

Charity Registration No. 312500



**THE ALDGATE AND ALLHALLOWS
FOUNDATION**

**GOVERNORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

CONTENTS

	Page
Governors' report	1 - 5
Auditor's report	6
Statement of financial activities	7
Balance sheet	8
Notes to the accounts	9 - 13

The Aldgate and Allhallows Foundation

Governors' Report (continued) For the year ended 31 December 2015

The Governors present their annual report and audited financial statements of the charity for the year ended 31 December 2015. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and 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 published on 16 July 2014.

Objectives and activities

The charity's objective is to promote the education of young persons under 25 who reside in the City of London or in the adjacent London Borough of Tower Hamlets. In spite of the evident high levels of corporate and public investment in the borough in recent decades, a considerable proportion of its residents, including many young people, continue to live in hardship. Data assembled by Experian and published in March 2012 ranked Tower Hamlets sixth out of all local authority areas in England in terms of the presence of households at the greatest risk of experiencing child poverty.

Alongside financial poverty many might also suffer a 'poverty of experiences': a shortage of encouragement or opportunity to engage in the rich variety of educational and cultural experiences that London affords so close to where they live.

The charity pays close attention to the Charity Commission's guidance on public benefit and delivers public benefit by supporting a mix of charitable and voluntary organisations that directly assist young people in its area. It also supports young people in local primary and secondary schools in ways that go beyond statutory educational provision, through activities that include art, music, theatre, sport, recreational reading and writing. The criteria for grant-making are outlined on the Foundation's website (www.aldgateallhallows.org.uk).

Governors can also offer support to young people beyond school years who are in financial need, maybe while they are undertaking undergraduate or post-graduate studies. Such beneficiaries, or their parents or guardians, must have resided or been employed in the area for at least three years.

Supported programmes are monitored and outcomes evaluated. Particular attention is given to supported organisations where a programme extends beyond one year and can thereby improve its impact. Continued funding to organisations, and also to individuals, is dependent on performance.

Achievements and performance

During the year we have continued to support a mix of individual young people, local schools, and organisations that engage directly with young people in local primary and secondary schools. Glimpses of the variety of work that we support can be seen on the news pages of the Foundation's website (www.aldgateallhallows.org.uk).

Expenditure on grants during 2015

The charity's grant-giving during the year to 31 December 2015 totalled £296,879. The beneficiaries comprise 37 individuals and 23 organisations or groups. The Aldgate and Allhallows Scholarships Programme at Queen Mary, University of London continues, as does a more modest scholarships programme for students at the St Paul's Way Trust School in Bow, E3.

The Aldgate and Allhallows Foundation

Governors' Report (continued) For the year ended 31 December 2015

Achievements and performance (continued)

Expenditure on grants during 2015 (continued)

As it happens, some St Paul's Way students also benefited from the Foundation's support (approved in 2014) for British Exploring's 'Operation Aspire' which took them on a challenging expedition to the mountains of Romania in summer 2015. We were delighted to meet some of the explorers when they gave accounts of their experiences in Drapers' Hall and most recently at the Royal Geographical Society. As it happens, this was the Foundation's first grant to British Exploring.

Again, the Foundation has given support to organisations that engage with those who fall within our eligibility criteria by working with an appropriate range or geographical cluster of primary and/or secondary schools in Tower Hamlets. As we award grants in advance of activities taking place, evaluation and performance data are usually submitted in the following year: we can report here on some 2014 grants. For example, our support for Box Clever allowed them to present their very well received play on bullying to 13 primary schools and almost 1,700 pupils. Our support for Rich Mix enabled them to work with 27 local schools and almost 900 pupils and students. The work of Bow Arts with 10 schools in Poplar embraced 1,965 children taking part on artist-led projects.

Individual charities like Aldgate and Allhallows often support projects and programmes that require multiple funders to reach their target beneficiaries. Our support last year for breakfast clubs in selected schools in Tower Hamlets is an example of this. While we have made individual grants in this area of activity, in the year past we have been one of several charities (and businesses for that matter) which contribute to the Mayor's Fund for London. The Fund has reported that our own support meant that 418 children in Tower Hamlets were able to start their day with a healthy breakfast at school. Governors saw and heard about the benefits of this work when visiting a local school in summer 2015.

Another combination funding approach (in this case also with the Corporation of London and the London Borough of Newham) operated with great success in the timely report by Demos *Rising to the Top*, launched in Westminster in October 2015. Young Muslims are proportionately less represented in professional and managerial occupations than any other religious group. Using a combination of national statistics and local interviews in Tower Hamlets and east London, the Demos authors make highly practical recommendations for action (see the press summary at <http://www.demos.co.uk/press-release/rising-to-the-top/>).

And while mentioning cumulative effects, we should note especially the Centre for the Cell in Whitechapel. The Foundation's long-standing support, which has included a member of staff dedicated to working with Tower Hamlets schools, has enabled the Centre to work with 18 out of 18 local secondary schools and sixth-forms and 61 out of the 75 local primary schools. The Foundation supported the production launch of a report in summer 2015 of their first five years' work including the Centre's close involvement with East London schools (see https://www.centreofthecell.org/wp-content/uploads/Five_Years_of_Centre_of_the_Cell_Brochure.pdf). This gives inspiring examples of additional benefits such as work experience and encouraging individual local students to pursue higher education and careers in medicine, pharmacy, nursing and biomedical sciences. We wish the Centre well as it adds its Neuron Pod.

Although most of our charitable support focuses on personal circumstances and what we might call educational and cultural enrichment, we do from time to time offer support to capital projects that further our aims. Last year our involvement with Wilton's Music Hall was reported. We are pleased to add that during the current year Wilton's entered into a formal agreement about how the Aldgate and Allhallows Foundation Learning and Participation Studio will be used for the benefit of local schoolchildren.

The Aldgate and Allhallows Foundation

Governors' Report (continued) For the year ended 31 December 2015

Achievements and performance (continued)

Expenditure on grants during 2015 (continued)

This method of striking an understanding about educational outcomes in relation to capital development has also been applied to the Aldgate and Allhallows Phonics Suite at the Old Ford Primary School Academy. Developments there will be reported more fully during 2016.

Financial review

2015 was not a vintage year for the Foundation's investments which declined roughly in line with the market by about 2¼ per cent. For some years now the Foundation has been withdrawing capital for the purpose of paying grants exclusively from the accumulated income fund and allowing the endowment fund to compound. This policy has enabled the Foundation to pay a totality of grants slightly in excess of its income.

2015 will be the last year in which the Foundation will be following this policy as the Trustees feel the accumulated income fund has now reached an appropriate level. In future the Foundation will be following a more normal policy and drawing in addition from the endowment fund's income; this will initially mean the totality of our grant giving will be slightly reduced.

As always, the Governors are indebted to Billy Whitbread, our Deputy Chairman, for his close interest in the Foundation's financial performance in both the short and longer terms.

Structure, governance and management

The Aldgate and Allhallows Foundation is an unincorporated charity governed by a Scheme dated 8 February 1971 made by the Secretary of State for Education and Science under Section 18 of the Charities Act 1960.

There are two ex-officio Governors; three Governors are appointed by nominating bodies and a further nine Governors are co-opted. Governors serve for three years after which period they may put themselves forward for re-appointment. Governors meet formally twice a year and are all invited to acquaint themselves with the work of the beneficiaries who are supported by the Foundation.

A review of performance has included skills audit, training needs and skills gaps within the overall body. Nominating bodies are made aware of skills requirements and their applicants are selected on these requirements. Co-opted vacancies are selected from similar criteria on recommendation from within the governing body.

The day to day administration of the Foundation is carried out by the staff of Sir John Cass's Foundation for which a fee is paid. An agreement between the two Foundations was signed in May 2009. An overlap in board membership (see note 4 on page 11 for details) allows the two foundations to share expertise while reinforcing the individual approach of each one. As The Aldgate & Allhallows Foundation does not employ staff, and disposed of its property last year, it is exposed to fewer risks than some other charitable organisations.

The Aldgate and Allhallows Foundation

Governors' Report (continued) For the year ended 31 December 2015

Reference and administrative details

The Aldgate and Allhallows Foundation is a charity registered in England and Wales number 312500. The principal address of the charity is 31 Jewry Street, London, EC3N 2EY.

The Governors who served in the year were as follows:

Nominated

H.W. Whitbread (Deputy Chairman)	nominated by The Brewers' Company
W.J. Hamilton-Hinds	nominated by The Brewers' Company
M. O'Dwyer	nominated by The Brewers' Company

Co-opted

J.M. Hall (Chairman)
K.M. Everett
G.B. Forbes
Marianne Fredericks
R. Hazlewood
S. Islam
P. James (resigned June 2015)
Denise Jones
Susan Knowles
D.B. Mash

Ex-officio

Revd Laura Jørgenson
Revd Bertrand Olivier

The Clerk to the Governors is R.M. Foley MSc.

During the year Mr Paul James, a governor since 2008 resigned his post to join the staff at 31 Jewry Street as Head of Administration and Support. The Governors thank him for his service and for his continuing advice from the other side of the happily-close fence. The Governors also welcomed the appointment of Tracey Bloomfield as Grants Manager and Katie Slater as Grants Officer. And as always, the Governors are indebted to Richard Foley, Clerk and Chief Executive of the Foundation, for his professional expertise and his shared commitment to the educational enrichment of young people in Tower Hamlets and the City.

The Aldgate and Allhallows Foundation

Governors' Report (continued) For the year ended 31 December 2015

Reference and administrative details (continued)

The principal advisors to the charity are:

Auditors	Myers Clark Chartered Accountants and Statutory Auditors Egale 1, 80 St Albans Road Watford Hertfordshire WD17 1DL
Bankers	C Hoare & Co 37 Fleet Street London EC4P 4DQ
Investment advisors	Aberdeen Asset Management Limited 10 Queens Terrace Aberdeen AB10 1YG
Solicitors	Devonshires Salisbury House London Wall London EC2M 5QY

Statement of Trustees' responsibilities

Charity 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 charity and of the net incoming/(outgoing) resources for the year. In preparing the financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to do so.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable it to ensure that the financial statements comply with the Charities Act 2011. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking steps for the prevention and detection of fraud and other irregularities.

On behalf of the board of Governors

John Hall

Chairman

13 April 2016

The Aldgate and Allhallows Foundation

Independent Auditors' Report to the Governors

We have audited the financial statements of The Aldgate and Allhallows Foundation for the year ended 31 December 2015 which comprise the Statement of Financial Activities, Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of trustees and auditor

As explained more fully in the trustees' responsibilities statement set out on page 5, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Audit Practices Board's (APB) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2015, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 2011 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; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Myers Clark

Statutory Auditor

Dated:

Egale 1, 80 St Albans Road
Watford
Herts WD17 1DL

The Aldgate and Allhallows Foundation

Statement of Financial Activities For the year ended 31 December 2015

		2015			2014		
	note	Unrestricted funds 2015 £	Endowment funds 2015 £	Total funds 2015 £	Unrestricted funds 2014 £	Endowment funds 2014 £	Total funds 2014 £
Income and endowments from:							
Donations	2	41,011	-	41,011	48,999	-	48,999
Listed investments		3,265	26,147	29,412	5,397	19,786	25,183
Deposit interest		94	-	94	245	-	245
Total income		44,370	26,147	70,517	54,641	19,786	74,427
Expenditure on:							
Grants payable	3	(296,879)	-	(296,879)	(291,444)	-	(291,444)
Administration fee	4	(41,682)	-	(41,682)	(42,269)	-	(42,269)
Investment managers fee		(4,098)	(25,264)	(29,362)	(5,697)	(27,703)	(33,400)
Audit fee		(3,156)	-	(3,156)	(2,844)	-	(2,844)
Governors' expenses	4	(158)	-	(158)	(1,197)	-	(1,197)
Other		(2,311)	-	(2,311)	(1,903)	-	(1,903)
Total expenditure		(348,284)	(25,264)	(373,548)	(345,354)	(27,703)	(373,057)
Net gains/(losses) on investments		(18,136)	(186,577)	(204,713)	26,113	123,238	149,351
Net income/(expenditure)		(322,050)	(185,694)	(507,744)	(264,600)	115,321	(149,279)
Reconciliation of funds							
Funds brought forward		1,191,310	6,330,395	7,521,705	1,455,910	6,215,074	7,670,984
Funds carried forward		869,260	6,144,701	7,013,961	1,191,310	6,330,395	7,521,705

The Aldgate and Allhallows Foundation

Balance Sheet As at 31 December 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Listed investments	5		6,996,929		7,495,955
Current assets					
Debtors		722		2,942	
Cash and bank in hand		106,712		59,928	
		107,434		62,870	
Creditors: amounts due within one year	6	(90,402)		(37,120)	
Net current assets			17,032		25,750
Total assets less current liabilities			7,013,961		7,521,705
Funds of the charity:	7				
Endowment fund			6,144,701		6,330,395
Unrestricted fund			869,260		1,191,310
			7,013,961		7,521,705

The accounts were approved by the Governors on 13 April 2016

Governor

Governor

1 Accounting policies

Basis of preparation

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity has taken advantage of the exemption not to prepare a cash flow statement.

The charity constitutes a public benefit entity as defined by FRS 102.

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

Income recognition

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The Foundation is entitled to ten thirteenths of the surplus from the Charity of Alderman James Hickson. This income is recognised when the charity has been notified of the amount due by the trustee of the charity.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Grants are initially recognised when approved by the Governors as commitments. When the conditions for payment have been met by the recipients, grants are recognised in the Statement of Financial Activities to the extent that payment is probable.

Fixed asset 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. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Funds

The permanent endowment fund comprises the original capital fund, and gains thereto, established to provide income for grant payments in accordance with the objectives of the Foundation. The capital cannot be converted into income. The fund is represented by the capital investment included in fixed assets. Unrestricted funds may be applied at the Governors discretion to the general charitable objectives of the Foundation.

The Aldgate and Allhallows Foundation

Notes to the Accounts (continued) For the year ended 31 December 2015

2 Donations

	2015	2014
	£	£
Charity of Alderman James Hickson	41,011	48,999

3 Grants

	2015	2014
	£	£
Grants approved in the year	296,879	301,444
Less: grants cancelled	-	(10,000)
Grants payable per Statement of Financial Activities	296,879	291,444
Creditors at 1 January 2015	23,200	5,000
Grants paid in the year	(236,699)	(273,244)
Creditor at 31 December 2015	83,380	23,200

Grants awarded can be analysed as follows:

Grants to institutions – 23 (2014: 21)	255,379	255,444
Grants to individuals – 37 (2014: 36)	41,500	36,000
	296,879	291,444

Major grants of £10,000 or more were made to the following institutions in 2015:

Name	Purpose	Amount
		£
Rich Mix	Educational programmes involving schools in Tower Hamlets	35,000
Charles Dickens Museum	Victorian Theatre to explore heritage, literacy and performing arts and linking the school curriculum including schools in Tower Hamlets	18,930
Chain Reaction Theatre Company	Youth Theatre	18,090
National Maritime Museum	Educational programmes involving schools in Tower Hamlets	17,200
Bow Arts	Intergenerational project in Tower Hamlets called "One Long Summer"	15,000
First Story	Writer in Residence Programme at selected schools in Tower Hamlets	14,557
The Country Trust	Enabling pupils from Tower Hamlets to meet farmers and visit farms	10,305
Magic Me	Intergenerational project in Tower Hamlets called "One Long Summer"	10,000

The Aldgate and Allhallows Foundation

Notes to the Accounts (continued) For the year ended 31 December 2015

4 Related party transactions and governor's remuneration

None of the Governors (or any persons connected with them) received any remuneration during the year. However 3 Governors incurred expenses totalling £158 for travel and subsistence (2014: 4- £1,197).

Mr Everett, Mr Forbes, Mr Hall and Revd Laura Jørgenson are also Governors of Sir John Cass's Foundation. Each charity operates independently with its own policies and separate governing bodies. Administration fees of £41,682 (2014: £42,269) were paid to Sir John Cass's Foundation.

5 Listed investments

	Income fund £	Endowment fund £	Total funds £
Market value as at 1 January 2015	1,169,657	6,326,298	7,495,955
Capital withdrawn	(300,000)	-	(300,000)
Net income reinvested	3,591	26,592	35,820
Change in value in the year	(18,136)	(186,577)	(204,713)
Market value as at 31 December 2015	855,112	6,172,276	6,996,929
<i>Historic cost:</i>			
At 31 December 2015	686,376	5,085,970	5,772,346
At 31 December 2014	1,006,497	4,703,244	5,709,741

The Foundation's investments are managed by Aberdeen Asset Management and held in fixed interest, equities and cash. Assets comprising more than 5% of the portfolio were:

	Market Value £
Aberdeen Asset Management Charity Select UK Equity Account	5,053,956
Aberdeen Asset Management Charity Select UK Bond Account	859,632

The Aldgate and Allhallows Foundation

Notes to the Accounts (continued) For the year ended 31 December 2015

6 Creditors: amounts due within one year

	2015	2014
	£	£
Grants payable (note 3)	83,380	23,200
Trade creditors	86	-
Other creditors and accruals	6,936	13,920
	90,402	37,120

7 Funds of the charity

	1 January 2015	Incoming resources	Resources expensed	Investment gains/(losses)	31 December 2015
	£	£	£	£	£
Endowment	6,330,395	26,147	(25,264)	(186,577)	6,144,701
Unrestricted	1,191,310	44,370	(348,284)	(18,136)	869,260
Total	7,521,705	70,517	(373,548)	(204,713)	7,013,961

8 Analysis of net assets

	Unrestricted fund	Endowment fund	Total funds
	£	£	£
Fund balances at 31 December 2015 are represented by:			
Listed investments	850,362	6,146,567	6,996,929
Current assets	107,434	-	107,434
Creditors: amounts due within one year	(88,536)	(1,866)	(90,402)
	869,260	6,144,701	7,013,961

9 Grant commitments

Grants totalling £151,985 (2014: £159,993) have been approved for future years dependent on progress reports in the current year. They have not been accrued in the financial statements but will form part of grants in future years. These are being disclosed as contingent liabilities.

The Aldgate and Allhallows Foundation

Notes to the Accounts (continued) For the year ended 31 December 2015

10. Reconciliation with previous Generally Accepted Accounting Practice

The charity transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2014. In preparing the accounts, the Trustee has considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed.

No restatement was required to opening funds at 1 January 2014.

In accordance with the requirements of FRS 102 a reconciliation of net income/(expenditure) for the previous year is provided with the net income/(expenditure) under previous GAAP adjusted for the presentation of investment gains/ (losses) as a component of reported income.

Reconciliation of reported income for the year ended 31 December 2014

	£
Net expenditure as reported under previous UK GAAP	(298,630)
Adjustment for net gain on investments now treated as a component of net income	149,351
Net expenditure for the year ended 31 December 2014 under FRS 102	(149,279)