



**BISHOPSGATE  
INSTITUTE**

# **THE BISHOPSGATE FOUNDATION**

## **Report and Financial Statements**

**31 March 2017**

Company number: 4362659

Charity number: 1090923

# The Bishopsgate Foundation

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For the year ended 31 March 2017

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# The Bishopsgate Foundation

## Reference and administrative details

For the year ended 31 March 2017

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**Company number** 4362659

**Charity number** 1090923

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

**Country of registration** England & Wales

**Country of incorporation** United Kingdom

**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**

Vacant (awaiting appointment of a Rector of St Botolph without Bishopsgate)  
Vacant (Alderman of the Ward of Bishopsgate)

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

Honor Wilson-Fletcher Retired 28 July 2016

**Co-opted**

Nigel Brockmann Retired 31 May 2017

Christopher Cook Chairman

Ruth Lesirge Retired 28 June 2016

Michael Schraer

Kathryn Martindale Appointed 16 May 2016

Aoife Monks Appointed 16 May 2016

Fr Luke Miller Appointed 16 May 2016

**Principal staff**

Francesca Canty	Chief Executive, Company Secretary
Leonie Sakey-Gourlay	Strategic Adviser
Daniel Penfold	Head of Campaigns
Giles Burden	Head of Delivery
Helen Ainsworth	Finance Manager

## The Bishopsgate Foundation

### Reference and administrative details

For the year ended 31 March 2017

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<b>Bankers</b>	HSBC Bank PLC 100 Old Broad Street London EC2N 3LN
<b>Solicitors</b>	Farrer & Co. 66 Lincoln's Inn Fields London WC2A 3LH
<b>Property advisors</b>	Lamberts Edward House 2 Wakley Street London EC1V 7LT
<b>Auditor</b>	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane LONDON EC1Y 0TL

The trustees present their report and the audited financial statements for the year ended 31 March 2017.

Reference and administrative information set out on pages 1 and 2 forms 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 applicable to charities preparing their accounts in accordance with FRS 102.

## **Strategy and Plans for the Future**

### **A period of change**

In late November 2015 the Board of Trustees approved a strategic business plan for 2016–21 for the Foundation. The first phase in implementing the plan was to review and reconfigure our staffing structure in order to be able to deliver our ambitions more effectively and efficiently. This process began in January 2016 with appointments to the senior team in March 2016.

Throughout most of 2016, a collective and individual consultation process about the proposed new organisation structure and roles was undertaken with the existing staff. Those that elected not to apply for new roles or were unsuccessful left the Institute in August 2016 with redundancy compensation. The recruitment process to fill vacant new roles was concluded in November; most roles were filled, with all new staff in post by the end of January 2017. We now have a new management team in place which is already beginning to drive forward the refreshed programme.

The trustees and senior team has begun to invest in the Foundation's programme, audience development, infrastructure and staff in order to achieve the objectives outlined in the strategic business plan. To do so, the Foundation needs a firm and sustainable financial footing, aiming to generate a modest surplus. By September 2017, a five-year financial plan will be agreed to achieve this.

Recent substantial and unexpected capital outlay during 2015–16 (the requirement to replace the entire roof, the emergency repairs to the Great Hall ceiling) has reduced our cash holdings, which has had an impact on our earned income. Venue hire clients have been slow to return after the unplanned closure of the Great Hall for the repairs, and the staffing restructure has temporarily reduced our capacity to generate new business. It is a priority that we improve our revenue streams and to that end the executive team has been refining our commercial offer and developing new business relationships.

## The Bishopsgate Foundation

### Trustees' annual report

#### For the year ended 31 March 2017

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However, as the newly-recruited staff settle into their roles, we are already seeing an improvement in new business generation and intend to maximise this while not restricting the opportunities for the charitable programme to also develop.

### The programme

Bishopsgate Institute was “erected for the benefit of the public” in 1894, to give the people living and working in the City of London the chance to come together to discover and learn in extraordinary spaces. That purpose is unchanged, even as our audience and programme continue to expand and evolve in response to changing needs and expectations. Our founders chose the motto *Senesco non Segnesco* – I grow old but I do not grow lazy – and we continue to develop our programme and ourselves inspired by this statement of intent.

We have reinterpreted the Foundation’s charitable objectives to be relevant in the twenty-first century and thereby to attract new audiences with a refreshed and more coherent offer, emerging from our deeply held aspiration to become an incubator for learning and development.

The Foundation’s special archive collections will remain at the centre of our refreshed offer, informing everything from courses to the Institute’s visual identity. We are already offering more activity, including courses, study days and tours that open our archive collections up to new audiences.

Nevertheless the remarkable building in which we are housed, including the handsome Reading Room, is an asset that could be better used. For us to realise our strategic objectives, there will be a need for further investment in the near future.

The extraordinary political climate in which we are living, with the unprecedented levels of protest, civic engagement and activism, resonates directly with the themes of the Foundation’s special archive collections. The noticeable increase in appetite for debate and discussion, in person as well as online, is something we hope to harness with our refreshed talks programme, courses and study days. Furthermore, in order to increase awareness and access to our special collections, we are increasing bookable tours as well as introduction sessions to demystify using an archive.

We are already developing and delivering activities rooted in our strategy to work with like-minded partners, where the shared objectives of the Foundation and those of our partners are greater than the sum of our individual parts. After the success in 2016 of *Ragtime – the Musical*<sup>1</sup>, our

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<sup>1</sup> Nominated for Best Director, Best Fringe Production, Best Costume Design and Best Choreography at the Broadway World West End Awards

partnerships with the London Musical Theatre Orchestra and Swing Patrol (our Orchestra and Dancers in Residence, respectively) and our collaboration with Duckie, *Lady Malcolm's Servants' Balls*, we are prioritising further performance and development opportunities across the programme.

## Financial Review

### Review 2016/17

This year, for which the General Fund is showing net expenditure for the year before transfers of £140,738 (2016: net income £778) has been one of consolidation with the focus being on the implementation of the strategic business plan, approved by trustees in November 2015, and starting with the review and redesign of our staffing structure to be able to implement the new delivery model of Content, Campaigns and Delivery. The in-depth review and both collective and individual staff consultations which had commenced earlier in the year were completed in August. Existing staff who became at risk of redundancy were invited to apply for the new roles and positions created, many being successful whilst eleven staff decided to take advantage of the redundancy package and move on to pastures new. Total redundancy and termination costs were £56,486. Recruitment for the remaining vacant positions commenced in September and in January we were joined by twelve new and enthusiastic staff who have very quickly become key players in the Bishopsgate team. We now have the team in place to take our programme forward as envisaged by our strategic business plan.

During the year the regular dance events, which have been the backbone of our cultural events programme, have bounced back following their curtailment last year due to the closure of the Great Hall, are going from strength to strength and are regularly at full capacity, hence the significant uplift in income to £78,361 (2016: £32,852). Our courses activities have been streamlined during the year whilst the new team develop and refresh the programme to meet the objectives as defined in our strategic business plan and this is reflected in the reduction in income to £276,829 (2016: £337,183).

The principal sources of income for the Foundation to enable it to sustain and develop its charitable activities are its investment income as well as venue hire income from its trading subsidiary, BI Trading Ltd.

Investment income is generated from two sources. Rental income is derived from the Foundation's portfolio of investment properties. 2017 saw an uplift of £147,054 in rental income earned from these properties as a result of leases being renegotiated at more favourable rates. The Foundation also earns income on its investments in UK common investment funds managed by M&G. The year saw a slight reduction in income earned during the year as a result of disinvestments to complete the ceiling repairs and upgrade of sound and lighting in the Great Hall. In January 2017 £2,310,000, being the proceeds from the sale of an investment property during the year, were invested in the funds managed by M&G which will increase the level of income to be earned going forward.

## The Bishopsgate Foundation

### Trustees' annual report

#### For the year ended 31 March 2017

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Venue hire income has broadly remained at the same level as for 2016 but with a reduction in the profits gift aided to the Institute as a result of increased costs principally reflecting the staff restructure. With a brand new team in place and with the improvement in facilities in 2016 we anticipate that turnover and therefore profits will recover in 2018.

During the year we completed on the sale of an investment property for which negotiations had commenced in 2016. The gain on the disposal was recognised in that year, however professional fees incurred have led to a small loss of £39,325 being recognised this year. Investment properties were revalued as at 31 March 2015 and so there are no other movements on investment property values. The unit prices of our M&G funds have increased over the year and we have recognised an unrealised gain of £278,184. Net gains on investments for the year are therefore £238,859.

#### 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.

The majority of investments are held in M&G Charifund investment units. M&G report that their investment policy is to invest in a portfolio of equities and convertible stocks to provide a yield significantly more than the FTSE All-Share Index. However this year the total return has fallen behind the FTSE all Share index over 1 year at 19.55% compared to 24.52%. For the three year period ended 31 March 2017 the capital value of the Charifund units grew by 7.30% exceeding UK RPI.

#### Reserves policy

The endowment reserves, which represent the Institute building, investment properties and financial instruments, are maintained to generate investment income to be utilised by the Foundation to fund charitable activities. At the year end the value of the endowment reserves was £24,577,679 (2016: £24,613,657).

General reserves are maintained to fund, in addition to the income from the endowment reserves, the operational activities of the Foundation and to meet evaluated risks. As of 31 March 2017 an evaluation of risks and business plans showed that a target of free reserves of £521,899 were required (2015/16 £520,589). At that date adjusted free revenue reserves stood at £181,329 (2015/16 £225,892), the value of net current assets (see note 19), which therefore falls short of the target. The valuation of free revenue reserves has been amended this year as the Trustees have reflected on the assets included and now consider that it is inappropriate to include the value of the fixed asset investment properties. Therefore the adjusted free revenue reserves for 2015/16 which were previously shown as £2,225,892 have been restated. One of the key aims of the 2016-



## The Bishopsgate Foundation

### Trustees' annual report

#### For the year ended 31 March 2017

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2021 business plan, the first phase of which, reviewing and reconfiguring our staffing structure, has been implemented this year, is to build on the current level of free reserves to meet the defined target level over the five year period by increasing the net income achieved through our trading and charitable activities. The Trustees are therefore of the view that the Foundation is a going concern.

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 have a risk management strategy which comprises:

- An annual review of principal risks and uncertainties that the Institute and its subsidiary BI Trading face;
- The establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- The implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

The key risks that this work has identified are:

- The maintenance of liquidity in the general fund. A key element in the management of this financial risk is regular and detailed review of cashflow forecasts and budget variances;
- Potential disruption to business as usual (for example a reduction in income from our venue hire operation) as well as to levels of service as a result of a full-scale restructure. This risk has been mitigated by a scaling back of some aspects of the charitable activities and an increase in trained casual staff to ensure capacity to deliver. Furthermore, the appointment of a professional HR team to ensure that the restructure process complied with current legislation and best practice and to deal with the day to day management of the restructure. Released the senior management team to maintain their focus on all the activities of the Foundation;
- Non compliance with health and safety legislation which may result in action by the Health and Safety Executive and/or litigation from third parties. To manage this risk the Foundation has developed health and safety policies, undertakes an annual health and safety risk assessment, has established a staff safety group and is fully insured;
- Deterioration and/or loss of irreplaceable paper archives in the Library. To mitigate this risk in April 2015 the Foundation engaged Bonhams, the international auctioneers and valuers, to value the archive collection to ensure that the collection is adequately insured. The Foundation is also currently in the process of upgrading the archive storage facilities.
- Changes in the business environment that might affect the current property market or our venue hire operation. This risk is managed by the establishment of the reserves policy, the appointment of professional property managers to manage our property portfolio and regular review by the senior management team and Trustees of the Foundation's performance against budget.

## 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.

None of the trustees receive remuneration or other benefit from their work with the Foundation.

## The Bishopsgate Foundation

### Trustees' annual report

#### For the year ended 31 March 2017

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#### Trustee selection process

When a vacancy exists, the Board of Trustees considers the skills and personal profile that would best contribute to the needs of the Institute. The Board authorises the Chief Executive to advertise vacancies and confirms, via the Chair, the process to be followed in selecting candidates. Since 2007, it has been the practice to advertise vacancies. In 2016, the Board convened a search group to secure new trustees. The opportunity was advertised widely and applications solicited. In May and early June 2017, shortlisted candidates were interviewed by trustees and the Chief Executive. At 6 June 2017, recommendations are being drafted for the Board to consider at its next meeting on 23 July.

#### 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 Chair 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 two 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)

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

The Senior Team (the Chief Executive, Strategic Adviser, Head of Campaigns, Head of Delivery 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 or more frequently as required.

#### Pay policy for senior staff

The remuneration of the Chief Executive is determined by the Board. The remuneration of other senior staff is delegated to the Chief Executive who is advised by an external organisation who have benchmarked salaries across charity, cultural and other comparable organisations.

## 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;
  - 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.

## Statement of responsibilities of the trustees

The trustees (who are also directors of The Bishopsgate Foundation for the purposes of company law) are responsible for preparing the trustees' annual report 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
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

## The Bishopsgate Foundation

### Trustees' annual report

#### For the year ended 31 March 2017

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The trustees are responsible for keeping adequate 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 auditor are unaware
- 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 auditor 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.

The trustees' annual report has been approved by the trustees on 17 July 2017 and signed on their behalf by

Christopher Cook  
Chairman

## Independent auditor's report

To the members of

The Bishopsgate Foundation

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### Opinion

We have audited the financial statements of The Bishopsgate Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2017 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2017 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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Independent auditor's report

To the members of

The Bishopsgate Foundation

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### Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

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

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, 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' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

## Independent auditor's report

To the members of

The Bishopsgate Foundation

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### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.



## Independent auditor's report

To the members of

**The Bishopsgate Foundation**

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The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Judith Miller (Senior statutory auditor)

24 July 2017

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

Sayer Vincent LLP is eligible to act as 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 2017

	Note	Unrestricted £	Designated £	Restricted £	Endowment £	2017 Total £	2016 Total £
<b>Income from:</b>							
Grants and donations	3	10,283	-	-	-	10,283	29,925
Charitable activities							
Courses		276,829	-	-	-	276,829	337,183
Library		1,921	-	-	-	1,921	11,118
Events		78,361	-	-	-	78,361	32,852
Interpretation		2,680	-	-	-	2,680	2,670
Other trading activities	4	647,393	-	-	-	647,393	652,947
Investments	5	1,228,041	-	-	-	1,228,041	1,113,029
<b>Total income</b>		<b>2,245,508</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,245,508</b>	<b>2,179,724</b>
<b>Expenditure on:</b>							
Raising funds	6	682,636	162,128	-	97,464	942,228	934,688
Charitable activities							
Courses	6	512,295	57,987	-	2,940	573,222	527,883
Library	6	564,100	126,231	-	6,400	696,731	554,162
Events	6	340,544	40,631	-	2,060	383,235	276,844
Interpretation	6	95,597	7,495	-	380	103,472	134,695
Learning	6	-	-	-	-	-	-
Eleemosynary	6	191,074	-	-	-	191,074	167,461
<b>Total expenditure</b>		<b>2,386,246</b>	<b>394,472</b>	<b>-</b>	<b>109,244</b>	<b>2,889,962</b>	<b>2,595,733</b>
<b>Net income / (expenditure) before net gains on investments</b>	7	<b>(140,738)</b>	<b>(394,472)</b>	<b>-</b>	<b>(109,244)</b>	<b>(644,454)</b>	<b>(416,009)</b>
Net gains on investments	13			-	238,859	238,859	1,465,032
<b>Net income / (expenditure) for the year</b>	7	<b>(140,738)</b>	<b>(394,472)</b>	<b>-</b>	<b>129,615</b>	<b>(405,595)</b>	<b>1,049,023</b>
Transfers between funds		46,871	118,722	-	(165,593)	-	-
<b>Net movement in funds</b>		<b>(93,867)</b>	<b>(275,750)</b>	<b>-</b>	<b>(35,978)</b>	<b>(405,595)</b>	<b>1,049,023</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		2,459,782	6,749,368	8,275	24,613,657	33,831,082	32,782,059
<b>Total funds carried forward</b>		<b>2,365,915</b>	<b>6,473,618</b>	<b>8,275</b>	<b>24,577,679</b>	<b>33,425,487</b>	<b>33,831,082</b>

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 in Note 20 to the financial statements.

The Bishopsgate Foundation

Balance sheets

Company no. 4362659

As at 31 March 2017

	Note	The group		The charity	
		2017	2016	2017	2016
		£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	12	8,278,204	8,623,260	8,278,204	8,623,260
Investments	13	25,170,081	22,942,397	25,170,082	22,942,398
		<b>33,448,285</b>	<b>31,565,657</b>	<b>33,448,286</b>	<b>31,565,658</b>
<b>Current assets:</b>					
Debtors	16	317,667	309,750	225,811	209,269
Investments	13	–	2,350,000	–	2,350,000
Cash at bank and in hand		281,453	340,345	169,970	257,110
		<b>599,120</b>	<b>3,000,095</b>	<b>395,781</b>	<b>2,816,379</b>
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	17	(621,918)	(734,670)	(418,580)	(550,955)
		<b>(22,798)</b>	<b>2,265,425</b>	<b>(22,799)</b>	<b>2,265,424</b>
<b>Net current (liabilities)/assets</b>					
		<b>33,425,487</b>	<b>33,831,082</b>	<b>33,425,487</b>	<b>33,831,082</b>
<b>Total net assets</b>					
		<b>33,425,487</b>	<b>33,831,082</b>	<b>33,425,487</b>	<b>33,831,082</b>
<b>Funds:</b>					
	20				
Restricted income funds		8,275	8,275	8,275	8,275
Endowment funds		24,577,679	24,613,657	24,577,679	24,613,657
Unrestricted income funds:					
Designated funds		6,473,618	6,749,368	6,473,618	6,749,368
General funds		2,365,915	2,459,782	2,365,915	2,459,782
Total unrestricted funds		<b>8,839,533</b>	<b>9,209,150</b>	<b>8,839,533</b>	<b>9,209,150</b>
<b>Total funds</b>		<b>33,425,487</b>	<b>33,831,082</b>	<b>33,425,487</b>	<b>33,831,082</b>

Approved by the trustees on 17 July 2017 and signed on their behalf by

Christopher Cook  
Chairman

The Bishopsgate Foundation

Consolidated statement of cash flows

For the year ended 31 March 2017

	Note	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>	21				
<b>Net cash used in operating activities</b>			<b>(1,499,990)</b>		<b>(1,033,496)</b>
<b>Cash flows from investing activities:</b>					
Dividends, interest and rents from investments		1,228,041		1,113,029	
Proceeds from the sale of fixed assets		–		–	
Purchase of fixed assets		(148,118)		(1,678,132)	
Proceeds from sale of investments		2,671,175		1,656,500	
Purchase of investments		(2,310,000)		(1,719,916)	
<b>Net cash (used in) / provided by investing activities</b>			<b>1,441,098</b>		<b>(628,519)</b>
<b>Change in cash and cash equivalents in the year</b>			<b>(58,892)</b>		<b>(1,662,015)</b>
Cash and cash equivalents at the beginning of the year			<b>340,345</b>		<b>2,002,360</b>
<b>Cash and cash equivalents at the end of the year</b>	22		<b>281,453</b>		<b>340,345</b>

## 1 Accounting policies

### a) Statutory information

The Bishopsgate Foundation is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is 230 Bishopsgate, London, EC2M 4QH

### b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

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

### c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

### d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Trustees are aware that there are net current liabilities, but this is principally due to timing and the fact that liabilities are recognised in full for the following 12 months but there is no corresponding income recognised. In addition, the Foundation has significant resources available in fixed asset investments which can be drawn down as required to fund working capital.

### e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably. Specifically:

- Income from venue hire is recognised on the date of letting;
- Income from Courses is recognised in the term that the course is run;
- Income from Events is recognised at the date the event is held

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

### f) Interest and rents receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Rental income is included 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.

**1 Accounting policies (continued)**

**g) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

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.

**h) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the group and Foundation in raising funds for the charitable work.
- Expenditure on charitable activities includes the costs of delivering the activity undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**i) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

● Courses	18.50%
● Library	21.00%
● Events	14.60%
● Programme development and integration	3.10%
● Eleemosynary	5.90%
● Investments	10.60%
● Trading activities	26.30%

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.

**1 Accounting policies (continued)**

**j) Tangible fixed assets**

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.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

The Institute building and freehold land, excluding the works on improvements, is included at deemed cost based on a valuation at 2002. 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

**k) Investment properties**

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. The valuation method used to determine fair value will be stated in the notes to the accounts.

**Listed investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

**Investments in subsidiaries**

Investments in subsidiaries are at cost.

**l) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**m) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1 Accounting policies (continued)**

**n) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**o) Financial instruments**

With the exception of the listed investments described above, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**p) Pensions**

The charity operates a defined contribution scheme for employees. Contributions are charged to the statement of financial activities as incurred. The Foundation has no liability in excess of monthly contributions.



## 2 Detailed comparatives for the statement of financial activities

	Unrestricted £	Designated £	Restricted £	Endowment £	2016 Total £
<b>Income from:</b>					
Grants and donations	9,300	-	20,625	-	29,925
Charitable activities	383,823	-	-	-	383,823
Other trading activities	652,947	-	-	-	652,947
Investments	1,113,029	-	-	-	1,113,029
<b>Total income</b>	<b>2,159,099</b>	<b>-</b>	<b>20,625</b>	<b>-</b>	<b>2,179,724</b>
<b>Expenditure on:</b>					
Raising funds	674,804	115,657	-	144,227	934,688
Charitable activities	1,483,516	165,749	-	11,780	1,661,045
<b>Total expenditure</b>	<b>2,158,320</b>	<b>281,406</b>	<b>-</b>	<b>156,007</b>	<b>2,595,733</b>
<b>Net expenditure before gains on investments</b>	<b>779</b>	<b>(281,406)</b>	<b>20,625</b>	<b>(156,007)</b>	<b>(416,009)</b>
Net gains on investments	-	-	-	1,465,032	1,465,032
<b>Net income / expenditure</b>	<b>779</b>	<b>(281,406)</b>	<b>20,625</b>	<b>1,309,025</b>	<b>1,049,023</b>
Transfers between funds	23,615	1,602,586	(20,625)	(1,605,576)	-
<b>Net movement in funds</b>	<b>24,394</b>	<b>1,321,180</b>	<b>-</b>	<b>(296,551)</b>	<b>1,049,023</b>
<b>Total funds brought forward</b>	<b>2,435,388</b>	<b>5,428,188</b>	<b>8,275</b>	<b>24,910,208</b>	<b>32,782,059</b>
<b>Total funds carried forward</b>	<b>2,459,782</b>	<b>6,749,368</b>	<b>8,275</b>	<b>24,613,657</b>	<b>33,831,082</b>

## 3 Income from donations and legacies

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Grants	7,000	-	7,000	27,625
Donations	3,283	-	3,283	2,300
	<b>10,283</b>	<b>-</b>	<b>10,283</b>	<b>29,925</b>

## 4 Income from other trading activities

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Venue hire income	647,393	-	647,393	652,947
	<b>647,393</b>	<b>-</b>	<b>647,393</b>	<b>652,947</b>

Venue hire income is wholly generated by the subsidiary BI Trading Limited which is used for non-primary purposes trading activities (see note 14)

## 5 Income from investments

	General Estate £	Underwood Estate £	Endowment fund £	2017 Total £	2016 Total £
Rents receivable	338,699	708,058	-	1,046,757	899,703
Insurance receivable	1,430	36,144	-	37,574	53,437
Income from listed investments	97,047	46,519	-	143,566	159,479
Bank deposit income	144	-	-	144	410
	<b>437,320</b>	<b>790,721</b>	<b>-</b>	<b>1,228,041</b>	<b>1,113,029</b>

All income from investment activities is unrestricted.

The Bishopsgate Foundation

Notes to the financial statements

For the year ended 31 March 2017

6 Analysis of expenditure

	Cost of raising funds £	Charitable activities						Governance costs	2017 Total £	2016 Total £
		Courses £	Library £	Events £	Interpretation £	Learning £	Eleemosynary £			
<b>Direct costs</b>										
Staff costs (Note 8)	56,785	99,105	193,005	55,281	37,752	-	-	-	441,928	422,770
Direct expenses	39,543	163,217	53,057	88,735	-	-	34,490	-	379,042	277,732
Marketing	18,753	-	-	-	-	-	-	-	18,753	82,240
Property costs	131,055	-	-	-	-	-	-	-	131,055	192,587
St Botolph	-	-	-	-	-	-	79,670	-	79,670	64,916
	246,136	262,322	246,062	144,016	37,752	-	114,160	-	1,050,448	1,040,245
<b>Support costs</b>										
Premises	183,252	68,720	151,183	45,813	9,163	-	-	-	458,131	368,208
Administration	56,055	44,276	49,989	34,849	7,427	-	13,997	46,847	253,440	226,185
Staff costs (note 8)	200,745	98,554	61,351	90,721	34,592	-	53,519	95,290	634,772	581,512
Depreciation	209,698	71,158	153,879	48,987	9,449	-	-	-	493,171	379,583
	895,886	545,030	662,464	364,386	98,383	-	181,676	142,137	2,889,962	2,595,733
<b>Governance costs</b>	46,342	28,193	34,267	18,849	5,089	-	9,397	(142,137)	-	-
<b>Total expenditure 2017</b>	<b>942,228</b>	<b>573,223</b>	<b>696,731</b>	<b>383,235</b>	<b>103,472</b>	<b>-</b>	<b>191,073</b>	<b>-</b>	<b>2,889,962</b>	
Total expenditure 2016	934,688	527,883	554,162	276,844	134,695	-	167,461	-		2,595,733

**7 Net income / (expenditure) for the year**

This is stated after charging / (crediting):

	2017 £	2016 £
Depreciation	493,174	379,583
Auditors' remuneration (excluding VAT): Audit	8,800	8,600
	<u>493,174</u>	<u>379,583</u>

**8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2017 £	2016 £
Salaries and wages	891,422	872,917
Redundancy and termination costs	56,486	8,725
Social security costs	79,957	80,689
Employer's contribution to defined contribution pension schemes	29,970	22,750
Other employee costs	18,865	19,201
	<u>1,076,700</u>	<u>1,004,282</u>

The following number of employees received employee benefits (excluding employer national insurance and pension costs) exceeding £60,000 during the year between:

	2017 No.	2016 No.
£90,000 – £99,999	1	1
	<u>1</u>	<u>1</u>

The total employee benefits including employer pension contributions and employer national insurance of the key management personnel, who are the principal officers, were £270,463 (2016: £220,112).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2016: £nil). No charity trustee received payment for professional or other services supplied to the charity (2016: £nil). No trustee received reimbursement of travel and subsistence costs (2016: nil) relating to attendance at meetings of the trustees.

**9 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2017 No.	2016 No.
Raising funds	5	5
Courses	4	3
Library	9	10
Events	2	4
Programme development and interpretation	1	2
Eleemosynary	1	1
Support	17	15
Governance	5	4
	<u>44</u>	<u>44</u>

The average weekly number of employees (full time equivalent) during the year was 29 (2016: 29).

**10 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 Rector of St Botolph Without Bishopsgate is a Trustee of the Foundation. The amount payable for the year ended 31 March 2017 is £79,670 (2016: £64,916) of which £39,670 (2016: £24,916) was outstanding at the year end.

**11 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 BI Trading Limited gift aids available profits to the parent charity, as such no corporation tax is payable (2016: £nil).

**12 Tangible fixed assets**

**The group and charity**

	Freehold land and building and freehold improvements £	Furniture and equipment £	<b>Total £</b>
<b>Cost or valuation</b>			
At the start of the year	10,005,435	1,014,149	<b>11,019,584</b>
Additions in year	118,722	29,396	<b>148,118</b>
Disposals in year	-	-	-
At the end of the year	<u>10,124,157</u>	<u>1,043,545</u>	<u><b>11,167,702</b></u>
<b>Depreciation</b>			
At the start of the year	1,715,979	680,345	<b>2,396,324</b>
Charge for the year	394,504	98,670	<b>493,174</b>
Eliminated on disposal	-	-	-
At the end of the year	<u>2,110,483</u>	<u>779,015</u>	<u><b>2,889,498</b></u>
<b>Net book value</b>			
<b>At the end of the year</b>	<u><u>8,013,674</u></u>	<u><u>264,530</u></u>	<u><u><b>8,278,204</b></u></u>
At the start of the year	<u><u>8,289,456</u></u>	<u><u>333,804</u></u>	<u><u><b>8,623,260</b></u></u>

Land with a value of £1,000,000 is included within the total value for freehold land and buildings and freehold improvements and is not depreciated.

All of the above assets are used for charitable purposes.

13 Investments

The Group and Charity

	Endowment funds			2017 £	2016 £
	Properties £	Properties £	UK Common investment funds £		
Fair value at the start of the year	2,000,000	20,669,346	2,623,051	<b>25,292,397</b>	23,763,949
Additions	-	-	2,310,000	<b>2,310,000</b>	1,719,916
Disposals	-	(2,310,675)	(360,500)	<b>(2,671,175)</b>	(1,656,500)
Revaluation during the year	-	(39,325)	278,184	<b>238,859</b>	1,465,032
Fair value at the end of the year	<b>2,000,000</b>	<b>18,319,346</b>	<b>4,850,735</b>	<b>25,170,081</b>	<b>25,292,397</b>

Analysis between fixed asset investment and current asset investments

	Endowment funds			2017 £	2016 £
	Properties £	Properties £	UK Common investment funds £		
Fixed asset investments	2,000,000	18,319,346	4,850,735	<b>25,170,081</b>	22,942,397
Current asset investments	-	-	-	-	2,350,000
	<b>2,000,000</b>	<b>18,319,346</b>	<b>4,850,735</b>	<b>25,170,081</b>	<b>25,292,397</b>

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 fair value. The Trustees are of the opinion that the valuation of the investment properties has not changed materially since that date.

Current asset investments are included at anticipated sales value.

Analysis of endowment funds between Estates

	Properties £	UK common investment funds £	2017 £
Underwood Estate	12,860,000	3,941,185	<b>16,801,185</b>
General Estate	5,459,346	909,550	<b>6,368,896</b>
	<b>18,319,346</b>	<b>4,850,735</b>	<b>23,170,081</b>

Historic cost of UK common investment funds:

	£
Underwood Estate	<b>3,688,051</b>
General Estate	<b>606,036</b>
	<b>4,294,087</b>

13 Investments (continued)

The investment in UK common investment funds represents 100% of the investment portfolio.

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

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.

Investments comprise:

	The group		The charity	
	2017	2016	2017	2016
	£	£	£	£
UK common investment funds	4,850,735	2,623,051	4,850,735	2,893,949
Investment properties in the UK	20,319,346	22,669,346	20,319,346	20,870,000
Investment in subsidiary undertakings incorporated in the UK	-	-	1	1
	<b>25,170,081</b>	<b>25,292,397</b>	<b>25,170,082</b>	<b>23,763,950</b>

14 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of BI 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 charitable company. A summary of the results of the subsidiary is shown below:

	2017	2016
	£	£
Turnover	647,393	673,397
Cost of sales	-	-
Gross profit	647,393	673,397
Administrative expenses	(644,119)	(646,163)
Other operating income	-	-
Operating profit	3,274	27,234
Interest payable	-	-
Profit on ordinary activities	3,274	27,234
Gift Aid to parent undertaking	(3,274)	(27,234)
(Loss) for the financial year	-	-
The aggregate of the assets, liabilities and funds was:		
Assets	1	1
Liabilities	-	-
Funds	1	1

15 Parent charity

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

	2017 £	2016 £
Gross income	1,601,389	1,554,011
Result for the year	<b>(408,869)</b>	1,021,798

16 Debtors

	The group		The charity	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	94,730	102,105	2,874	1,624
Investment property rent debtors	121,534	97,724	121,534	97,724
Other debtors and prepayments	101,403	109,921	101,403	109,921
	<b>317,667</b>	309,750	<b>225,811</b>	209,269

17 Creditors: amounts falling due within one year

	The group		The charity	
	2017 £	2016 £	2017 £	2016 £
Payments received on account	5,858	17,781	5,858	17,781
Taxation and social security	68,941	23,521	68,369	23,521
Due to subsidiary undertakings	–	–	96,992	59,067
Sundry creditors and accruals	547,119	693,368	247,361	450,586
	<b>621,918</b>	734,670	<b>418,580</b>	550,955

18 Pension scheme

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 costs for the year amounted to £29,970 (2016: £22,750).

19a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Endowments Funds £	Total funds £
Tangible fixed assets	184,586	6,473,618	–	1,620,000	8,278,204
Fixed asset investment properties	2,000,000	–	–	18,319,346	20,319,346
Investments	–	–	–	4,850,735	4,850,735
Net current assets	181,329	–	8,275	(212,402)	(22,798)
<b>Net assets at 31 March 2017</b>	<b>2,365,915</b>	<b>6,473,618</b>	<b>8,275</b>	<b>24,577,679</b>	<b>33,425,487</b>

19b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Endowments Funds £	Total funds £
Tangible fixed assets	233,892	6,749,368	–	1,640,000	8,623,260
Fixed asset investment properties	2,000,000	–	–	18,319,346	20,319,346
Investments	–	–	–	2,623,051	2,623,051
Net current assets	225,890	–	8,275	2,031,260	2,265,425
<b>Net assets at 31 March 2016</b>	<b>2,459,782</b>	<b>6,749,368</b>	<b>8,275</b>	<b>24,613,657</b>	<b>33,831,082</b>

20a Movements in funds (current year)

	At 1 April 2016 £	Income £	Expenditure £	Transfers, gains and losses £	At 31 March 2017 £
<b>Restricted funds:</b>					
Luke Johnson	5,000	–	–	–	5,000
Raphael Samuel History Centre	3,275	–	–	–	3,275
Alternatives to Religion Archive	–	–	–	–	–
<b>Total restricted funds</b>	<b>8,275</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>8,275</b>
<b>Permanent Endowment funds:</b>					
Order for Development Project	369,210	–	–	73,842	443,052
Endowment Fund	24,244,447	–	(109,244)	(576)	24,134,627
	24,613,657	–	(109,244)	73,266	24,577,679
<b>Unrestricted funds:</b>					
Designated funds:					
Development Fund	6,749,368	–	(394,472)	118,722	6,473,618
<b>Total designated funds</b>	<b>6,749,368</b>	<b>–</b>	<b>(394,472)</b>	<b>118,722</b>	<b>6,473,618</b>
<b>General funds</b>	<b>2,459,782</b>	<b>2,245,508</b>	<b>(2,386,246)</b>	<b>46,871</b>	<b>2,365,915</b>
<b>Total unrestricted funds</b>	<b>9,209,150</b>	<b>2,245,508</b>	<b>(2,780,718)</b>	<b>165,593</b>	<b>8,839,533</b>
<b>Total funds</b>	<b>33,831,082</b>	<b>2,245,508</b>	<b>(2,889,962)</b>	<b>238,859</b>	<b>33,425,487</b>

The narrative to explain the purpose of each fund is given at the foot of the note below.



The Bishopsgate Foundation

Notes to the financial statements

For the year ended 31 March 2017

20b Movements in funds (prior year)

	At 1 April 2015 £	Income £	Expenditure £	Transfers, gains and losses £	At 31 March 2016 £
<b>Restricted funds:</b>					
Luke Johnson	5,000	-	-	-	5,000
Raphael Samuel History Centre	3,275	-	-	-	3,275
Alternatives to Religion Archive	-	20,625	-	(20,625)	-
<b>Total restricted funds</b>	<b>8,275</b>	<b>20,625</b>	<b>-</b>	<b>(20,625)</b>	<b>8,275</b>
<b>Permanent Endowment funds:</b>					
Order for Development Project	295,368	-	-	73,842	369,210
Endowment Fund	24,614,840	-	(156,007)	(214,386)	24,244,447
	24,910,208	-	(156,007)	(140,544)	24,613,657
<b>Unrestricted funds:</b>					
Designated funds:					
Development Fund	5,428,188	-	(281,406)	1,602,586	6,749,368
<b>Total designated funds</b>	<b>5,428,188</b>	<b>-</b>	<b>(281,406)</b>	<b>1,602,586</b>	<b>6,749,368</b>
<b>General funds</b>	<b>2,435,388</b>	<b>2,179,549</b>	<b>(2,178,770)</b>	<b>23,615</b>	<b>2,459,782</b>
<b>Total unrestricted funds</b>	<b>7,863,576</b>	<b>2,179,549</b>	<b>(2,460,176)</b>	<b>1,626,201</b>	<b>9,209,150</b>
<b>Total funds</b>	<b>32,782,059</b>	<b>2,200,174</b>	<b>(2,616,183)</b>	<b>1,465,032</b>	<b>33,831,082</b>

**Movements in funds (continued)**

**Purposes of restricted funds**

**Luke Johnson**

A fund provided by Allen and Overy in the name of former 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 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.

**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.

**Transfers between funds**

	2017 £	2016 £
<b>Transfer from general fund to permanent endowment</b>		
The Institute is due to repay £1,846,124 over 25 years starting in 2012. These are the six (2017) and fifth (2016) payments under this order.	73,842	73,842
This transfer represents the apportionment of investment losses between the permanent endowment and the general fund in proportion to their value	-	46,663
<b>Transfer from restricted funds to general fund</b>		
This represents the reversal of a transfer of costs incurred in 2015 over and above the award of a grant, this being received in 2016.	-	20,625
<b>Transfer from permanent endowment to general fund</b>		
This transfer represents management time involved in managing endowment investments.	120,713	123,495
<b>Transfer from permanent endowment to designated funds</b>		
This transfer represents capital expenditure on freehold improvements	118,722	1,602,586

**21 Reconciliation of net income / (expenditure) to net cash flow from operating activities**

	2017 £	2016 £
<b>Net income / (expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>(405,595)</b>	<b>1,049,023</b>
Depreciation charges	493,174	379,583
(Gains)/losses on investments	(238,859)	(1,465,032)
Dividends, interest and rent from investments	(1,228,041)	(1,113,029)
(Profit)/loss on the disposal of fixed assets	-	-
(Increase)/decrease in stocks	-	-
(Increase)/decrease in debtors	(7,917)	(102,359)
Increase/(decrease) in creditors	(112,752)	218,318
<b>Net cash provided by / (used in) operating activities</b>	<b>(1,499,990)</b>	<b>(1,033,496)</b>

**22 Analysis of cash and cash equivalents**

	At 1 April 2016 £	Cash flows £	Other changes £	At 31 March 2017 £
Cash at bank and in hand	340,345	(58,892)	–	<b>281,453</b>
<b>Total cash and cash equivalents</b>	<b>340,345</b>	<b>(58,892)</b>	<b>–</b>	<b>281,453</b>

**23 Capital commitments**

At 31 March 2017 (2016: £nil) the Foundation has no commitments to capital expenditure.

**24 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.