

**CITY OF LONDON ARCHAEOLOGICAL TRUST FUND**

**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006  
TOGETHER WITH THE TRUSTEES' AND AUDITORS'  
REPORT**

**REGISTERED CHARITY NUMBER 268160**

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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>   | The Museum of London, 150 London Wall, London EC2Y 5HN  |
| <b>Management Committee:</b>   | Members of the Trust:   |
| <b>Aldermen Appointed by the Court of Aldermen:</b>  | Robert Gerard Finch<br>James Michael Yorrick Oliver<br>Michael Berry Savory (served until 12 December 2005)<br>John Boothman Stuttard   |
| <b>Court of Common Council Members Appointed by Planning and Transportation Committee:</b>                   | Christine Mackenzie Cohen OBE<br>Martin Raymond Dudley (appointed from January 2006)<br>Stephanie Ella Maureen Currie<br>Barbara Patricia Newman CBE (Chairman, served until 12 December 2005)<br>John Richard Owen-Ward  |
| <b>Court of Common Council Members Appointed by Libraries, Archives and Guildhall Art Gallery Committee:</b> | John Leslie Bird OBE<br>Dennis Cotgrove<br>Michael Page<br>Ann Marjorie Francescia Pembroke (appointed Chairman from 12 December 2005)  |
| <b>Appointed by the Trust Deed:</b>  | Mark Hassall (representing the Institute of Archaeology), (served until 12 December 2005)<br>Tim Williams (representing the Institute of Archaeology), (appointed 15 May 2006)<br>David Gaimster (representing the Society of Antiquaries of London), (appointed Deputy Chairman from 12 December 2005)<br>Dennis Turner (representing the Council for British Archaeology) |
| <b>Appointed by the Committee:</b>   | Professor Caroline Barron<br>Jack Lohman<br>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<br><br>Chris Duffield, Town Clerk<br>Peter Derrick, Chamberlain<br>Andrew James Colvin, Comptroller and City Solicitor  |
| <b>Secretary:</b>  | John Schofield<br>Museum of London<br>150, London Wall<br>London<br>EC2Y 5HN  |

**City of London Archaeological Trust**  
Report of the Management Committee

|                              |   |
|------------------------------|---|
| <b>Treasurer:</b>            | Peter Derrick<br>Guildhall<br>London<br>EC2P 2EJ  |
| <b>Bank:</b>                 | Lloyds Bank plc   |
| <b>Independent Examiner:</b> | Philip John Willoughby FCA<br>Chartered Accountant<br>Penlee<br>28 Valley Road<br>Rickmansworth<br>Hertfordshire<br>WD3 4DS |
| <b>Investment Adviser:</b>   | Chiswell Associates Ltd<br>No 4 Chiswell Street<br>Finsbury Square<br>London<br>EC1V 4UP                                    |

## **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

Head of the Museum of London Archeology 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:

- ◆ 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 2005/06 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 £14,000.

## **5. Financial Review**

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

The Trust's income from continuing operations for the year was £21,269 (2004/05 £28,303). Direct charitable expenditure relating to this income was £11,242 (2004/05 £19,753). Other expenditure totalled £677 (2004/05 £27). The overall increase in reserves during the year was £43,410 (compared to an overall increase of £23,361 in 2004/05) due to an unrealised gain on revaluation of investment assets amounting to £34,060 (compared with an unrealised gain of £14,838 in 2004/05) and net incoming resources of £9,350 (compared to net outgoing resources of £8,523 in 2004/05).

The Unrestricted Fund of the Trust is invested partly in the Corporation of London Charity Pool Units. The total units were valued as at 31 March 2006 at £220,211 (2004/05 £186,151). In addition, cash balances of (£6,574) (compared to £5,557 in 2004/05) were held as at 31 March 2006.

### **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 £188,762 as at 31 March 2006. 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.
- ◆ 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 £189,000.

## **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 £21.3k has enabled new grant approvals in furtherance of the Trust's aims of £14.5k.

## **Investment Policy**

The Trust invests in the Corporation of London Charities Pool, which is managed by the Corporation's Finance Committee. During 2001/02 a major review of the fund management operation resulted in both a change of manager and a change of investment policy. 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 2005 the Trust achieved a return of 16.8% (compared with 10.2% in 2004), which compares to UK Charity Fund (Unconstrained) Universe return of 20.62% (in 2004 the return was 10.9%).

## **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 2005/06 are set out on pages 9 to 10 followed by the notes on pages 11 to 13 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 2006.
- ◆ **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.

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

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

MEMBER

MEMBER

DATED

## **REPORT OF THE INDEPENDENT EXAMINER**

### **TO THE TRUSTEES OF THE CITY OF LONDON ARCHAEOLOGICAL TRUST FUND**

I have examined the financial statements on pages 9 to 13 which have been prepared following the accounting policies set out on page 11.

#### **Respective Responsibilities of Management Committee and the Independent Examiner**

As described on pages 7, the Trust's Committee of Management is responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on my examination, of those statements and to report my opinion to you. I have been appointed as an independent examiner under Section 43 of the Charities Act 1993 made in accordance with the 'General Directions on the Carrying Out of an Independent Examination, issued by the Charity Commissioners (regulation 7(d)).

#### **Basis of the Independent Examination**

I conducted my examination in accordance with the General Directions of the Charity Commissioners. The work 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 judgments made by the directors in the preparation of these financial statements, and of whether the accounting policies are appropriate to the Fund's circumstances, consistently applied and adequately disclosed.

I planned and performed my examination so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In my opinion the financial statements give a true and fair view of the state of the Trust's affairs as at 31 March 2006 and of its incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Charities Act 1993.

Philip John Willoughby FCA  
Chartered Accountant  
Penlee  
28 Valley Road  
Rickmansworth  
Hertfordshire  
WD3 4DS

Dated

## STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 March 2006

| Income and Expenditure                                | Notes | 2006<br>Unrestricted<br>Funds<br>£ | 2005<br>Unrestricted<br>Funds<br>£ |
|---|-------|------------------------------------|------------------------------------|
| <b>Incoming Resources</b>                             |       |                                    |                                    |
| Donations   | 2     | -                                  | 3,500                              |
| Contribution from City of London Corporation          | 3     | 15,000                             | 20,000                             |
| Investment Income                                     | 4     | 6,269                              | 4,803                              |
| <b>Total Incoming Resources</b>                       |       | <b>21,269</b>                      | <b>28,303</b>                      |
| <b>Resources Expended</b>                             |       |                                    |                                    |
| <i>Direct Charitable Expenditure</i>                  |       |                                    |                                    |
| Grants  | 5     | 11,242                             | 19,753                             |
| <i>Other Expenditure</i>                              |       |                                    |                                    |
| Management and Administration                         | 6     | 677                                | 27                                 |
|   |       | 677                                | 27                                 |
| <b>Total Resources Expended</b>                       |       | <b>11,919</b>                      | <b>19,780</b>                      |
| Net Incoming Resources                                |       | 9,350                              | 8,523                              |
| <b>Other Recognised Gains and Losses</b>              |       |                                    |                                    |
| Unrealised gain on Revaluation of Investments         |       | 34,060                             | 14,838                             |
| <b>Net Movements in Funds</b>                         |       | <b>43,410</b>                      | <b>23,361</b>                      |
| Fund Balances Brought Forward at 1 April 2005         |       | 145,352                            | 121,991                            |
| <b>Fund Balances Carried Forward at 31 March 2006</b> |       | <b>188,762</b>                     | <b>145,352</b>                     |

All operations are continuing. The notes to the accounts on pages 11 to 13 form part of these financial statements.

**BALANCE SHEET**

as at 31 March 2006

|  | Notes | 2006<br>Total<br>£ | 2005<br>Total<br>£ |
|--|-------|--------------------|--------------------|
| <b>Fixed Assets</b>                                    |       |                    |                    |
| Investments  | 7     | 220,211            | 186,151            |
| <b>Current Assets</b>                                  |       |                    |                    |
| Cash (overdrawn)                                       | 8     | (6,574)            | 5,557              |
| Less:  |       |                    |                    |
| <b>Current Liabilities</b>                             |       |                    |                    |
| Creditors  | 9     | (24,875)           | (46,356)           |
| <b>Total (Current Liabilities) less Current Assets</b> |       | <b>(31,449)</b>    | <b>(40,799)</b>    |
| <b>Net Assets</b>                                      |       | <b>188,762</b>     | <b>145,352</b>     |
| <b>Funds</b>   |       |                    |                    |
| Unrestricted Funds                                     |       | 188,762            | 145,352            |
| <b>Total</b>   |       | <b>188,762</b>     | <b>145,352</b>     |

The notes to the accounts on pages 11 to 13 form part of these financial statements.

.....  
**MEMBER**

.....  
**MEMBER**

**DATED**

**2006**

## **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. Donations**

No donations were received in 2005/06 (2004/05: £3,500).

### **3. 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.

### **4. 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 4.68%, yielding £469 in 2005/06 (2004/05: 4.63%, £554). Dividends are also included of £5,800 in 2005/06 (2004/05: £4,249).

**5. Direct Charitable Expenditure**

The following resources were committed in 2005/06 £11,242 (2004/05: £19,753)

|   | <b>2005/06</b><br><b>£</b> |
|---|----------------------------|
| <b><u>Grant applications approved at the Management Committee on 12 December 2005</u></b> |                            |
| Cotton: costs on Harvey Sheldon volume  | 1,500                      |
| Goodburn: Roman barrels   | 1,875                      |
| Powers 2: syphilis in London  | 4,250                      |
| Schofield: warehouses of Thomas Sloane  | 3,950                      |
| Seeley: coarse white – slipped ware   | 2,000                      |
| Simpson: geophysical survey   | <u>900</u>                 |
|   | <u>14,475</u>              |
| <b><u>Grants approved but not required</u></b>  |                            |
| Centre for Human Bioarchaeology briefing document   | (1,175)                    |
| Reference skeleton and other equipment for Word   | (558)                      |
| London Archaeological Research Facility, research synthesis, editorial assistance         | <u>(1,500)</u>             |
|   | <u>(3,233)</u>             |
| <b>TOTAL</b>  | <b>11,242</b>              |

**6. Other Expenditure**

|                           | <b>2005/06</b><br><b>£</b> | <b>2004/05</b><br><b>£</b> |
|---------------------------|----------------------------|----------------------------|
| Trustees Remuneration     | -                          | -                          |
| Auditor's Remuneration    | -                          | -                          |
| Secretarial support costs | 567                        | -                          |
| Web hosting fee           | 110                        | -                          |
| Hospitality               | -                          | 27                         |
| <b>TOTAL</b>              | <b>677</b>                 | <b>27</b>                  |

**7. Investments**

|   | <b>2005/06</b><br>£ | <b>2004/05</b><br>£ |
|---|---------------------|---------------------|
| Market Value at 1 April 2005                          | <b>186,151</b>      | <b>171,313</b>      |
| Net gain/(loss) on revaluation                        | <b>34,060</b>       | <b>14,838</b>       |
| Market value at 31 March 2006                         | <b>220,211</b>      | <b>186,151</b>      |
| Cost at 31 March 2006                                 | <b>174,991</b>      | <b>174,991</b>      |
| Unrealised Investment Gains/(Losses) at 31 March 2006 | <b>45,220</b>       | <b>11,160</b>       |

All investments are in City of London Corporation Charity Pool Units.

**8. Cash**

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

|              | <b>2005/06</b><br>£ | <b>2004/05</b><br>£ |
|--------------|---------------------|---------------------|
| Cash Balance | <b>(6,574)</b>      | <b>5,557</b>        |

**9. Creditors**

The creditor balance at the 31 March 2006 relates unpaid grants approved at the Management Committee meetings on, 5 December 2003 £2,700, 8 December 2004 £7,700 and 12 December 2005 £14,475 total £24,875 (2004/05: £46,356).

**City of London Archaeological Trust**  
Balance Sheet