



**BISHOPSGATE
INSTITUTE**

THE BISHOPSGATE FOUNDATION

Report and Financial Statements

31 March 2015

Company number: 4362659

Charity number: 1090923

The Bishopsgate Foundation

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For the year ended 31 March 2015

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The Bishopsgate Foundation

Reference and administrative details

For the year ended 31 March 2015

Company number 4362659

Charity number 1090923

Registered office and operational address Bishopsgate Institute
230 Bishopsgate
London
EC2M 4QH

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Ex-officio

The Reverend Dr Alan McCormack (Rector of St Botolph without Bishopsgate)
Alderman Neil Redcliffe (Alderman of the Ward of Bishopsgate) Retired 9 December 2014

Parish Trustees (Nominated by the Rector and Churchwardens of the Parish of St Botolph)

Honor Wilson-Fletcher

Co-opted

Nigel Brockman	
Graham Bulpitt	
Antonia Byatt	
Christopher Cook	Chairman (appointed 4 September 2014)
Marc Jordan	Retired 10 April 2015
Ruth Lesirge	
Michael Schraer	
Leanne Tritton	Retired 7 November 2014
Luke Johnson	Chairman (retired 4 September 2014)

Principal Officers	Francesca Canty	Chief Executive, Company Secretary
	Rachel Loynes	Commercial Director
	Helen Ainsworth	Finance Manager

Bankers HSBC Bank PLC
100 Old Broad Street
London
EC2N 3LN

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

The Bishopsgate Foundation

Reference and administrative details

For the year ended 31 March 2015

Property advisors Lamberts
Edward House
2 Wakley Street
London
EC1V 7LT

Auditors Sayer Vincent LLP
Chartered Accountants and Statutory Auditors
Invicta House
108-114 Golden Lane
London
EC1Y 0TL

The Bishopsgate Foundation

Report of the trustees

For the year ended 31 March 2015

The trustees present their report and the audited financial statements for the year ended 31 March 2015. Reference and administrative information set out on pages 2 and 3 form part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005).

Strategy and Plans for the Future

2014 has been a year of change for the Foundation. After a year as Chair of Trustees, Luke Johnson retired from the Board and has been succeeded by Christopher Cook, formerly Vice Chair of Trustees. Christopher was elected in September 2014. Following the retirement of Andrew Fuller in March 2014, the post of Chief Executive has been filled by Francesca Canty after an exhaustive search process. She took up the post in November 2014, having been Acting Chief Executive since March 2014.

Following the election of our new Chair, we have commenced reviews of our investment strategy, premises and governance, as well as clarifying our mission and establishing priorities. This work will continue into 2015, enabling us to complete the strategic plan for 2016-2021 to include the refreshment of our delivery structure, business model and programme.

Partnerships are a priority for the Foundation, both commercial and creative. We are fortunate to be financially independent and recognise that further funds must be raised to improve our premises and facilities for the benefit of all users and customers, as well as to implement the ambitious plans our new Chief Executive has for our programme.

In particular, we intend to invest in making our offer available digitally, as well as in person, where audience demand requires it, and this will involve substantial investment in infrastructure.”

Financial Review

Review 2014/15

The general fund incurred an operational deficit of £69,996 (2013/14 £11,420 deficit) for the year.

The cost of delivering charitable activities across all funds fell by £174,523 to £1,525,711 with notable savings in salary costs.

Commercial income fell by 5% as did the associated costs of delivery. As a result the surplus from the commercial subsidiary only fell by £9,885 (8%) to £110,357.

Investment income has decreased by £54,978 compared to 2013/14. Two properties were taken out of use for the year while being refurbished in order to improve future rental receipts. These two properties were let at the end of March 2015 with the rental income commencing with effect from April 2015. The refurbishment was funded by encashments from our listed investments with a consequent reduction in income received from these.

Overall income reduced by £223,283 to £2,049,478 (2013/14 £2,272,761). There was a planned reduction in the courses programme resulting in a reduction in overall income from this activity stream. In addition, unlike in previous years, the Institute did not receive any Heritage Lottery funding towards operational projects related to the development project (2013/14 £12,462) nor did it receive a grant from the City of London towards language courses (2013/14 £33,623). These reductions in income being mitigated to a certain extent by the introduction of regular dance events throughout the year leading to a significant increase in income from Events.

The Bishopsgate Foundation

Report of the trustees

For the year ended 31 March 2015

Total resources expended across all funds, which includes the annual depreciation on the development project of £281,404, decreased by £225,090 to £2,638,720.

The management and maintenance of investment properties continued to incur material management costs of £212,569 (2013/14 £198,103).

Under the terms of the Charity Commission Order, repayment of £1,846,124 from the general fund to the endowment fund is required over 25 years and the fourth repayment of £73,842 took place in 2015.

Listed investments performance and policy

The Trustee Act 2000 applies to the Foundation's endowment charity. The Foundation has a written Statement of Investment Principles which is reviewed annually.

The Foundation's investment policy is biased towards income such that the portfolio growth should ensure that the capital value of investment over a rolling three year period exceeds UK RPI; and that the income over a three year rolling period is 50% in excess of the average yield of the FTSE 100 companies for the same period.

Actual income for the year was £135,092. The investment funds were valued at £2,893,949 on March 31st 2015. The majority of investments are held in M&G Charifund investment units. M&G report that Charifunds total return is comfortably ahead of FTSE all Share index over 1 year at 9.1% compared to 6.6%. For the three year period ended 31 March 2015 the capital value of the Charifund units grew by 9.87% exceeding UK RPI.

Investment properties

Rental income from all the properties amounted to £623,930 (a decrease of £31,604 on 2013/14). One of the investment properties was sold just before the year end for the sum of £1,750,000 realising a gain of £1,520,484. At the year end the proceeds from the sale were held in the Foundation's bank account whilst the Trustees considered how best to invest these funds. Since the year end these monies have been invested in the M&G Charifund.

The remaining investment properties were valued by Lamberts on 31 March 2015 at £20,870,000 giving rise to an unrealised gain of £9,220,813.

Reserves policy

The Trustees' policy is to maintain sufficient free revenue reserves to meet evaluated risks and approved operational plans. As of 31 March 2015 an evaluation of risks and business plans showed that free reserves of £627,434 were required (2013/14 £673,118). At that date adjusted free revenue reserves stood at £2,212,268 (2013/14 £1,333,964), excluding fixed assets (see note 14), which is sufficient to meet the current policy. The reserves policy and position are reviewed annually and the Trustees will monitor reserve levels to ensure that they are sufficient to meet operational plans and evaluated risks in future years.

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 Bishopsgate Foundation

Report of the trustees

For the year ended 31 March 2015

Organisation and Governance

Legal status

The Bishopsgate Foundation is a charitable company limited by guarantee, incorporated on 29 January 2002 and entered on 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.

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. Under the name Bishopsgate Institute, the Foundation provides a library 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. On 17 February 2006 The Bishopsgate Foundation created a wholly-owned subsidiary company called B.I. (Trading) Limited, which was established to operate the Institute's venue-hire facility from 1 April 2006.

Board of Trustees

The Foundation's Articles of Association state that the Board of Trustees shall comprise not more than fifteen persons: two Ex-Officio Trustees, two Parish Trustees, and not more than eleven Co-opted Trustees. There must at all times be no fewer than five Trustees of whom no fewer than three must be Co-opted Trustees. All Trustees (other than an Ex-Officio Trustee) are appointed for a term of three years and, unless there are exceptional circumstances, do not serve for more than three terms.

General Trustee responsibilities are considered to be:

1. Strategic—approving the strategic plan that will fulfil the Institute's charitable objectives.
2. Stewardship—to have responsibility for the Institute's assets, their preservation 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 good human relations practice is applied;
4. Promotion of, and advocacy, for the Institute to external clients/partners/stakeholders;
5. Governance—ensuring that Trustee business is conducted effectively and that the Trustees' Code of Governance is followed.

The full board meets at least four times a year to fulfil these responsibilities.

Trustee selection process

When a vacancy exists, the Trustees' Governance Committee considers the skills and personal profile that would best contribute to the needs of the Institute. The Governance Committee also recommends to the Board 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 conduct a competitive process with interviews with a selection panel of Trustees to whom the responsibility for selection has been delegated by the Board.

The Bishopsgate Foundation

Report of the trustees

For the year ended 31 March 2015

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, 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 events at the institute as well as 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 administration and management of the Foundation:

1. Finance & General Purposes (meets at least three times a year)
2. Programmes (meets at least three times a year)
3. Human Resources (meets when necessary)
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, Commercial Director and Finance Manager) 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.

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 trustees;
 - and public facilities to be managed under regulations made from time to time by the trustees 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's without Bishopsgate, Christchurch Spitalfields and St Leonard's Shoreditch.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work within the last twelve months. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

The Bishopsgate Foundation

Report of the trustees

For the year ended 31 March 2015

Statement of Trustees' responsibilities

The trustees (who are also directors of The Bishopsgate Foundation for the purposes of company law) are responsible for preparing the report of the trustees' and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Sayer Vincent LLP were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

The report of the trustees has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the Board on 7 September 2015 and signed on its behalf by

Christopher Cook

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 2015 which comprise the consolidated statement of financial activities, the Group and Parent Charitable Company balance sheets, consolidated cash flow statement 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).

This report is made solely to the company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the 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 company and the 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 explained more fully in the statement of trustees' responsibilities set out in the report of the trustees, the trustees (who are also the directors of the charitable company 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.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2015, and of the group's incoming resources and application of resources, including its 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 and the Charities Act 2011.

Independent auditors' report

To the members of

The Bishopsgate Foundation

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the report of the trustees 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 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the report of the trustees and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Catherine Sayer (Senior statutory auditor)
10 September 2015

for and on behalf of Sayer Vincent LLP, Statutory Auditors
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

The Bishopsgate Foundation

Consolidated Statement of Financial Activities (incorporating an income and expenditure account)

For the year ended 31 March 2015

	Note	Unrestricted £	Designated £	Restricted £	Endowment £	2015 Total £	2014 Total £
Incoming resources							
<i>Incoming resources from generated funds</i>							
Voluntary income		8,892	-	(8,450)	-	442	67,350
Activities for generating funds							
Commercial activities	10	797,048	-	-	-	797,048	843,179
Investment income	2	800,510	-	-	15,000	815,510	870,488
<i>Incoming resources from</i>							
Courses		343,017	-	-	-	343,017	448,108
Library		13,560	-	-	-	13,560	13,310
Learning		1,960	-	-	-	1,960	575
Events		77,941	-	-	-	77,941	29,751
Total incoming resources		2,042,928	-	(8,450)	15,000	2,049,478	2,272,761
Resources expended							
<i>Costs of generating funds</i>							
Costs of generating voluntary income		701,091	117,897	-	212,569	1,031,557	1,058,740
<i>Charitable activities</i>							
Courses		560,723	42,168	-	2,997	605,888	604,846
Library		381,103	91,793	16,242	6,524	495,662	509,567
Learning		7,310	-	-	-	7,310	132,494
Events		275,814	29,546	-	2,100	307,460	279,274
Grants & pensioners		105,431	-	-	3,960	109,391	174,053
<i>Governance costs</i>		81,452	-	-	-	81,452	104,836
Total resources expended	3	2,112,924	281,404	16,242	228,150	2,638,720	2,863,810
Net outgoing resources before transfers		(69,996)	(281,404)	(24,692)	(213,150)	(589,242)	(591,049)
Gross transfers between funds	15	3,902	54,710	24,570	(83,182)	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		(66,094)	(226,694)	(122)	(296,332)	(589,242)	(591,049)
Realised gains on investments	9	-	-	-	1,517,432	1,517,432	(16,667)
Net income for the year		(66,094)	(226,694)	(122)	1,221,100	928,190	(607,716)
Unrealised gains on investments	9	1,055,000	-	-	8,283,012	9,338,012	325,474
Net movement in funds		988,906	(226,694)	(122)	9,504,112	10,266,202	(282,242)
Reconciliation of funds							
Total funds brought forward		1,446,482	5,654,882	8,397	15,406,096	22,515,857	22,798,099
Total funds carried forward	15	2,435,388	5,428,188	8,275	24,910,208	32,782,059	22,515,857

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed above and in note 15 to the financial statements.

The Bishopsgate Foundation

Balance sheets

Company no. 4362659

31 March 2015

	Note	The group		The charity	
		2015	2014	2015	2014
		£	£	£	£
Fixed assets					
Tangible fixed assets	8	7,324,711	7,447,401	7,324,711	7,447,401
Investments	9	23,763,949	14,904,800	23,763,950	14,904,801
		31,088,660	22,352,201	31,088,661	22,352,202
Current assets					
Debtors	12	207,391	346,694	161,533	203,243
Short term deposits		500	500	500	500
Cash at bank and in hand		2,001,860	302,381	1,766,484	256,602
		2,209,751	649,575	1,928,517	460,345
Liabilities					
Creditors: amounts falling due within one year	13	516,352	485,919	235,119	296,690
Net current assets		1,693,399	163,656	1,693,398	163,655
Net assets	14	32,782,059	22,515,857	32,782,059	22,515,857
Funds					
	14,15				
Endowment fund		24,910,208	15,406,096	24,910,208	15,406,096
Restricted funds		8,275	8,397	8,275	8,397
Unrestricted funds					
Designated funds		5,428,188	5,654,882	5,428,188	5,654,882
General funds		2,435,388	1,446,482	2,435,388	1,446,482
Total charity funds		32,782,059	22,515,857	32,782,059	22,515,857

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 7 September 2015 and signed on their behalf by

Christopher Cook - Chairman

The Bishopsgate Foundation

Consolidated cash flow statement

For the year ended 31 March 2015

	2015		2014	
	£	£	£	£
Net cash flow from operating activities		(194,533)		(176,704)
Returns on investments & servicing of finance				
Interest and dividends received	135,267		176,095	
Interest paid	-		-	
		135,267		176,095
Taxation		-		-
Capital expenditure & financial investment				
Acquisition of tangible fixed assets	(237,550)		(51,438)	
Disposal of tangible fixed assets	-		-	
Purchase of fixed asset investments	(624,188)		-	
Disposal of fixed asset investments	<u>2,620,484</u>		<u>250,000</u>	
		1,758,746		198,562
Management of liquid resources				
Purchase of short term investments	-		-	
Disposal of short term investments	-		<u>50,000</u>	
		-		<u>50,000</u>
Net cash flow		<u>1,699,480</u>		<u>247,953</u>

Notes to the cashflow statement

1. Reconciliation of net incoming resources to net cash flow from operating activities

	2015	2014
	£	£
Net incoming/(outgoing) resources for the year	928,190	(607,716)
Interest received	(135,267)	(176,095)
Interest paid	-	-
Loss/(profit) on sale of fixed asset investments	(1,517,432)	16,667
(Increase)/decrease in debtors	139,303	55,505
(Increase)/decrease in stock	-	-
Increase/(decrease) in creditors	30,433	124,595
Depreciation	360,240	410,340
Net cash flow from operating activities	<u>(194,533)</u>	<u>(176,704)</u>

The Bishopsgate Foundation

Notes to the financial statements

For the year ended 31 March 2015

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005).

These financial statements consolidate the results of the Foundation and its wholly-owned subsidiary B.I. (Trading) Limited on a line by line basis. Transactions and balances between the Foundation and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the Foundation's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the Foundation has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005.

- b) Voluntary income received by way of subscriptions, donations and gifts to the charity is included in full in the statement of financial activities when receivable.
- c) Rental income from the Foundation'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.
- d) Permanent endowment investment income (deposit interest and dividend income) is accounted for on an accruals basis.
- e) The Foundation is entitled to venue hire income on the date of the letting.
- f) Resources expended are allocated to the particular activity where the cost relates directly to that activity. Resources expended include attributable VAT which cannot be recovered. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on an estimated basis of the amount attributable to each activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

- g) The costs of generating funds relate to the costs incurred by the group and Foundation in raising funds for the charitable work.
- h) 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. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

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

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Freehold land is not depreciated.

The Bishopsgate Foundation

Notes to the financial statements

For the year ended 31 March 2015

1. Accounting policies (continued)

- i) Quoted investment assets are stated at their market value at 31 March 2015. The market value is calculated at mid-market price on 31 March 2015.

Investment properties are stated in the financial statements at their professional open market valuation as at 31 March 2015. 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.

- j) Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of management and support costs.
- k) Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.
- l) Designated funds are unrestricted funds earmarked by the trustees for particular purposes.
- m) The permanent endowment fund is represented by the Institute buildings, the investment properties and financial investments, the income from which is available for general purposes, except 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.
- n) Heritage assets - The Institute possesses a substantial collection of books, prints, maps and photographs which were donated. They are held for their contribution to knowledge and culture. 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. The 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.

An exercise is currently being undertaken by Bonhams to assess the heritage assets and provide an estimated value of these assets.

- o) Pension costs - the charity operates a defined contribution scheme for employees. Contributions are charged to the statement of financial activities as incurred.
- p) Operating leases - rentals under operating leases are charged on a straight-line basis over the term of the lease.

2. Investment income

	General Estate £	Underwood Estate £	Endowment fund £	2015 Total £	2014 Total £
Rents	127,243	496,687	-	623,930	655,534
Insurance	1,194	40,119	-	41,313	38,859
Listed investments	84,297	50,795	-	135,092	175,901
Deposit income	175	-	-	175	194
Rights to light compensation	-	-	15,000	15,000	-
Total	<u>212,909</u>	<u>587,601</u>	<u>15,000</u>	<u>815,510</u>	<u>870,488</u>

The Bishopsgate Foundation

Notes to the financial statements

For the year ended 31 March 2015

3. Total resources expended

	Costs of generating voluntary £	Charitable activities					Grants and pensioners £	Governance Costs £	2015 Total £	2014 Total £
		Courses £	Library £	Events £	Learning £					
Direct costs										
Staff Costs	187,689	225,984	170,879	89,960	-	-	-	674,512	757,291	
Direct expenses	108,035	148,344	35,935	52,186	7,310	-	1,713	353,523	382,956	
Marketing	1,121	48,237	250	25,203	-	-	-	74,811	75,763	
Grants	-	-	-	-	-	39,745	-	39,745	81,295	
Property repairs and renewals	56,253	-	-	-	-	-	-	56,253	32,391	
Property insurance costs	47,720	-	-	-	-	-	-	47,720	45,231	
Property legal and professional costs	147,937	-	-	-	-	-	-	147,937	157,492	
St Botolph	-	-	-	-	-	48,988	-	48,988	49,902	
	<u>548,755</u>	<u>422,565</u>	<u>207,064</u>	<u>167,349</u>	<u>7,310</u>	<u>88,733</u>	<u>1,713</u>	<u>1,443,489</u>	<u>1,582,321</u>	
Support costs										
Premises	134,363	50,386	110,849	33,591	-	-	-	329,189	292,322	
Admin and equipment	59,076	26,537	29,961	20,887	-	6,175	28,078	170,714	139,630	
Staff costs	133,069	53,430	33,261	49,184	-	14,483	51,661	335,088	439,194	
Depreciation	156,294	52,970	114,527	36,449	-	-	-	360,240	410,343	
	<u>482,802</u>	<u>183,323</u>	<u>288,598</u>	<u>140,111</u>	<u>-</u>	<u>20,658</u>	<u>79,739</u>	<u>1,195,231</u>	<u>1,281,489</u>	
Total resources expended	<u>1,031,557</u>	<u>605,888</u>	<u>495,662</u>	<u>307,460</u>	<u>7,310</u>	<u>109,391</u>	<u>81,452</u>	<u>2,638,720</u>	<u>2,863,810</u>	

Basis of allocation of support costs:

Premises - usage

Admin and equipment - staff time

Staff costs - staff time

Depreciation - usage

The Bishopsgate Foundation

Notes to the financial statements

For the year ended 31 March 2015

4. Grants to charitable organisations and pension support

Grants to local charities are as follows:	2015 £	2014 £
Arts for All	-	1,850
Boundary Community School	-	1,500
CASS- Community Advice Support Scheme	-	2,430
Children With Aids	-	1,000
City and Hackney Carers	-	2,000
The Daneford Trust	-	1,500
Epic Arts	-	1,750
Globe Bengali Mohila Shamity	-	1,500
Heba Women's Project	-	1,500
Hoxton Health	-	3,570
Inner City Centre	-	1,500
Monakka Monowar Welfare Fund	-	1,700
Poetry in Wood	-	1,500
Rainbow Film Society	-	1,500
Spitalfields City Farm	-	2,000
Stepney Community Trust	-	1,500
SSAFA Forces Help (East London)	-	1,000
Tower Hamlets Friends and Neighbours	-	3,000
Tower Hamlets Parents Centre	-	1,500
Toyhouse Libraries Association	-	1,250
U-Turn Project	-	3,000
Young News	-	1,950
Total grants to charitable organisations	-	40,000
Cost of pensions and other support	39,745	41,295
	39,745	81,295

No grants were made in the year.

5. Net incoming resources for the year

This is stated after charging / crediting:	2015 £	2014 £
Depreciation	360,240	410,340
Trustees' remuneration	nil	nil
Trustees' reimbursed expenses	nil	nil
Auditors' remuneration:		
▪ Audit	8,500	6,550
▪ B.I. (Trading) Limited	-	3,300
▪ Prior year under/(over) provision	-	696
▪ Other services	550	1,000

The Bishopsgate Foundation

Notes to the financial statements

For the year ended 31 March 2015

6. Staff costs and numbers

Staff costs were as follows:

	2015	2014
	£	£
Salaries and wages	844,601	1,014,297
Social security costs	80,652	101,587
Pension contributions	21,904	31,131
Other costs	61,874	49,470
	<u>1,009,031</u>	<u>1,196,485</u>

The number of employees whose emoluments were in excess of £60,000 for the year were:

	2015	2014
	No.	No.
£60,000 - £69,999	-	1
£80,000 - £89,999	1	-
£90,000 - £99,999	-	1
	<u>-</u>	<u>1</u>

Employer pension contributions for those earning more than £60,000 during the year totalled £nil (2014: £6,089).

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2015	2014
	No.	No.
Costs of generating funds	10	10
Courses for adults	6	6
Reference library	7	8
Cultural events	4	4
Learning activities	1	3
Grants and pensioners	1	1
	<u>29</u>	<u>32</u>

7. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary B.I. (Trading) Ltd Gift Aids available profits to the charity, as such no corporation tax is payable.

The Bishopsgate Foundation

Notes to the financial statements

For the year ended 31 March 2015

8. Tangible fixed assets

The group and charity	Freehold Land and Building £	Development Fund Freehold Improvement £	Furniture and Equipment £	Totals £
Cost				
At the start of the year	2,000,000	6,348,140	755,762	9,103,902
Additions in year	-	54,709	182,841	237,550
At the end of the year	<u>2,000,000</u>	<u>6,402,849</u>	<u>938,603</u>	9,341,452
Depreciation				
At the start of the year	320,000	833,107	503,394	1,656,501
Charge for the year	20,000	261,436	78,804	360,240
At the end of the year	<u>340,000</u>	<u>1,094,543</u>	<u>582,198</u>	2,016,741
Net book value				
At the end of the year	<u>1,660,000</u>	<u>5,308,306</u>	<u>356,405</u>	<u>7,324,711</u>
At the start of the year	<u>1,680,000</u>	<u>5,515,033</u>	<u>252,368</u>	<u>7,447,401</u>

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

9. Investments

	<u>Endowment funds</u>				
	Properties	Properties	UK common Investment funds	2015	2014
	£	£	£	£	£
At start of year	945,000	10,280,000	3,679,801	14,904,801	14,845,994
Additions in the year	-	624,188	-	624,188	-
Disposals proceeds	-	(1,720,484)	(900,000)	(2,620,484)	(250,000)
Realised gains (losses)	-	1,520,483	(3,051)	1,517,432	(16,667)
Unrealised gains	1,055,000	8,165,813	117,199	9,338,012	325,474
At the end of the year	<u>2,000,000</u>	<u>18,870,000</u>	<u>2,893,949</u>	<u>23,763,949</u>	<u>14,904,801</u>

The investment properties comprise the Underwood and General Estates. These properties were valued as at 31 March 2015 by Lamberts, Chartered Surveyors, who are unconnected with the Foundation, at market value. During 2014 an accounting error from 2002 was identified resulting in £945,000 being transferred from the General Endowment Fund to the General Fund to correct the transaction.

The Bishopsgate Foundation

Notes to the financial statements

For the year ended 31 March 2015

9. Investments (continued)

Analysis of endowment funds between Estates:

	Properties	UK common Investment funds	Total
	£	£	£
Underwood Estate	13,410,000	1,067,261	14,477,261
General Estate	5,460,000	1,826,688	7,286,688
	<u>18,870,000</u>	<u>2,893,949</u>	<u>21,763,949</u>

Historic cost of UK common investment funds:	£
Underwood Estate	726,563
General Estate	1,243,560
	<u>1,970,123</u>

It is not possible to state the historic cost of the freehold properties which were part of the original permanent endowment of the foundation.

In February 2015 an investment property was sold for the sum of £1,750,000 realising a gain of £1,520,484. At the year end the proceeds from the sale were held within the Foundation's bank account prior to a decision being taken by the Trustees as to their reinvestment. Since the year end the net proceeds after disposal costs have been invested in UK common investment funds.

The Trustees will continue to review market conditions on a regular basis and will make such adjustments as are necessary in the accounts. All investments in UK common investment funds are held in exempt unit trusts, comprising a wide portfolio of investment assets.

The Foundation has endowment cash of £1,000,000 (2014: £250,000) which will be used to improve an Endowment property in 2014/15.

Investments comprise:

	The group		The charity	
	2015	2014	2015	2014
	£	£	£	£
UK common investment funds	2,893,949	3,679,800	2,893,949	3,679,800
Investment properties in the UK	20,870,000	11,225,000	20,870,000	11,225,000
Investment in subsidiary undertakings incorporated in the UK	-	-	1	1
	<u>23,763,949</u>	<u>14,904,800</u>	<u>23,763,950</u>	<u>14,904,801</u>

The Bishopsgate Foundation

Notes to the financial statements

For the year ended 31 March 2015

10. Subsidiary Undertaking

The Foundation owns the whole of the issued ordinary share capital of B.I. Trading limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the Foundation. A summary of the results of the subsidiary is shown below:

	2015 £	2014 £
Turnover	797,048	843,179
Cost of sales	-	-
Gross profit	<u>797,048</u>	<u>843,179</u>
Distribution costs	-	-
Administrative expenses	<u>(686,691)</u>	<u>(722,937)</u>
Profit / (loss) on ordinary activities	110,357	120,242
Deed of covenant to parent undertaking	(110,357)	(120,242)
Profit / (loss) for financial year	<u>-</u>	<u>-</u>
The aggregate of the assets, liabilities and funds was:		
Assets	1	1
Liabilities	-	-
Funds	<u>1</u>	<u>1</u>

11. Parent charity

The Foundation's gross income and the results for the year are disclosed as follows:

	2015 £	2014 £
Gross income	1,362,787	1,549,824
Results for the year prior to unrealised gains	<u>817,833</u>	<u>(727,958)</u>

The Bishopsgate Foundation

Notes to the financial statements

For the year ended 31 March 2015

12. Debtors

	The group		The charity	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	117,462	253,569	433	3,788
Investment property rent debtors	27,581	26,870	27,581	26,870
Due from subsidiary undertakings	-	-	71,171	106,330
Other debtors and prepayments	62,348	66,255	62,348	66,255
	207,391	346,694	161,533	203,243

13. Creditors: amounts falling due within one year

	The group		The charity	
	2015	2014	2015	2014
	£	£	£	£
Payments received on account	20,558	24,865	20,558	24,865
Taxation and social security	20,990	90,661	20,990	90,661
Due to subsidiary undertakings	-	-	-	-
Sundry creditors and accruals	474,804	370,393	193,571	181,164
	516,352	485,919	235,119	296,690

14. Analysis of group net assets between funds

	Restricted funds	Endowment fund	Designated funds	Unrestricted funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	1,660,000	5,428,188	236,523	7,324,711
Investment properties	-	18,870,000	-	2,000,000	20,870,000
Investments	-	2,659,683	-	234,266	2,893,949
Other net assets	8,275	1,720,525	-	(35,401)	1,693,399
Net assets at the end of the year	8,275	24,910,208	5,428,188	2,435,388	32,782,059

The Bishopsgate Foundation

Notes to the financial statements

For the year ended 31 March 2015

15. Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers and gains / (losses) on investment assets £	At the end of the year £
Permanent Endowment funds					
Order for Development Project Endowment Fund	221,526 <u>15,184,570</u>	- <u>15,000</u>	- <u>(228,150)</u>	73,842 <u>9,643,420</u>	295,368 24,614,840
Total endowment funds	<u>15,406,096</u>	<u>15,000</u>	<u>(228,150)</u>	<u>9,717,262</u>	24,910,208
Restricted funds					
Luke Johnson	5,000	-	-	-	5,000
Raphael Samuel History Centre	3,397	-	(122)	-	3,275
Alternatives to Religion Archive	-	(8,450)	(16,120)	24,570	-
Total restricted funds	<u>8,397</u>	<u>(8,450)</u>	<u>(16,242)</u>	<u>24,570</u>	8,275
Unrestricted funds:					
<i>Designated funds:</i>					
Development fund	<u>5,654,882</u>	-	(281,404)	54,710	5,428,188
<i>Total designated funds</i>	5,654,882	-	(281,404)	54,710	5,428,188
General funds	<u>1,446,482</u>	<u>2,042,928</u>	<u>(2,112,924)</u>	<u>1,058,902</u>	2,435,388
Total unrestricted funds	<u>7,101,364</u>	<u>2,042,928</u>	<u>(2,394,328)</u>	<u>1,113,612</u>	7,863,576
Total funds	<u>22,515,857</u>	<u>2,049,478</u>	<u>(2,638,720)</u>	<u>10,855,444</u>	32,782,059

Purposes of endowment funds

The endowment fund was established when the Institute was created in order that the income from the properties and investments would provide funding for the Institute's charitable objectives.

Transfer from permanent endowment to designated funds	£
• This transfer represents capital expenditure on freehold improvements.	54,710
Transfer from general fund to permanent endowment	
• The Institute is due to repay £1,846,124 over 25 years starting 2012. This is the fourth payment under this order.	73,842
Transfer from general fund to restricted funds	
• This transfer represents costs incurred over and above the grant awarded.	24,570
Transfers from permanent endowment to general fund	
• This transfer represents the apportionment of investment gains between the permanent endowment and the general fund in proportion to their value.	9,948
• This transfer represents legal and other costs associated with the disposal of the investment property in the year.	25,556
• This transfer represents management time involved in managing endowment investments.	<u>66,810</u>

The Bishopsgate Foundation

Notes to the financial statements

For the year ended 31 March 2015

15. Movements in funds (continued)

Purposes of restricted funds

• Luke Johnson

A fund provided by Allen and Overy in the name of Chairman, Luke Johnson to support the future development of the Institute.

• Raphael Samuel History centre

A fund to improve the Raphael Samuel Archive.

• Alternatives to Religion Archive

A joint project to formally prepare the Bishopsgate and Conway Hall archive over 18 Months funded by the Heritage Lottery Fund.

Purposes of designated funds

• Development fund

The designated fund represents the capital cost of building improvements. The majority of this was completed in 2011 and will be depreciated over 25 years.

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 £21,904 (2014: £29,590).

17. 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.

18. Contingent Asset

The Foundation are due to receive £80,000 from the City of London Corporation under a s106 agreement to develop a site on Bishopsgate near the Institute. The development work has not yet started and therefore there is still some uncertainty that the grant will be received. As there is still some uncertainty, the Trustees have agreed that no debtor should be included in the financial statements under FRS 12 related to contingent assets, and instead have decided to record this by way of note.

19. Capital Commitment

During the year the Foundation contracted to replace the roof at 230 Bishopsgate and whilst some consultancy costs have been incurred during the year the actual replacement work is due to commence in May 2015. At 31 March 2015 the committed contractual costs are £993,637.

The Bishopsgate Foundation

Five year financial summary

For the year ended 31 March 2015

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Incoming resources					
Voluntary income	21	67	98	361	813
Commercial activities	797	843	817	615	271
Investment income	814	871	857	750	785
Charitable activities	436	492	523	474	480
Total incoming resources	2,068	2,273	2,295	2,200	2,349
Costs of generating funds	1,026	1,059	917	1,156	820
Charitable activities	1,517	1,700	1,775	1,736	1,374
Governance costs	81	105	72	71	71
Total resources expended	2,624	2,864	2,764	2,963	2,265
Net (outgoing)/incoming resources before investment gains	(556)	(591)	(469)	(763)	84
Development project	-	-	-	-	(564)
Gain/(losses) on investments	10,855	309	424	2,585	323
Net movement in funds	1,022				
General funds		965	219	(1,409)	(400)
Designated funds	(227)	(333)	(334)	1,010	1,756
Restricted funds	-	(14)	22	2	(7)
Endowment funds	9,504	(900)	48	2,219	(1,506)
Net movement in funds	10,299	(282)	(45)	1,822	(157)
General funds	2,468	1,447	482	263	1,672
Designated funds	5,428	5,655	5,988	6,322	5,312
Restricted funds	8	8	23	1	(1)
Endowment funds	24,910	15,406	16,305	16,257	14,038
Total Funds	32,814	22,516	22,798	22,843	21,021
Percentage of total expenditure					
Commercial and Investments	39%	37%	33%	39%	36%
Charitable activities	58%	59%	65%	59%	61%
Governance costs	3%	4%	3%	2%	3%