

**CITY OF LONDON ARCHAEOLOGICAL TRUST FUND**

**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2007  
TOGETHER WITH THE TRUSTEES AND AUDITORS  
REPORT**

**REGISTERED CHARITY NUMBER 268160**

**City of London Archaeological Trust Fund**  
Report and Financial Statements

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## **1. Reference and Administrative Details**

<b>Charity Name:</b>	The City of London Archaeological Trust
<b>Charity Registration Number:</b>	268160
<b>Address of Trust:</b>	Museum of London Group, 150 London Wall, London EC2Y 5HN
<b>Management Committee:</b>	Members of the Trust:
<b>Aldermen Appointed by the Court of Aldermen:</b>	Michael David Bear Robert Gerard Finch James Michael Yorrick Oliver John Boothman Stuttard
<b>Court of Common Council Members Appointed by Planning and Transportation Committee:</b>	John William Brewster OBE (appointed from January 2007) Stephanie Ella Maureen Currie (served until December 2006) Christine Mackenzie Cohen OBE Martin Raymond Dudley Archibald Duncan Galloway OBE (appointed from January 2007) John Richard Owen-Ward (served until December 2006)
<b>Court of Common Council Members Appointed by Libraries, Archives and Guildhall Art Gallery Committee:</b>	John Leslie Bird OBE Dennis Cotgrove Michael Page Ann Marjorie Francesca Pembroke (Chairman )
<b>Appointed by the Trust Deed:</b>	Tim Williams (representing the Institute of Archaeology), (appointed 15 May 2006) David Gaimster (representing the Society of Antiquaries of London), (Deputy Chairman) Dennis Turner (representing the Council for British Archaeology)
<b>Appointed by the Committee:</b>	Professor Caroline Barron Jack Lohman Taryn Nixon
<b>Trustees:</b>	The Trustees are the official trustees of the City of London Corporation and are appointed in accordance with orders made by the City of London  Chris Duffield, Town Clerk Chris Bilsland, Chamberlain Andrew James Colvin, Comptroller and City Solicitor
<b>Secretary:</b>	John Schofield Museum of London Group 150 London Wall London EC2Y 2HN

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<b>Treasurer:</b>	Chris Bilsland Guildhall London EC2P 2EJ
<b>Bank:</b>	Lloyds Bank plc
<b>Auditors:</b>	H Graham King & Co Chartered Accountants and Registered Auditors Southernhay Suite 7 207 Hook Road Chessington Surrey KT9 1HJ
<b>Investment Adviser:</b>	Artemis Investment Management Limited 42 Melville Street Edinburgh EH3 7HA

## **2. Structure, Governance and Management**

### **Governing Document**

The Trust was formed on 25 July 1974 and is governed by a trust deed.

### **Recruitment and Appointment**

The members of the Management Committee comprise:

#### City of London Corporation appointments:

Four Aldermen are appointed by the Court of Alderman and remain as members until they resign.

Four Court of Common Council members are appointed annually for a term of one year by the Planning and Transportation Committee, such appointments are renewable.

Four Court of Common Council members are appointed annually for a term of one year by the Libraries, Archives and Guildhall Art Gallery Committee, such appointments are renewable.

#### Ex – Officio appointments:

Director of the Museum of London Group

Managing Director of the Museum of London Archaeology Service

#### Appointments by Institutions or the Management Committee:

One representative to be appointed by the:

Council of British Archaeology

Institute of Archaeology

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Society of Antiquaries of London

Other additional Members either representative or individual as the Management Committee shall from time to time determine all of whom shall be appointed for an initial term of four years, renewable with the agreement of the Management Committee for a further term of four years.

Members of the Management Committee shall not exceed 22 in number.

**The policies and procedures adopted for the induction and training of trustees**

The City of London Corporation makes available to members of the Trust Corporate seminars and briefings as appropriate to enable the Members to efficiently carry out their Trust duties.

**Organisational structure and decision making process**

The Management Committee governs the charity whose purpose is to support and initiate archaeological work, mainly within the City. The Committee is responsible for all policy decisions and has a key role in the grant giving process. The Trust conducts its business in accordance with current charity law. The day to day administration of the Trust is undertaken by the Secretary. The Treasurer operates the principal financial accounting, information computer systems and provides financial advice, banking, investments, creditors, income collection and internal audit services. Legal and other services are also provided by the City of London Corporation as required.

**Details of related parties and wider networks**

The City of London Corporation, is responsible for appointing a number of Aldermen and Members to the Management Committee as noted above. The Trustees are the official trustees of the City. Officers of the City Corporation provide support services for which no charge is levied.

**Risk Management Statement**

The Trustees are committed to a programme of risk management as an element of their strategy to preserve the Charity's assets.

In order to embed sound practice, a Risk Management Group has been established by the City of London Corporation, and the Trust is included in this review. The Group will ensure that risk management policies are applied, that there is an ongoing review of risk management activity and that appropriate advice and support is provided to members and officers.

Consequently, the Trustees will avail themselves of this work in order to facilitate the identification of the major risks, which impact on the work of the charity. An analysis of existing controls in place to deal with these risks is being followed up by identifying further actions required to create the right balance between level of risk and effectiveness of controls.

### **3. Objectives and Activities**

**Objectives**

The promotion of the historic knowledge of the City of London and its environs by the carrying out or the supporting of archaeological research, including:

- ◆ Excavations and other archaeological and historical investigations in the City and surrounding area and environs.
- ◆ Publishing or making available reports and other data of excavations, research and investigations.
- ◆ Exhibiting in museums objects found as a result of excavations, research or investigations.

### **Explanations of aims and objectives for the year including the changes or differences it seeks to make through its activities**

The current aims of the Trust are to provide financial support for a range of archaeological work in the City of London and its environs. Although the Trust prefers to support research for publication and educational activities (including the purchase of equipment), assistance will also be considered for support in excavation and survey. This financial support is achieved through the raising of income from a number of sources including the provision of an annual grant from the City of London Corporation, interest and dividend income, and the raising of funds from City institutions including Livery Companies.

## **4. Achievements and Performance**

### **Key targets for 2006/07 and review of achievement**

Continue to support archaeological work with the provision of grants to enable the publication of a number of projects. This target has been met with new grant approvals totaling £10,000.

## **5. Financial Review**

### **Review of the financial position**

The Trust's income from continuing operations for the year was £41,420 (2005/06 £21,269). Direct charitable expenditure relating to this income was £21,543 (2005/06 £11,242). Other expenditure totalled £1,236 (2005/06 £1,127). The overall increase in reserves during the year was £39,521 (compared to an overall increase of £42,960 in 2005/06) due to a realised gain on sale of investments £1,709 (compared to £Nil in 2005/06), an unrealised gain on revaluation of investment assets amounting to £19,171 (compared with an unrealised gain of £34,060 in 2005/06) and net incoming resources of £18,641 (compared to net incoming resources of £8,900 in 2005/06).

The Unrestricted Fund of the Trust is invested partly in the City of London Corporation Charity Pool Units. The total units were valued as at 31 March 2007 at £221,085 (2005/06 £220,211). A total of 2,802 units were sold on 31 March 2007. The sale proceeds totaled £20,006, and the number of units held after the sale totalled 30,921. In addition, cash balances at 31 March 2007 were in hand by £23,364 (compared to (£6574) overdrawn in 2005/06)

### **Reserves Policy**

The reserves policy established by the Trustee was to continue the process previously developed whereby unrestricted reserve balances have reduced from £328,000 as at 31 March 1998 to £228,000 as at 31 March 2007. However, the policy was reviewed at the Management Committee meeting on 8 December 2004, a year earlier than anticipated and it was agreed that the funds were sufficiently depleted and further reductions should be rescinded. The current reserves of the Trust are to be applied as follows

- ◆ following a period of planned reduction in the reserves of the Trust, this process was ended in 2004/05, and a period of consolidation was approved from 2005/06 to 2007/08.
- ◆ the current value of reserves is considered adequate to produce sufficient investment income to supplement funds available for the annual grant giving process, to provide a contingency against future needs and for the payment of exceptional grants.
- ◆ the funds available for grant giving continue to be subject to annual review by the Management Committee.

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- ◆ to review the reserve policy every three years. The next planned review would be in 2007/08, when based on the above policy and assuming that no exceptional grants have been agreed, the projected reserves at the 31 March 2008 would amount to £228,000.

### **Assets**

In the opinion of the Trustees, the charity's assets are sufficient to meet the obligations of the Trust.

### **Funding sources and grant giving process**

The principal funding sources include a contribution from the City of London Corporation and investment income. This total income of £41,400 has enabled new grant approvals in furtherance of the Trust's aims of £9,900.

### **Investment Policy**

The Trust invests in the City of London Corporation Charities Pool, which is managed by the City's Finance Committee. Since September 2005 the Charities Pool has been managed on a balanced discretionary basis by Artemis Investment Management Limited. The income objective has now been replaced with a policy driven by the concept of total return over the long term. The purpose of this policy is to provide for real increases in annual expenditure while preserving the capital base of the Trust in real terms. For the calendar year 2006 the Trust achieved a return of 19.9% (compared with 16.8% in 2005), which compares to UK Charity Fund (Unconstrained) Universe return of 12.0% (in 2005 the return was 20.62%).

## **6. Plans for Future Periods**

The key targets for 2006/07 are to maintain the current value of investments, raise funds from a number of sources including approaching livery companies to support specific projects where appropriate, to encourage bids for grant giving funds from a wide range of individuals and bodies, and select successful applicants.

## **7. The Financial Statements**

The accounts for the year 2006/07 are set out on pages 10 to 11 followed by the notes on pages 12 to 15 and consist of the

- ◆ **Statement of Financial Activities** - showing all resources available and all expenditure incurred and reconciling all changes to the Unrestricted Fund of the Trust.
- ◆ **Balance Sheet** - sets out the overall financial position of the Trust's activities as at 31 March 2007.
- ◆ **Notes to the financial statements** - explaining the accounting policies adopted and explanations of information contained within the statements.

Under the requirements of Financial Reporting Standard 1, the Trust is not required to produce a cash flow statement.

The financial statements have been prepared in accordance with statutory requirements and the Statement of Recommended Practice *Accounting by Charities (Revised 2005)*.

## **8. Responsibilities of the Management Committee**

The Trust Deed requires that the Committee prepares financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of its incoming resources and application of resources for that period. In preparing those financial statements, the Committee is required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether the recommendations of the Statement of Recommended Practice *Accounting by Charities* (Revised 2005) 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 do so.

The Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Fund. It is also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement as to Disclosure of Information to the Auditors

The Trustees have taken all the necessary steps to make us aware, as trustees, of any relevant audit information and to establish that the auditors are aware of that information.

As far as the trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware.

## **9. Adoption of the Report and Financial Statements**

Adopted and signed for and on behalf of the Management Committee.

MEMBER

MEMBER

DATED



**INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF THE CITY OF LONDON  
ARCHAEOLOGICAL TRUST FUND**

We have audited the financial statements of the City of London Archaeological Trust Fund for the year ended 31 March 2007 which comprise the Statement of Financial Activities, the Balance Sheet and related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's Trustees, as a body, in accordance with sections 43 and 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's Trustees 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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective Responsibilities of Trustees and the Auditors**

As described in the statement of trustee's responsibilities, the charity's trustees are responsible for the preparation of the financial statements, which are required to be prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (U.K. and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

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

**Basis of the opinion**

We conducted our audit in accordance with International Standards on Auditing (U.K. and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming an opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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**Opinion**

In our opinion the financial statements give a true and fair view of the state of the charity's affairs in accordance with United Kingdom Generally Accepted Accounting Practice as at 31 March 2007 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993.

H Graham King & Co  
Chartered Accountants  
Registered Auditors  
Southernhay  
Suite 7  
207 Hook Road  
Chessington  
Surrey  
KT9 1HJ

Dated

## STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 March 2007

Income and Expenditure	Notes	2007 Unrestricted Funds £	2006 Unrestricted Funds £
<b>Incoming Resources</b>			
Sales	2	238	-
Donations	3	15,386	-
Contribution from City of London Corporation	4	15,000	15,000
Investment Income	5	10,796	6,269
<b>Total Incoming Resources</b>		<b>41,420</b>	<b>21,269</b>
<b>Resources Expended</b>			
<i>Direct Charitable Expenditure</i>			
Grants	6	21,543	11,242
		21,543	11,242
<i>Other Expenditure</i>			
Management and Administration	7	1,236	1,127
		1,236	1,127
<b>Total Resources Expended</b>		<b>22,779</b>	<b>12,369</b>
Net Incoming Resources		18,641	8,900
<b>Other Recognised Gains and Losses</b>			
Realised gain on sale of Investments		1,709	-
Unrealised gain on Revaluation of Investments		19,171	34,060
<b>Net Movements in Funds</b>		<b>39,521</b>	<b>42,960</b>
Fund Balances Brought Forward at 1 April 2006		188,312	145,352
<b>Fund Balances Carried Forward at 31 March 2007</b>		<b>227,833</b>	<b>188,312</b>

All operations are continuing. The notes to the accounts on pages 12 to 15 form part of these financial statements.



## **NOTES TO THE ACCOUNTS**

### **1. Statement of Accounting Policies**

#### **(a) General**

The Financial Statements have been prepared in accordance with the recommendations of the Statements of Standard Accounting Practice (SSAP's) and the Statement of Recommended Practice *Accounting by Charities* (Revised 2005) which sets out the way which a charity should report annually on the resources entrusted to it and the activities it undertakes.

#### **(b) Investments**

Investments are valued annually at the middle market price at the close of business on 31 March. The surplus or deficit on revaluation is shown as unrealised gains or losses on the face of the Statement of Financial Activities.

#### **(c) Expenditure**

All expenditure is charged to the Statement of Financial Activities as incurred or accrued as appropriate.

#### **(d) Grants payable**

A change in accounting policy was adopted in 2003/04 whereby all grants awarded in a financial year are included in the Statement of Financial Activities for that year regardless of when the actual payment is made; in previous years only payments incurred in the financial year were shown. The value of grants unpaid at the year end is included in creditors.

#### **(e) Support Services**

Accounting, legal and other services are provided by the City of London Corporation for which no charge is levied.

### **2. Sales**

Sales total £238 in 2006/07 and represent the sale of paper weights to the Museum of London shop, (2005/06: £Nil).

### **3. Donations**

Total donations of £15,386 were received in 2006/07 (2005/06: £Nil) and represents gifts from a number of companies. Donations were received from the Girdlers' Company £9,750, Grocers' Company £4,636 and Fishmongers' Company £1,000.

### **4. Contribution from City of London Corporation**

The City's Finance Committee has approved an annual grant of £15,000 for a period of two years commencing in 2005/06 followed by a grant of £10,000 due in 2007/08.

## 5. Investment Income

Interest is credited to the income and expenditure account based upon average cash balances invested by the Chamberlain at competitive rates which averaged 4.94%, yielding £679 in 2006/07 (2005/06: 4.68%, £469). Dividends are also included of £10,117 in 2006/07 (2005/06: £5,800).

## 6. Direct Charitable Expenditure

The following resources were committed in 2006/07 £21,543 (2005/06: £11,242)

	<b>2006/07</b> <b>£</b>
<b><u>Grant applications approved at the Management Committee on 4 December 2006</u></b>	
Blackmore: Hanseatic Kontor	4,970
Jones: Farthing Downs	1,334
Holder: 17 <sup>th</sup> century merchant's house	3,553
Schofield: London waterfront £6,828 to be financed by a donation from the Fishmongers' Company £1,000 and internal Museum of London Group resources £5,828, net cost £nil.	-
	<u>9,857</u>
<b><u>Grant approved but not required</u></b>	
London Archaeological Research Facility, UCL Bursary	<u>(2,700)</u>
<b><u>Projects supported by donations</u></b>	
Publication of the Swan Lane, Upper Thames Street site – supported by the Girdlers' Company	9,750
Research on Thomas Soane, a 17 <sup>th</sup> century grocer – supported by the Grocers' Company	4,636
London waterfront tenements – supported by the Fishmongers' Company to be expended in 2007/08 -£1,000	-
	<u>14,386</u>
<b>TOTAL</b>	<b>21,543</b>

### 7. Other Expenditure

	2006/07 £	2005/06 £
Trustees Remuneration	-	-
Auditors Remuneration	460	450
Secretarial support costs	582	567
Web hosting fee	110	110
Hospitality	84	-
<b>TOTAL</b>	<b>1,236</b>	<b>1,127</b>

### 8. Investments

	2006/07 £	2005/06 £
Market Value at 1 April 2006	220,211	186,151
Sale of investments	(20,006)	-
Realised gain on sale of investments	1,709	-
Net gain/(loss) on revaluation	19,171	34,060
Market value at 31 March 2007	221,085	220,211
Cost at 31 March 2007	160,448	174,991
Unrealised Investment Gains at 31 March 2007	60,637	45,220

All investments are held in City of London Corporation Charity Pool Units. The Fund held 33,723 units at the commencement of the year and sold 2,802 units as at 31 March 2007 to leave a balance at the year end of 30,921 units.

### 9. Cash

The cash balances are held by the Chamberlain of London, who invests them in the London money market.

	2006/07 £	2005/06 £
Cash Balance	23,364	(6,574)

**10. Debtors**

The debtor relates to a tax adjustment required in respect of the Fishmongers Company donation which will be recovered from HM Revenue and Customs in 2007/08 -£149.

**11. Creditors**

The creditor balance as at the 31 March 2007 totals £16,765 and relates unpaid grants approved at the Management Committee meetings on, 12 December 2005 £6,275, and 4 December 2006 £9,857. This balance also includes a sum of £173 due to HM Revenue and Customs relating to a March 2007 transaction and audit fees of £460.