

CITY OF LONDON ARCHAEOLOGICAL TRUST FUND

**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011
TOGETHER WITH THE TRUSTEES AND AUDITORS
REPORT**

REGISTERED CHARITY NUMBER 268160

CONTENTS

Report of the Management Committee	2 - 8
Report of the Auditor	9 - 10
Statement of Financial Activities	11
Balance Sheet	12
Notes to the Financial Statements	13 -16

1. Reference and Administrative Details

Charity Name:	The City of London Archaeological Trust
Charity Registration Number:	268160
Address of Trust:	Museum of London Group, 150 London Wall, London EC2Y 5HN
Management Committee:	Members of the Trust:
Court of Common Council Members Appointed by	Alderman John White Hugh Morris John Scott Jeremy Simons
Appointed by the Trust Deed:	Tim Williams (representing the Institute of Archaeology), (appointed 15 May 2006) John Lewis (appointed 7 December 2010 representing the Society of Antiquaries of London replacing Dr David Gaimster) Dennis Turner (representing the Council for British Archaeology)
Appointed by the Committee:	Professor Caroline Barron Jack Lohman Taryn Nixon Professor Clive Orton (appointed 7 December 2010)
Trustees:	Alderman John White Hugh Morris John Scott Jeremy Simons Tim Williams John Lewis Dennis Turner Professor Caroline Barron Jack Lohman Taryn Nixon Professor Clive Orton
2010/11 Trustees:	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
Secretary:	John Schofield, 2 Carthew Villas London W6 0BS

Treasurer:	Chris Bilsland Guildhall London EC2P 2EJ
Bank:	Lloyds TSB Bank plc City Office, PO Box 72 Bailey Drive Gillingham, Kent ME8 OLS
Auditors:	H Graham King & Co Chartered Accountants and Registered Auditors Southernhay Suite 7 207 Hook Road Chessington Surrey KT9 1HJ
Investment Adviser:	Artemis Investment Management Limited 42 Melville Street Edinburgh EH37HA

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

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:

- ◆ Archaeological and historical research into sites in the City and its 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. The Trust prefers to support research for publication and educational activities (including the purchase of equipment). 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. These activities are in line with the Charity Commission's public benefit guideline.

4. Achievements and Performance

Key targets for 2010/11 and review of achievement

This year the Management Committee of the Trust met two times, on 21 April 2010 and 7 December. The total grants approved for 2010-11: £16,621. At the meeting on 7 December the Trust awarded grants on Pile picture panels in Barnfield Primary School (I. Betts, £1,315), The Great Fire and the Blitz (Blair & Watson, £1,058), Highgate Wood Roman pottery kilns (Brown, £3,008), Lundenwic to Lundenburgh (Cotton et al, £3,000), Haringey Potter: Highgate Wood kiln experiment (Hedgecock, £1,355), Publishing the medieval friaries of London (Holder, £3,885) and the Thames Discovery Programme: Key sites survey (Milne TDP, £3,000). The grants given also drew on the annual sum contributed by the magazine *London Archaeologist* (for this year, £5,000).

There were also two grants which had previously been approved but were not fully required. The Coarse white slipped ware in the Verulamium region (Seeley) £980 approved on 9 December 2009, the Roman water supply on Cornhill (Harward) £3,610 approved on the 9 December 2009 which was no longer needed.

There was no independent application by CoLAT to an outside funding body in the year, as work on the projects it sporadically supported was continuing without the need for CoLAT-obtained funds.

The Trust continued discussion with the Surveyor's Department and the Libraries and Galleries Department of the Corporation to encourage plans for the bringing into public use of the site of the Roman bath-house at Billingsgate, now in a modern basement. The plans by the Corporation for removing the site from the Historic Sites at Risk register of English Heritage, emergency conservation, and eventual development of the site for educational reasons were supported. The Chairman continued her contact with several prominent members of the Italian diplomatic and cultural community in London, and a successful evening of introduction to the Roman amphitheatre remains at Guildhall was held in January 2010. The Trust intends to capitalise on these contacts.

The Trust continued its planning of a third joint CoLAT-Society of Antiquaries of London lecture, to raise awareness and look for funding for general and particular purposes. The original topic of St Paul's Cathedral provide difficult to arrange, but another was equally attractive: a lecture by the compilers of the new *Map of Roman London*, by Museum of London Archaeology, which is to be published with CoLAT financial support in July 2011. This third lecture has now been arranged for November 2011.

The Trust continued to require that publications worked on or published with its support should have the CoLAT logo on them. One about to be published in 2011 is *London 1100–1600: the archaeology of a capital city*, written by the Secretary, which although not the beneficiary of direct CoLAT funding, is a wide-ranging survey of many archaeological projects in the City, both published and in progress, which have enjoyed CoLAT support.

Changes to the Trust Deed and the representation of the Corporation of London on CoLAT were discussed during the year, and are being proposed by the Comptroller's Department of the Corporation of London. An amended Trust Deed was approved on 24th May 2011.

5. Financial Review

Review of the financial position

The Trust's income from continuing operations for the year was £18,839 (2009/10£20,680). Direct charitable expenditure relating to this income was £12,031(2009/10£21,266). Other expenditure totaled £870 (2009/10 £812). The overall increase in reserves during the year was £13,358 (compared to an overall increase of £42,201in 2009/10) due to an unrealised gain on revaluation of investment assets amounting to £7,420 (compared with an unrealised gain of £43,599in 2009/10), and net incoming resources of £5,938 (compared to net incoming resources of (£1,398)in 2009/10). The Unrestricted Fund of the Trust is invested partly in the City of London Corporation Charity Pool Units. These Fund investments have been combined with many of the other smaller charities which are administered by the City of London Corporation and form part of the City of London Charities Pool. Where available, the underlying investments of the Pool are valued at the bid price at the 31st March 2011 taken from the relevant stock exchange pricing systems. Other investments are valued annually at the bid price of the market at the close of business on 31st March of each year mainly using commonly available pricing systems.

The total units were valued as at 31 March 2011 at £190,164 (2009/10 £182,744).In addition,cash balances at 31 March 2011 were in hand by £53,113 (compared to £47,544in hand in 2009/10).

Reserves Policy

The policy was reviewed at the Management Committee meeting on 6 April 2011, and it was agreed that the funds were sufficiently depleted and reserves should therefore be maintained at the current level. 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 to 2010/11.
- ◆ 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.
- ◆ to review the reserve policy every three years. The next planned review will be in 2013/14 (at the Management Committee meeting in December 2014), when based on the above policy and assuming that no exceptional grants have been agreed, the projected reserves at the 31 March 2011 would amount to £221,000.

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 £18,839 has enabled new grant approvals in furtherance of the Trust's aims of £23,286.

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 2010 the Trust made a gain of 14.2% (compared with a gain of 19.17% in 2009), which compares to UK Charity Fund (Unconstrained) Universe gain of 13.7% (in 2009 the gain was 18.77%).

Going Concern

The Trust is a going concern for the foreseeable future as the Trustees have due regard to maintaining the capital base. Only the investment income is generally used in furtherance of the objectives of the Trust. The majority of the Charity's income is from investments in the Charities Pool administered by the City of London Corporation.

6. Plans for Future Periods

The key targets for 2011/12 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 2010/11 are set out on pages 11 to 12 followed by the notes on pages 13 to 16 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 2010.
- ◆ **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 trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales 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 charity and of the incoming resources and application of resources of the charity 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 judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity 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 Chairman Alderman John White

MEMBER Deputy Chairman Caroline Barron


Caroline Barron

DATED 5 December 2011

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE

City of London Archaeological Trust

We have audited the financial statements of the City of London Archaeological Trust for the year ended 31st March 2011 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes 1-12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Sections 43 of the Charities Act 1993 and the regulations made under section 44 of that Act. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of financial statements that give a true and fair view.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors/

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements.

Opinion on Financial Statements

In our opinion the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31st March 2011 and of its incoming resources and application of resources, for the year then ended:
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- Have been prepared in accordance with the Charities Act 1993

City of London Archaeological Trust

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

- The information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements;
- Sufficient accounting records have not been kept;
- The financial statements are not in agreement with the accounting records and returns, or
- We have not received all the information or explanations we require for our audit.

Kenneth Holden F.C.A.

Kenneth Holden, Senior Statutory Auditor

For and on behalf of

H GRAHAM KING & CO

Statutory Auditor and Chartered Accountants

**Southernhay, Suite 7,
207 Hook Road
Chessington, Surrey
KT9 1HJ**

Date.....7.....12.....11.....

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 March 2011

Income and Expenditure	Notes	2011 Unrestricted Funds £	2010 Unrestricted Funds £
Incoming Resources			
Sales	2	-	-
Donations	3	5,000	6,770
Contribution from City of London Corporation	4	5,000	5,000
Investment Income	5	8,839	8,910
Total Incoming Resources		18,839	20,680
Resources Expended			
<i>Direct Charitable Expenditure</i>			
Grants	6	12,031	21,266
		12,031	21,266
<i>Other Expenditure</i>			
Management and Administration	7	870	812
		870	812
Total Resources Expended		12,901	22,078
Net Incoming Resources		5,938	(1,398)
Other Recognised Gains and Losses			
Realised gain on sale of Investments		-	-
Unrealised (loss) / gain on Revaluation of Investments		7,420	43,599
Net Movements in Funds		13,358	42,201
Fund Balances Brought Forward at 1 April 2010		200,017	157,816
Fund Balances Carried Forward at 31 March 2011		213,375	200,017

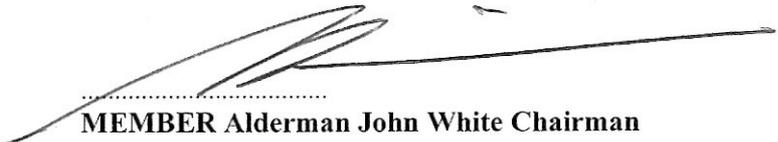
All operations are continuing. The notes to the accounts on pages 13 to 16 form part of these financial statements.

BALANCE SHEET

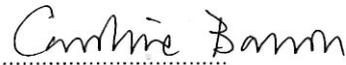
as at 31 March 2011

	Notes	2011 Total £	2010 Total £
Fixed Assets			
Investments	8	190,164	182,744
Current Assets			
Cash in hand	9	53,113	47,544
Debtors	10	-	-
Less:			
Current Liabilities			
Creditors	11	(29,902)	(30,271)
Total (Current Liabilities) less Current Assets		23,211	17,273
Net Assets		213,375	200,017
Funds			
Unrestricted Funds		213,375	200,017
Total		213,375	200,017

The notes to the accounts on pages 13 to 16 form part of these financial statements.



MEMBER Alderman John White Chairman



MEMBER Professor Caroline Barron

DATED 5 December 2011

NOTES TO THE ACCOUNTS

1. Statement of Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Charity's financial statements.

(a) Basis of Preparation

The financial statements have been prepared in accordance with the Charities Act 1993, the Statement of Recommended Practice *Accounting and Reporting by Charities (Revised 2005)* and under the historical cost accounting rules modified to include the revaluation of investments, and in accordance with applicable United Kingdom accounting standards.

(b) Investments

Investments are pooled with those from other small City of London charities. Underlying Listed Company investments are valued at The Stock Exchange Trading System price at 31st March 2011. Other investments are valued annually at the middle market price at the close of business on 31st March 2011. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities.

The unrealised gain or loss on investments at the balance sheet date is included in the Trust's funds.

The net gain/(loss) on investments shown in the Statement of Financial Activities represents the difference in the market value of investments between 1st April 2010 and 31st March 2011.

(c) Investment Income

Investment income consists of distributions from the Charities Pool and interest receivable on cash balances.

The Charities Pool is an investment mechanism operating in a similar way to a unit trust. It enables the City of London Corporation to "pool" small charitable investments together and consequently obtain better returns than would be the case if investments were made individually.

(d) Expenditure

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

(e) 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.

(f) Support Services

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

(g) Going Concern

The Trustees consider that the current level of resources is adequate to ensure that the Charity is a going concern for the foreseeable future

2. Sales

There were no sales total in 2010/11(2009/10 no sales).

3. Donations

Total donations of £5,000 were received in 2009/10 (2009/10: £6,770) and represents grants of £5,000 from the London Archaeologist Magazine.

4. Contribution from City of London Corporation

The City's Finance Committee has approved an annual grant of £5,000 in 2010/11(2009/10: £5,000).

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 1.96%, yielding £861 in 2010/11 (2009/10: 2.6%, £1,211). Income derived from investments in the City of London Corporations charities pool of £7,978 is also included(2009/10: £7,699).

6. Direct Charitable Expenditure

	2010/11 £	2009/10 £
<u>Grant applications approved at the Management Committee on 7 December 2010</u>		
I. Betts: Pile picture panels in Barnfield Primary School	1,315	
Blair & Watson: The Great Fire and the Blitz	1,058	
Brown: Highgate Wood Roman Pottery kilns	3,008	
Cotton et al: Lundenwic to Lundenburgh (festschrift for J Clark)	3,000	
Hedgecock: Haringey Potter Highgate Wood kiln experiment	1,355	
Holder: Publishing the medieval friaries of London	3,885	
Milne TDP: Thames Discovery Programme: Key sites survey	3,000	
	<u>16,621</u>	
<u>Grants approved but not fully required</u>		
Seeley: The Coarse white slipped ware in the Verulamium region	(980)	
Harward: the Roman water supply on Cornhill	<u>(3,610)</u>	
	<u>(4,590)</u>	
TOTAL	12,031	2,266

7. Other Expenditure

	2009/10 £	2008/09 £
Trustees Remuneration	-	-
Auditors Remuneration	540	520
Secretarial support costs	-	182
Web hosting fee	110	110
Stationery	220	-
TOTAL	870	812

8. Investments

	2010/11 £	2009/10 £
Market Value at 1 April 2010	182,744	139,145
Sale of investments	-	-
Realised gain on sale of investments	-	-
Unrealised Net gain / (loss) on revaluation	7,420	43,599
Market value at 31 March 2011	190,164	182,744
Cost at 31 March 2011	160,448	160,448
Unrealised Investment Gains at 31 March 2011	7,420	43,599

All investments are held in City of London Corporation Charity Pool Units. The Fund held 30,921 units throughout the year.

9. Cash

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

	2010/11 £	2009/10 £
Cash Balance	53,113	47,544

10. Debtors

There is a nil debtor balance as at 31 March 2011 (2009/10nil).

11. Creditors

The creditor balance as at the 31 March 2011 totals £29,902 and relates to unpaid grants approved at the Management Committee meetings on 9th December 2009 £12,741 and 7th December 2010 £16,621. This balance also includes audit fees of £540 due 2010/11.

12. Details of Related Parties and wider networks

The following disclosures are made in recognition of the principles underlying Financial Reporting Standard 8 concerning related party transactions.

The City of London Corporation is also the Trustee of a number of other Charitable Trusts. With the exception of the City of London Charities Pool, these Trusts do not undertake transactions with the City of London Archaeological Trust. A full list of these Trusts is available on application to the Chamberlain of London.

The Trust has investments in the City of London Charities Pool of which the City of London Corporation is also the Trustee.