

RAGGED SCHOOL MUSEUM TRUST

(limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002



Company Number: 2308621

Charity Number: 800538

RAGGED SCHOOL MUSEUM TRUST
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2002

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RAGGED SCHOOL MUSEUM TRUST
CHARITY ADMINISTRATION INFORMATION

Trustees:

D Barton	
M Bieber	
T Lewis	
E Porte	
G Rice	
R Wilden Brown	
M Smith	appointed 23 September 2001
P Tyrer	appointed 23 September 2001
M Wenham	appointed 8 November 2001
R Treves Brown	appointed 12 March 2002
V Davis	appointed 12 March 2002

Secretary: R Wilden Brown

Registered Office: 46 - 50 Copperfield Road
Bow
London E3 4RR

Auditors: Gotham Erskine
Friendly House
52 - 58 Tabernacle Street
London EC2A 4NJ

Bankers: HSBC plc
Canada Place
Canary Wharf
London E14 5AH

RAGGED SCHOOL MUSEUM TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST MARCH 2002

The Trustees of Ragged School Museum Trust present their report and the audited financial statements for the year ended 31st March 2002.

OBJECTS

The object of the Charity is for the provision of a museum and related educational work.

REVIEW OF THE ACTIVITIES

The principal activity of the charity continued to be the provision of a museum and a range of relevant educational activities.

A temporary exhibition programme was introduced at the start of 2001. Exhibitions have included 'Ocean Views', a photography exhibition about the people of Ocean Estate and a range of exhibitions on East End topics produced in collaboration with local organisations and schools. A touring programme of exhibitions has been very successful and exhibitions have been placed in libraries, hospitals, community halls and other local facilities. Further temporary exhibitions are planned for 2002 including those to celebrate the Golden Jubilee and Black History Month. Many of the planned exhibitions will be produced in partnership with local people.

New unpaid volunteers have been recruited to meet the Museum's growing staffing requirements. The number of current volunteers is 43 and recruitment of other volunteers is on going. The number of people who visited the Museum was 24,502.

The Museum enhanced the schools programme by producing information linked to the Victorian lesson and Thomas Barnardo. A specially created session for Key Stage 1 school children is in development and will be piloted and evaluated later this year. A number of successful out-of-school study projects were developed with local schools. Further projects are being planned.

The website has been constantly updated to keep it relevant and dynamic. The 'hit' rate continues to rise as more people make use of this resource. A new web project, Tower Hamlets on-line, which will further extend the website and provide a valuable educational resource, is well underway. Further web projects are planned.

Holiday activities increased in both number and range. Collaborative projects with national museums such as the Tower of London and Science Museum increased the type of activity on offer to visitors. Further partnerships, for example with the National Maritime Museum, are planned for this year.

The Museum widened its activities to include a community lunch, which was organised in collaboration with four other local community groups.

The Council of Management continued its strategic overview of the Museum and 5 new members were recruited to the Council of Management. A forward plan, vision document and development plan provided a mechanism of reporting back to the Council of Management and for helping shape the Museum's future growth. Future plans include increasing provision for visitors, improving facilities, increasing visitor numbers, developing some of the Museum's core functions such as the café and developing more diverse funding streams.

RESULTS

The results of the year's operation are set out in the attached financial statements. The net inflow of unrestricted funds for the year amounted to £22,664 (2001: £26,792). The retained unrestricted reserves at 31st March 2002 amount to £57,178.

RISK MANAGEMENT

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Trust. They are satisfied that systems are in place to mitigate exposure to the major risks..

RESERVES POLICY

Income: At present the Trust depends for 5% of its income on grants which are committed for more than one year, 71% on grants which are decided annually and 24% on income from schools, donations, sales and memberships which are roughly constant.

Expenditure: At present 95% of the Trust's expenditure is spent on fixed costs needed to sustain the work of the Museum e.g. salaries, core costs and basic activities. Ideally, reserves should be 25% of annual expenditure on these fixed costs to ensure that payments can be made for three months should grant income drop suddenly and substantially plus an amount to replace fixed assets such as computers. The trustees are making efforts to achieve this level of reserves.

RAGGED SCHOOL MUSEUM TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST MARCH 2002

GOVERNANCE

The day to day affairs of the Charity are managed by the Council of Management who are elected by the membership at the Annual General Meeting.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who for Companies Act purposes are directors of the company, are required by law to prepare financial statements for each financial year which give a true and fair view of the financial activities of the charity and of its financial position at the end of that year. In preparing those financial statements the directors are required to:

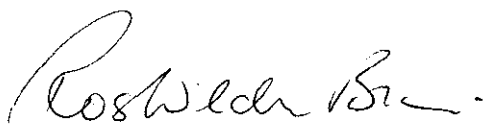
- * select suitable accounting policies and apply them consistently,
- * make judgements and estimates that are reasonable and prudent,
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The directors are responsible for keeping proper accounting records which 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 Companies Act 1985. 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.

AUDITORS

The Charitable company's auditors, Gotham Erskine, have indicated their willingness to continue in office and offer themselves for re-appointment at the next Annual General Meeting.

This report was approved by the trustees on 9 July 2002 and signed on their behalf.



Ros Wilden Brown
Secretary

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF RAGGED SCHOOL MUSEUM TRUST

We have audited the financial statements of Ragged School Museum Trust for the year ended 31st March 2002 which comprise Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention modified by the revaluation of certain fixed assets and the accounting policies set out on page 7.

Respective responsibilities of Trustees and auditors

As described in the Statement of Trustees' Responsibilities on page 3, the Trustees who are also the directors of Ragged School Museum Trust for the purposes of company law, are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Companies Act 1985. We also report to you if, in our opinion, the Trustees's Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 judgments made by directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company'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 assurances as whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the charitable company's affairs as at 31st March 2002 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Gotham Erskine
Chartered Accountants
Registered Auditors
Date: 30 July 2002

Friendly House
52 - 58 Tabernacle Street
London EC2A 4NJ

RAGGED SCHOOL MUSEUM TRUST

STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account)

FOR THE YEAR ENDED 31ST MARCH 2002

	Note	Unrestricted Funds £	Restricted Funds £	Total 2002 £	Total 2001 £
Incoming resources					
Activities to further the charity's objects:					
Grants and donations		15,367	201,680	217,047	157,936
Activities to generate funds:					
School income		30,212	-	30,212	18,929
Shop income		20,588	-	20,588	19,112
Cafe income		4,202	-	4,202	3,952
Events income		-	-	-	570
Membership subscriptions		1,533	-	1,533	1,594
Room hire and fees		3,320	-	3,320	1,701
IT projects		-	-	-	1,633
Interest received		1,819	-	1,819	2,447
Total incoming resources		77,041	201,680	278,721	207,874
Cost of generating funds					
Shop expenditure		11,947	-	11,947	11,102
Cafe expenditure		1,639	-	1,639	1,633
		13,586	-	13,586	12,735
Net incoming resources available for charitable operation		63,455	201,680	265,135	195,139
Resources expended	5				
Cost of activities in pursuit of charitable objects					
Support costs		30,415	-	30,415	30,372
Fundraising and publicity		3,938	-	3,938	13,706
Project costs		2,703	191,329	194,032	119,578
Charity management & administration		3,735	-	3,735	3,594
Total resources expended		40,791	191,329	232,120	167,250
Net movement in funds	2	22,664	10,351	33,015	27,889
Fund balances brought forward at 1st April 2001		34,514	14,864	49,378	21,489
Fund balances carried forward at 31st March 2002		£ 57,178	£ 25,215	£ 82,393	£ 49,378

- All transactions are derived from continuing activities.
- All recognised gains and losses are included in the Statement of Financial Activities.
- Net movement in funds as shown in notes 9, 10.

RAGGED SCHOOL MUSEUM TRUST

BALANCE SHEET

AT 31ST MARCH 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Tangible assets	6	12,635	16,864
CURRENT ASSETS			
Stocks		6,834	4,839
Debtors	7	9,438	5,434
Cash at bank and in hand		91,416	51,924
		<u>107,688</u>	<u>62,197</u>
CREDITORS: amounts falling due within one year	8	<u>37,930</u>	<u>29,683</u>
NET CURRENT ASSETS		69,758	32,514
NET ASSETS		<u>£ 82,393</u>	<u>£ 49,378</u>
FUNDS			
Restricted funds:	9	25,215	14,864
Designated funds	10	6,285	2,500
General funds			
Brought forward		32,014	7,722
Net inflow of funds		22,664	26,792
Transfer (to) designated reserve		(3,785)	(2,500)
		<u>50,893</u>	<u>32,014</u>
		<u>£ 82,393</u>	<u>£ 49,378</u>

Approved by the directors on 7 July 2002 signed on their behalf by:



Ros Wilden Brown



Dave Barton

RAGGED SCHOOL MUSEUM TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2002

1 ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) and follow the recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice issued in October 2000.

Fund Accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives.

Designated funds are amounts that have been set aside at the discretion of the Trustees.

Restricted reserves are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund together with a fair allocation of overheads.

Incoming resources

Incoming resources represents the total income receivable during the year comprising grants, donations and other income, and is charged to the appropriate SOFA according to whether its use is restricted or unrestricted.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis.

Costs of generating funds comprise the costs of fundraising and publicity activities to generate voluntary income for the charity. Charitable expenditure comprise costs of activities in furtherance of the charity's objects (see page 1). Support costs comprise costs incurred centrally wholly in support of carrying out the direct charitable objects.

Expenditure which is directly attributable to specific activities has been included in these categories. Where costs are attributable to more than one activity, they have been apportioned across the cost categories on a basis consistent with the use of these resources. In particular, office costs have been allocated between management and administration, and fundraising and publicity in proportion to staff costs on those activities, which in turn has been apportioned on an estimated time basis.

Freehold property

The Trustees consider that there is insufficient reliable information to establish the cost of the museum building and that obtaining a valuation would incur costs greater than the benefits obtained. There are two restrictive charges over the Freehold property taken out in January and March 1986 by the Greater London Council and presumed to have been transferred to LB Tower Hamlets. These charges restrict the use of the building owned by the Trust. Improvements and renovations incurred are shown as revenue expenditure in the year the expenditure is incurred.

RAGGED SCHOOL MUSEUM TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2002

Depreciation

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives using the following rates:

Office Equipment	- 25% of depreciated cost
Displays	- 25% of depreciated cost

All assets costing more than £250 are capitalised.

2. NET MOVEMENT IN FUNDS	2002	2001
	£	£
The net movement in funds is stated after charging:		
Auditors remuneration - Statutory audit	2,021	1,880
Depreciation and adjustment on disposal	4,498	5,684
3. EMPLOYEES AND STAFF COSTS	2002	2001
	£	£
Staff costs were as follows:		
Salaries and wages	108,836	94,989
National insurance	8,274	7,592
	<u>£ 117,110</u>	<u>£ 102,581</u>

The average number of employees in the year, calculated on a full time equivalent basis, was 7 full time. (2001: 6)

The staff all worked on direct charitable activities with the exception of 10% of the administrator's salary being allocated to charity administration and 10% of the museum manager's salary being allocated to fundraising and publicity.

No employee received remuneration of more than £50,000.

4. EXECUTIVE COMMITTEE' REMUNERATION AND REIMBURSED EXPENSES

No Trustee received remuneration for their services during the year.

No Trustee received any reimbursed expenses during the year (2001: £-).

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs	Other	Depreciation	Total
	£	£	£	£
Cost of activities in pursuit of charitable objects				
Fundraising and publicity	2,688	1,250	-	3,938
Support costs	19,165	7,890	3,360	30,415
Project costs	101,711	91,471	850	194,032
Charity management & administration	1,735	2,000	-	3,735
	<u>£ 125,299</u>	<u>£ 102,611</u>	<u>£ 4,210</u>	<u>£ 232,120</u>

RAGGED SCHOOL MUSEUM TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2002

6. TANGIBLE ASSETS

	Freehold Premises £	Office Equipment £	Displays £	Total £
Cost				
1st April 2001	1	34,649	9,154	43,804
Additions	-	269	-	269
Disposals	-	(1,141)	-	(1,141)
31st March 2002	1	33,777	9,154	42,932
Depreciation				
1st April 2001	-	21,187	5,753	26,940
Charge for the year	-	3,360	850	4,210
Disposals	-	(853)	-	(853)
31st March 2002	-	23,694	6,603	30,297
Net Book Value				
31st March 2002	£ 1	£ 10,083	£ 2,551	£ 12,635
31st March 2001	£ 1	£ 13,462	£ 3,401	£ 16,864

7. DEBTORS

	2002 £	2001 £
Fees receivable	741	954
Prepayments	1,108	-
Revenue grant due	7,589	4,480
	£ 9,438	£ 5,434

8. CREDITORS: amounts falling due within one year

	2002 £	2001 £
Grant received in advance	32,848	24,941
Sundry creditors	1,833	500
Accruals	3,249	4,242
	£ 37,930	£ 29,683

RAGGED SCHOOL MUSEUM TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2002

9. RESTRICTED FUNDS

	Balance at 1st April 2001 £	Incoming resources £	Expenditure £	Balance at 31st March 2002 £
Fixed assets fund	14,864	269	(3,783)	11,350
Capital grants for minor equipment	-	649	(649)	-
Schools programme	-	30,600	(30,600)	-
Summer activities	-	11,750	(11,750)	-
Other holiday activities	-	15,112	(15,112)	-
Community education	-	42,652	(38,985)	3,667
Special needs	-	4,220	(4,220)	-
Events - History Club	-	2,000	(2,000)	-
Exhibitions	-	14,808	(13,005)	1,803
Publications	-	1,200	-	1,200
Building work	-	60,051	(60,051)	-
Feasibility study	-	5,875	-	5,875
Website project	-	12,494	(11,174)	1,320
	<u>14,864</u>	<u>201,680</u>	<u>(191,329)</u>	<u>25,215</u>

The fixed assets fund reflects the undepreciated element of assets purchased with the direct assistance of grants. All other reserves were for projects undertaken in the year.

10. DESIGNATED FUNDS

	Balance at 1st April 2001 £	New designations £	Utilised/ realised £	Balance at 31st March 2002 £
Staffing fund	2,500	2,500	-	5,000
Fixed assets fund	-	2,000	(715)	1,285
	<u>2,500</u>	<u>4,500</u>	<u>(715)</u>	<u>6,285</u>

The Trustees have made a further contribution towards a Staffing fund. The purpose of this fund is to meet any unexpected statutory liabilities that may arise which are not currently eligible for support from funders.

In accordance with the Statement of Recommended Practice 2000 the Trustees have established a fixed asset designated reserve. This reflects the purchase and depreciation of fixed assets purchased from general funds. The amount carried forward is equal to the net book value of the fixed assets at the year end.

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Designated Funds £	General Funds £	Restricted Funds £	Total Funds £
Tangible assets	1,285	-	11,350	12,635
Current assets	5,000	88,823	13,865	107,688
Current liabilities	-	(37,930)	-	(37,930)
Total Net Assets	<u>£ 6,285</u>	<u>£ 50,893</u>	<u>£ 25,215</u>	<u>£ 82,393</u>

RAGGED SCHOOL MUSEUM TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2002

12. SHARE CAPITAL

Ragged School Museum Trust is a company limited by guarantee and has no share capital. The liability of each member is limited to £1 per member. The number of members at the end of the financial year was 236 (2001: 200)

RAGGED SCHOOL MUSEUM TRUST
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2002

	2002		2001	
	£	£	£	£
INCOMING RESOURCES				
Grants	203,727		146,131	
Donations	8,220		11,115	
Gift in kind	5,100		690	
Interest received	1,819		2,447	
		218,866		160,383
<i>Activities to generate funds:</i>				
School income	30,212		18,929	
Shop income	20,588		19,112	
Cafe income	4,202		3,952	
		55,002		41,993
<i>Other charitable income:</i>				
Events income	-		570	
Membership subscriptions	1,533		1,594	
Room hire and fees	3,320		1,200	
IT projects	-		1,633	
Other income	-		501	
		4,853		5,498
		278,721		207,874
Restricted reserve income		(201,680)		(116,413)
		77,041		91,461
EXPENDITURE				
<i>Cost of generating funds:</i>				
Shop expenditure	11,947		11,102	
Cafe expenditure	1,639		1,633	
Staff costs	125,298		109,285	
Administration costs	20,437		21,068	
Premises expenses	7,890		16,111	
Project costs	78,495		20,787	
	245,706		179,986	
Restricted reserve expenditure	(191,329)		(117,807)	
Total resources expended		(54,377)		(62,179)
Net movement in funds	£	22,664	£	29,282

RAGGED SCHOOL MUSEUM TRUST
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2002

INCOME	2002	2001
	£	£
Grants		
Esmee Fairbairn Charitable Trust	18,541	17,625
The Monument Trust	2,500	5,000
Vivian Duffield Foundation	-	10,000
Morgan Stanley International Foundation	7,500	9,148
Heritage Lottery Fund	42,819	818
Spitalfields Market Community Trust	3,750	-
John Lewis Partnership	1,000	750
Equitable Charitable Trust	4,220	4,220
Parmiter's Bethnal Green Educational Fund	5,000	-
Carnegie United Kingdom Trust	-	6,165
Transco	-	2,500
Star Foundation Trust	4,975	500
Mercers' company	-	3,500
J Paul Getty Jr Charitable Trust	-	1,000
Lloyds TSB Foundation	-	3,000
News International plc	-	3,455
Aldgate & Allhallows Barking Exhibition Foundation	-	1,500
John Perryn's (Goldsmith)	-	1,000
Drapers' Charitable Fund	3,000	2,500
Marks & Spencer	2,000	2,000
British Waterways	7,500	2,500
Pool of London Partnership	1,500	-
Anonymous	15,000	15,000
London Transport Museum	-	1,500
Bethnal Green & Victoria Park Housing Association	2,500	-
St Katherine & Shadwell Trust	2,500	-
London Borough of Tower Hamlets - Mainstream	7,500	5,500
London Borough of Tower Hamlets - Youth	1,000	1,000
LB of Tower Hamlets - Service Level agreement	8,347	8,823
LB of Tower Hamlets Ocean New Deal	36,551	4,626
LBTH Cultural Industries Development Agency	-	3,000
LBTH - Age Concern	15,573	2,290
South Eastern Museums Service	-	3,687
London Boroughs Grants	-	16,974
Department for Education & Skills	10,100	5,850
Gifted & Talented	800	-
New Opportunities Fund-Marion Richardson School	550	700
Stepney Housing And Development Agency	1,250	-
	<u>203,727</u>	<u>146,131</u>

RAGGED SCHOOL MUSEUM TRUST
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2002

EXPENDITURE	2002 £	2001 £
Staff Costs		
Salaries and wages	108,836	94,989
National insurance	8,274	7,592
Workshop freelance	7,116	5,707
Staff training	525	142
Staff recruitment	547	854
	<u>125,298</u>	<u>109,285</u>
Premises expenses		
Rent & rates	-	131
Light and heat	2,366	1,882
Maintenance	1,077	9,923
Cleaning	4,447	4,176
	<u>7,890</u>	<u>16,111</u>
General administration costs		
Telephone	1,942	1,843
Insurance	3,092	3,264
Transport & travel	910	644
Post, print & stationery	5,959	6,387
Periodicals	-	182
Affiliations	425	313
General expenses	113	285
Computer expenses	179	-
Bank charges & interest	347	586
Audit	2,021	1,880
Security costs	615	-
Disposal of equipment	288	47
Publications	336	-
Depreciation	4,210	5,637
	<u>20,437</u>	<u>21,068</u>
Project costs & other		
Workshops	3,201	2,421
Teaching expenses	198	248
Events - museum	-	37
Exhibition and events	7,569	5,009
Events - canal art	-	102
Events - other	-	551
Collection Management	87	465
IT Project	-	154
Fundraising expenses	1,250	11,800
Minor equipment	964	-
Internet site	5,100	-
Feasibility study	5,875	-
Renovations	54,251	-
	<u>78,495</u>	<u>20,787</u>