	<b>74,836</b>	<b>140,595</b>	<b>2,265,058</b>	<b>2,026,359</b>
<b>Operating (deficit)/surplus</b>		<b>(399,797)</b>	<b>(76,851)</b>	<b>701,164</b>	<b>(140,595)</b>	<b>83,921</b>	<b>269,491</b>
Transfers	13, 14, 15	-	2,396,936	(708,021)	(1,688,915)	-	-
<b>Net movement in funds before revaluations</b>		<b>(399,797)</b>	<b>2,320,085</b>	<b>(6,857)</b>	<b>(1,829,510)</b>	<b>83,921</b>	<b>269,491</b>
Realised loss on fixed assets due to the development project	9	-	(564,204)	-	-	(564,204)	-
Realised gain on investment property	10	-	-	-	170,329	170,329	-
Unrealised investment gains/(losses)	10	-	-	-	153,479	153,479	546,193
		<b>(399,797)</b>	<b>1,755,881</b>	<b>(6,857)</b>	<b>(1,505,702)</b>	<b>(156,475)</b>	<b>815,684</b>
Funds brought forward	13,14,15	2,071,702	3,556,070	5,714	15,543,922	21,177,408	20,361,724
Funds carried forward	13,14,15	1,671,905	5,311,951	(1,143)	14,038,220	21,020,933	21,177,408

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 22 to 33 form part of these financial statements

**The Bishopsgate Foundation**  
**Balance sheets at 31 March 2011**

	Notes	Group		Charity	
		2011	2010	2011	2010
		£	£	£	£
<b>Tangible fixed assets</b>	<b>9</b>	7,128,256	5,355,268	7,128,256	5,355,268
<b>Investment assets</b>	<b>10</b>	13,326,020	13,783,922	13,326,021	13,783,923
		<u>20,454,276</u>	<u>19,139,190</u>	<u>20,454,277</u>	<u>19,139,191</u>
<b>Current assets</b>					
Debtors	11	791,317	570,526	868,242	599,859
Bank deposits		138,991	1,901,486	138,990	1,901,486
Cash at bank and in hand		267,055	125,411	160,762	96,463
		<u>1,197,363</u>	<u>2,597,423</u>	<u>1,167,994</u>	<u>2,597,808</u>
<b>Creditors: amounts falling due within one year</b>	<b>12</b>	<u>(630,706)</u>	<u>(559,205)</u>	<u>(601,338)</u>	<u>(559,591)</u>
<b>Net current assets</b>		566,657	2,038,218	566,656	2,038,217
<b>Net assets</b>		<u>21,020,933</u>	<u>21,177,408</u>	<u>21,020,933</u>	<u>21,177,408</u>
<b>Funds</b>					
Endowment	13	14,038,220	15,543,922	14,038,220	15,543,922
Restricted	14	(1,143)	5,714	(1,143)	5,714
<b>Unrestricted</b>					
Revenue	15	1,671,905	2,071,702	1,671,905	2,071,702
Development fund	15	5,311,951	3,556,070	5,311,951	3,556,070
		<u>6,983,856</u>	<u>5,627,772</u>	<u>6,983,856</u>	<u>5,627,772</u>
		<u>21,020,933</u>	<u>21,177,408</u>	<u>21,020,933</u>	<u>21,177,408</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board on 13 July 2011

and signed on its behalf by:

Max Weaver

# **The Bishopsgate Foundation**

## **Notes to the financial statements**

### **For the year ended 31 March 2011**

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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".

#### **1.2 Basis of consolidation**

The Statement of Financial Activities and Balance Sheet consolidate the financial statements of the charity's wholly owned subsidiary undertaking, B.I. (Trading) Limited, made up to the Balance sheet date.

No separate Statement of Financial Activities is presented for the charity as permitted by the Companies Act 2006, and paragraph 397 of SORP 2005.

The net movement in funds dealt with in the charity's Statement of Financial Activities for the year ended 31 March 2011 was £156,475.

#### **1.3 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 an accruals basis.

##### **iii) Hall letting**

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

##### **iv) Heritage Lottery Fund (HLF) Grant**

The HLF grant is recognised in line with expenses incurred.

#### **1.4 Expenditure**

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

#### **1.5 Designated funds**

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

#### **1.6 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.

# The Bishopsgate Foundation

## Notes to the financial statements

### For the year ended 31 March 2011

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#### 1 Accounting policies (continued)

##### 1.6 Tangible fixed assets (continued)

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

Institute Buildings	- 50 years
Freehold improvements	- 10 to 25 years
Computer equipment	- 3 years
Office and other equipment	- 1 to 10 years
Fixtures and fittings	- 1 to 5 years

The work covered by the development project is not subject to depreciation as the project was not completed at 31 March 2011. Depreciation will be charged once the project is complete and the assets come into use. At that time consideration will be given to revaluing the development assets.

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

##### 1.7 Investment assets

Investments are held at market value at 31 March 2011. The market value is calculated at the mid-market price on 31 March 2011.

Investment properties are included in the financial statements at their professional open market valuation as at 31 March 2007. Independent valuations are obtained on a five yearly basis or more frequently when Trustees deem appropriate. These are reviewed on an annual basis by Trustees to assess the valuation for the purposes of the financial statements.

##### 1.8 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.

##### 1.9 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. The trustees consider that owing to the incomparable nature of the collection preserved by the Institute, conventional valuation approaches lack sufficient reliability, and that even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by the Institute and the users of these accounts. 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 Bishopsgate Foundation

## Notes to the financial statements

### For the year ended 31 March 2011

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The London Co-operative Society

#### 1 Accounting policies (continued)

##### 1.10 Pension costs

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

##### 1.11 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.

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.

##### 1.12 Operating Leases

Rentals under operating leases are charged on a straight-line basis over the term of the lease.

#### 2 Results of trading activities of the subsidiary

The Foundation has a wholly-owned trading subsidiary B.I. (Trading) Limited. The principal activity of B.I. (Trading) Limited is the letting of surplus room space at The Bishopsgate Foundation.

	2011 £	2010 £
Turnover	271,501	306,415
Administrative expenses – management charged from parent charity	(268,690)	(286,624)
Interest payable	-	(97)
Total expenses	(268,690)	(286,721)
Profit for the year	2,811	19,694
Payable to The Bishopsgate Foundation under Gift Aid	(2,811)	(19,694)
Net result for the year after Gift Aid	-	-
Shareholder's Funds	1	1

A management charge of £268,690 (2010: £286,624) was made by The Foundation to B.I. (Trading) Limited for the year.



**The Bishopsgate Foundation**  
**Notes to the financial statements**  
**For the year ended 31 March 2011**

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**3 Incoming Resources**

	2011 £	2010 £
<b>Investment Income:</b>		
General Estate		
Rents	132,739	175,530
Insurance	3,816	3,779
Listed Investments	174,454	93,632
Deposit Income	11,209	62,572
<b>Total General Estate</b>	<b>322,218</b>	<b>335,513</b>
Underwood Estate		
Rents	338,563	375,192
Insurance	39,452	43,741
Listed Investments	79,482	42,660
Deposit Income	5,107	28,508
<b>Total Underwood Estate</b>	<b>462,604</b>	<b>490,101</b>
<b>Total Investment Income</b>	<b>784,822</b>	<b>825,614</b>

	2011 £	2010 £
<b>Incoming resources from charitable activities:</b>		
Courses for Adults	459,513	460,172
Bishopsgate Library	5,585	6,967
Learning	1,437	-
Cultural Events	13,453	19,018
<b>Total Incoming resources from charitable activities:</b>	<b>479,988</b>	<b>486,157</b>

**The Bishopsgate Foundation**  
**Notes to the financial statements**  
**For the year ended 31 March 2011**

**4 Analysis of charitable expenditure and allocation of support costs and overheads**

	Basis of allocation	Courses for Adults	Reference Library	Cultural Events	Learning Activities	Grants & Pensioners	Total Charitable activities c/f
		£	£	£	£	£	£
Staff costs	Direct	175,030	188,379	82,293	65,489	5,059	516,250
Direct expenses	Direct	187,618	28,068	21,064	7,684	31,473	275,907
Marketing	Direct	72,290	-	29,155	677	-	102,122
Grants	Direct	-	-	-	-	75,602	75,602
<b>Total</b>		<b>434,938</b>	<b>216,447</b>	<b>132,512</b>	<b>73,850</b>	<b>112,134</b>	<b>969,881</b>
Premises	Usage	31,042	63,814	11,089	2,463	-	108,408
Admin & equipment	Staff time	16,516	33,950	5,898	1,311	-	57,675
Staff costs	Staff time	48,222	27,660	38,549	2,143	33,856	150,430
Depreciation	Usage	42,834	29,367	15,187	217	-	87,605
		<b>573,552</b>	<b>371,238</b>	<b>203,235</b>	<b>79,984</b>	<b>145,990</b>	<b>1,373,999</b>

	Basis of allocation	Charitable activities b/f	Cost of Generating funds	Governance Costs	2011 Total	2010 Total
		£	£	£	£	£
Staff costs	Direct	516,250	178,993	-	695,243	577,584
Direct expenses	Direct	275,907	15,616	4,072	295,595	288,188
Marketing	Direct	102,122	5,247	-	107,369	116,486
Grants	Direct	75,602	-	-	75,602	78,387
<b>Total</b>		<b>969,881</b>	<b>199,856</b>	<b>4,072</b>	<b>1,173,809</b>	<b>1,060,645</b>
Premises	Usage	108,408	139,400	-	247,808	206,921
Admin & equipment	Staff time	57,675	112,362	9,481	179,518	163,983
Staff costs	Staff time	150,430	76,490	57,349	284,269	327,702
Depreciation	Usage	87,605	29,487	-	117,072	126,475
Investment Costs	Direct	-	241,834	-	241,834	104,417
St Botolph	Direct	-	20,728	-	20,728	36,216
		<b>1,373,999</b>	<b>820,157</b>	<b>70,902</b>	<b>2,265,058</b>	<b>2,026,359</b>

Note: Costs of generating funds at £820,157 includes the costs of managing investments and the operating costs of Hall hire. It has increased in the past two years for two reasons: the impact on operating costs whilst the building was partially closed; the impact of re-organising investment properties. Both these costs are not expected to recur.

**The Bishopsgate Foundation**  
**Notes to the financial statements**  
**For the year ended 31 March 2011**

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**5 Investment management costs**

	2011 £	2010 £
<b>Investment property:</b>		
Repairs and renewals	6,587	286
Un-recovered Service costs	70,116	-
Lease renewal	-	1,865
Insurance costs	51,123	45,066
Legal and professional	114,008	57,200
	<u>241,834</u>	<u>104,417</u>

**6 Grants to charitable organisations and pensioner support**

	2011 £	2010 £
Grants to local charities are as follows:		
Adventurers Club	1,200	1,000
Albert Kennedy Trust (Jigsaw)	-	2,500
Alpha Family Services	1,500	-
Arts for All	2,300	1,000
Attlee Foundation	-	1,000
BBC Community Centre	1,000	-
Bongobir Osmany Trust	1,000	-
Boundary Community School	-	1,000
Children With Aids	1,000	-
Christchurch Gardens Youth Community Centre	-	1,000
City and East London Bereavement Service	1,500	1,000
City and Hackney Carers Centre	1,500	-
Door of Hope	2,000	3,000
Families Need Fathers	-	3,000
First City of London Scout Group	1,500	-
Friends of Arnold Circus	-	1,000
Globe Bengali Mohila Samity	1,500	1,000
Heba Women's Project	2,000	-
Hoxton Health Group	3,000	3,333
Inner City Centre	2,000	1,000
New Step Training	1,000	1,000
The Sharp End	-	1,000
Sandys Row Synagogue	1,500	-
Spitalfields City Farm	2,000	1,000
Swadhinata Trust	-	1,000
The Tab Centre	1,500	-
Tower Hamlets Friends and Neighbours	3,000	3,334
Tower Hamlets Parents Centre	1,000	1,000
Toynbee Hall Older People Services	-	3,333
U-Turn Project	2,000	2,500
	<u>35,000</u>	<u>35,000</u>

**The Bishopsgate Foundation**  
**Notes to the financial statements**  
**For the year ended 31 March 2011**

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**6 Grants to charitable organisations and pensioner support (continued)**

	2011 £	2010 £
Grants to Charitable Organisations	35,000	35,000
Cost of pensions and other support	40,602	43,387
	<hr/>	<hr/>
	75,602	78,387
Expenditure from Restricted funds (see note 14)	31,473	21,286
Staff costs	38,915	53,139
Admin, Equipment and depreciation	-	5,329
	<hr/>	<hr/>
	145,990	158,141
	<hr/>	<hr/>

**7 Total staff costs**

	2011 £	2010 £
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Salaries and wages	865,597	781,903
Social Security costs	88,352	79,815
Pension costs	32,321	30,426
Other costs and temporary staff	37,819	43,864
	<hr/>	<hr/>
	1,024,089	936,008
	<hr/>	<hr/>

	2011 £	2010 £
Charged to General Fund and Restricted Funds (note 4)	979,512	905,286
Charged to Capital - Development Project	44,577	30,722
	<hr/>	<hr/>
	1,024,089	936,008
	<hr/>	<hr/>

The average number of full time employees in the year was 34 (2010:31).  
One employee received remuneration in the band of £60,000 to £69,999 in the year (2010:One).  
Trustees are not remunerated (2010: £nil). No reimbursement of travel and subsistence were made to Trustees (2010: £66 was made to one Trustee).

**8 Other costs**

	2011 £	2010 £
Audit services		
- Current year Foundation	5,765	7,062
- Current Year BI Trading Ltd	3,100	1,475
- Prior year (overprovision)	(2,265)	-
	<hr/>	<hr/>
	6,600	8,537
	<hr/>	<hr/>
Pension plan costs	2,890	7,500
	<hr/>	<hr/>
Other services	770	2,000
	<hr/>	<hr/>

**The Bishopsgate Foundation**  
**Notes to the financial statements**  
**For the year ended 31 March 2011**

**9 Fixed assets**

**Group and charity**

	Freehold land and building £	Development fund freehold improvements £	Development project £	Furniture & equipment £	Total £
<b>Cost or valuation</b>					
At 1 April 2010	2,000,000	1,691,477	2,864,039	724,449	7,279,965
Additions	-	-	2,396,934	59,887	2,456,821
Disposals	-	(1,601,648)	-	(569,683)	(2,171,332)
At 31 March 2011	2,000,000	89,829	5,260,973	214,653	7,565,455
<b>Accumulated depreciation</b>					
At 1 April 2010	240,000	999,444	-	685,253	1,924,697
Charge for the year	20,000	76,851	-	20,241	117,092
Disposals	-	(1,037,443)	-	(567,147)	(1,604,591)
At 31 March 2011	260,000	38,852	-	138,347	437,199
<b>Net book value</b>					
At 31 March 2011	1,740,000	50,977	5,260,973	76,306	7,128,256
At 1 April 2010	1,760,000	692,033	2,864,039	30,196	5,355,268

All assets are held for charitable purposes. The value of freehold land included above is £1,000,000. The development project represents assets in the course of construction. £1,601,648 of Development fund freehold improvements built in earlier years have been superseded by new improvements. These assets together with their accumulated depreciation of £1,037,443 have been removed from the register. The net book value of these assets have been shown on the Statement of Financial Activities as Realised Loss on Fixed Assets due to the development project of £564,204.

**10 Investment assets**

	Group		Charity	
	2011	2010	2011	2010
	£	£	£	£
<b>Investment assets</b>				
Investment properties	8,774,325	8,774,325	8,774,325	8,774,325
Investments	4,551,695	4,398,216	4,551,695	4,398,216
Endowment cash	-	611,381	-	611,381
Investment in subsidiary	-	-	1	1
	13,326,020	13,783,922	13,326,021	13,783,923

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**10 Investment Assets (continued)**

**Investment properties**

**Endowment**  
**£**

At 1 April 2010 and at 31<sup>st</sup> March 2011

8,774,325

The investment properties comprise the Underwood and General Estates. These properties were valued as at 31 March 2007 by Lamberts, Chartered Surveyors, who are unconnected with the Foundation, at market value. No adjustment has been made in these accounts for the movement in market value on the grounds of materiality.

During the year lease extensions were granted on two apartments within 8/10 Nile Street resulting in premiums amounting to £170,329 which is shown as a realised gain on investment properties on the SOFA.

The trustees will continue to review market conditions on a regular basis and will make such adjustments as are necessary in the accounts.

**Investments**

	<b>General estate £</b>	<b>Underwood estate £</b>	<b>Total 2011 £</b>	<b>Total 2010 £</b>
Market value at 1 April 2010	3,019,815	1,378,401	4,398,216	1,852,023
Purchase of new units	-	-	-	2,000,000
Change in market value in the year	105,379	48,100	153,479	546,193
<b>Total market value at 31 March 2011</b>	<u>3,125,194</u>	<u>1,426,501</u>	<u>4,551,695</u>	<u>4,398,216</u>
	<b>General estate £</b>	<b>Underwood estate £</b>	<b>Total 2011 £</b>	
Cost at 1 April 2010 and 31 March 2011	<u>2,889,419</u>	<u>1,318,732</u>	<u>4,208,151</u>	

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

**Endowment cash**

The Foundation has endowment cash of £nil (2010: £611,381).

**Investment in subsidiary**

**Charity only**

The Foundation owns the entire share capital of B.I. (Trading) Limited which was incorporated on 17<sup>th</sup> February 2006.

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**11 Debtors**

	Group 2011 £	Charity 2011 £	Group 2010 £	Charity 2010 £
Trade debtors	24,456	4,073	19,338	2,881
Investment property rent debtors	82,383	82,383	23,806	23,806
Taxation – recoverable VAT	101,815	101,815	81,833	81,833
Due from subsidiary	-	97,308	-	45,790
Other debtors and prepayments	582,663	582,663	445,549	445,549
	<u>791,317</u>	<u>868,242</u>	<u>570,526</u>	<u>599,859</u>

**12 Creditors: amounts falling due within one year**

	Group 2011 £	Charity 2011 £	Group 2010 £	Charity 2010 £
Payments received on account	49,349	49,349	79,196	79,196
Taxation and social security	25,173	25,173	42,180	42,566
Sundry creditors and accruals	556,184	526,816	437,829	437,829
	<u>630,706</u>	<u>601,338</u>	<u>559,205</u>	<u>559,591</u>

**13 Permanent Endowment funds**

**Group and charity**

	Available under Order for Development Project	Balance of Endowment Funds	Total Endowment Funds	Total Endowment Funds
	2011 £	2011 £	2011 £	2010 £
<b>General</b>				
Balance brought forward	1,878,515	13,665,407	15,543,922	16,513,690
Fixed asset additions in year	(1,688,915)	-	(1,688,915)	(1,436,609)
Depreciation charge for the year	-	(20,000)	(20,000)	(20,000)
Investment management costs	-	(120,595)	(120,595)	(59,352)
Realised gain on investment properties	-	170,329	170,329	-
Unrealised profit (loss) on investments	-	153,479	153,479	546,193
	<u>189,600</u>	<u>13,848,620</u>	<u>14,038,220</u>	<u>15,543,922</u>

The permanent endowment is represented by the Institute, the investment properties and financial investments, 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.

The Foundation has a facility under a Charity Commission Order to borrow from its Permanent Endowment for the purposes of building refurbishment and improvement of facilities at the

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Institute. The Foundation had the facility to draw down £3,630,000. A Charity Commission Order on 15 January 2009 permitted the Foundation to draw down a further £716,124, giving the total to be drawn down under this facility of £4,346,124. At 31 March 2011 a total of £4,156,524 has been drawn down. The Institute is due to repay £1,846,124 to the Endowment Fund after completion of the renewal project over twenty five years.

**14 Restricted funds**

	At 1 April 2010	Incoming resources	Resources expended	Transfers	At 31 March 2011
	£	£	£	£	£
Heritage Lottery Fund	-	699,500	-	(699,500)	-
Donations for the Development Project	-	51,885	-	(51,885)	-
Adventurers Club	1,650	3,200	(2,750)	-	2,100
My East End	4,064	20,000	(27,384)	-	(3,320)
Other funds	-	1,415	(1,338)	-	77
	<u>5,714</u>	<u>776,000</u>	<u>(31,472)</u>	<u>(751,385)</u>	<u>(1,143)</u>

Heritage Lottery fund income and donations for the development project totalling £751,385 have been transferred to the designated development fund.

**15 Unrestricted funds**

**Group and charity**

	2011 £	2010 £
<b>Revenue fund</b>		
Balance brought forward	2,071,702	2,259,576
Transfer	-	20,867
Net movement in funds in the year	(399,797)	(208,741)
Balance carried forward	<u>1,671,905</u>	<u>2,071,702</u>
<b>Designated Development fund</b>		
Balance brought forward	3,556,070	1,588,458
Transfer (see note 13)	2,396,936	2,044,180
Depreciation charges for the year	(76,851)	(76,568)
Disposal of assets (see note 9)	(564,204)	-
Balance carried forward	<u>5,311,951</u>	<u>3,556,070</u>
Total unrestricted funds	<u>6,983,856</u>	<u>5,627,772</u>



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**16 Pension costs**

The Foundation operates a group personal pension plan which is 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 £32,321 (2010: £30,426).

**17 Analysis of net assets between funds**

Group			<u>Unrestricted</u> Designated Development fund		
	Restricted £	Endowment £	£	Revenue £	Total £
Tangible fixed assets	-	1,740,000	5,311,951	76,305	7,128,256
Investment properties	-	8,774,325	-	-	8,774,325
Investments	-	3,523,895	-	1,027,800	4,551,695
Cash at bank	(1,143)	-	-	407,188	406,045
Other net assets	-	-	-	160,612	160,612
	<u>(1,143)</u>	<u>14,038,220</u>	<u>5,311,951</u>	<u>1,671,905</u>	<u>21,020,933</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 £2,396,936 (2009: £2,044,180) was made to equate the development fund total with the net book value of development fund assets not funded by restricted income.

**18 Financial commitments**

At 31 March 2011, the Institute was committed to making payments to the design team, the primary contractor Neilcotts, and the lead contractor on the café, Benugo, on its development project of approximately £700,000. In addition there is a claim from the primary contractor for £600,000, which is disputed by the Institute and part of which is currently subject to a formal adjudication process.

At 31 March 2011 the Foundation was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2012:

	2011 £	2010 £
Operating leases which expire:		
Within one year	-	2,134

**19 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 Dr. Alan McCormack is a trustee of the Foundation and is Rector of St Botolph Without Bishopsgate.