

RAGGED SCHOOL MUSEUM TRUST

(limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2003**

Company Number: 2308621

Charity Number: 800538



RAGGED SCHOOL MUSEUM TRUST
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2003

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RAGGED SCHOOL MUSEUM TRUST

CHARITY ADMINISTRATION INFORMATION

Trustees:

M Bieber	
T Lewis	
E Porte	
R Wilden Brown	
M Smith	
M Wenham	
R Treves Brown	
V Davis	
K Khan	appointed 14 November 2002
C Seymour	appointed 14 November 2002
D Barton	resigned 22 September 2002
G Rice	resigned 22 September 2002
P Tyrer	resigned 22 September 2002

Secretary:

R Treves 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 2003

The Trustees of Ragged School Museum Trust present their report and the audited financial statements for the year ended 31st March 2003.

OBJECTS

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

REVIEW OF THE ACTIVITIES

The Ragged School Museum Trust continued to provide a Community Museum and associated programmes of exhibitions, events and educational activities.

The programme of temporary community exhibitions included: 'Jubilations', a Golden Jubilee display looking at people's attitudes to royal celebrations and celebrations in different cultures: 'Pride of Place' was a contemporary collecting exhibition working with local Black and Asian community organisations: 'School Days', the current exhibition, is a collection of memories of school experiences across both generations and cultural backgrounds including those who had been to school in Bangladesh, those who used to go to school in Stepney and children currently attending schools in the local area. Other exhibitions toured community venues such as Tower Hamlets College. This helped to establish new working relationships with local people. Further exhibitions are planned to broaden the Museums relevance and interest to local communities including a reminiscence exhibition in partnership with our local Bengali resource centre and 'Age Exchange' in Blackheath.

There were a number of staff changes. The Director left and the Education Manager was promoted to Director. Two new part-time members of staff also joined the Museum. The Development Officer is responsible for room hire, filming, photography, increasing in-house income and assisting with fundraising. The Volunteer Co-ordinator is improving the experience of volunteers including developing work placements, training and development. The current number of volunteers is over 40 and there have been six successful secondary school placements. The total number of visits to the Museum was 24,954

School sessions interpreting the Victorian classroom have increased again this year and a brand new storytelling session for nursery school children was developed and successfully piloted with two local schools and Poplar Education Action Zone. The programme will be officially launched for open bookings from September 2003. The Museum also developed sessions for basic skills groups in partnership with Tower Hamlets College as part of a London wide pilot co-ordinated by London's Museums Libraries and Archives.

Out of school hours learning programmes and after-school clubs continued to be popular and have been well received building on the Museum's working partnerships with local schools. Programmes included 'Splash!' water themed activities, Victorian Toys, and Fashion and Fun from the Forties and Fifties. An on-going partnership with the Science Museum continued to be strong and other project partnerships with a range of community organisations such as Volunteer Action Tower Hamlets and Age Concern were mutually beneficial for developing the Museum's profile and services.

A new Chair, Ros Wilden Brown, was elected to the Board of Trustees and a new Board member, Khadija Khan, was appointed, bringing the number of trustees to ten. The Museum received a gift in kind of computer equipment from Ros Wilden Brown and Barnardo's kindly agreed to design and print the Museum's annual report again free of charge. The forward plan and monthly trustee meetings continued to be used to agree strategies for future development of the Museum's buildings and services.

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 £26,322 (2002: £22,664). The retained unrestricted reserves at 31st March 2003 total £83,500.

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..

RAGGED SCHOOL MUSEUM TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST MARCH 2003

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.

GOVERNANCE

The day to day affairs of the Charity are managed by the Board of Trustees 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:

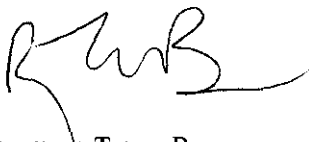
- * select suitable accounting policies and apply them consistently,
- * make judgements and estimates that are reasonable and prudent,
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- * prepare 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 3 July 2003 and signed on their behalf.



Rosemary Treves 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 2003 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.

This report is made solely to the Trust's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Trust's members 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 Trust and the Trust's members, as a body, for our audit work, for this report, or for the opinion we have formed.

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 2003 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

Friendly House
52 - 58 Tabernacle Street
London EC2A 4NJ

Date: 22 July 2003

RAGGED SCHOOL MUSEUM TRUST

STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account)

FOR THE YEAR ENDED 31ST MARCH 2003

	Note	Unrestricted Funds £	Restricted Funds £	Total 2003 £	Total 2002 £
Incoming resources					
Activities to further the charity's objects:					
Grants and donations		24,127	131,948	156,075	217,047
School income		33,282	-	33,282	30,212
Activities to generate funds:					
Shop income		18,375	-	18,375	20,588
Cafe income		3,621	-	3,621	4,202
Membership subscriptions		1,418	-	1,418	1,533
Room hire and fees		4,353	-	4,353	3,320
Interest received		2,344	-	2,344	1,819
Total incoming resources		87,520	131,948	219,468	278,721
Cost of generating funds					
Shop expenditure		10,530	-	10,530	11,947
Cafe expenditure		1,528	-	1,528	1,639
Fundraising and publicity		3,172	-	3,172	3,938
		15,230	-	15,230	17,524
Net incoming resources available for charitable operation		72,290	131,948	204,238	261,197
Resources expended					
5					
Cost of activities in pursuit of charitable objects					
Support costs		20,552	10,817	31,369	30,415
Project costs		38,608	118,657	157,265	194,032
Charity management & administration		4,033	-	4,033	3,735
Total resources expended		63,193	129,474	192,667	228,182
Net outgoing resources before transfers		9,097	2,474	11,571	33,015
Transfers between funds	10	17,225	(17,225)	-	-
Net movement in funds	2	26,322	(14,751)	11,571	33,015
Fund balances brought forward at 1st April 2002		57,178	25,215	82,393	49,378
Fund balances carried forward at 31st March 2003		£ 83,500	£ 10,464	£ 93,964	£ 82,393

- 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 10, 11.

RAGGED SCHOOL MUSEUM TRUST

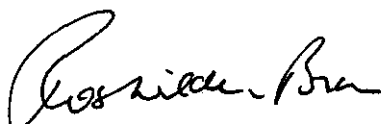
BALANCE SHEET

AT 31ST MARCH 2003

	Note	2003	2002
		£	£
FIXED ASSETS			
Tangible assets	6	14,674	12,635
CURRENT ASSETS			
Stocks		6,911	6,834
Debtors	7	7,017	9,438
Cash at bank and in hand		103,667	91,416
		<u>117,595</u>	<u>107,688</u>
CREDITORS: amounts falling due within one year	8	38,305	37,930
NET CURRENT ASSETS		<u>79,290</u>	<u>69,758</u>
NET ASSETS		<u>£ 93,964</u>	<u>£ 82,393</u>
FUNDS			
Restricted funds:	10	10,464	25,215
Designated funds	11	19,674	6,285
General funds			
Brought forward		50,893	32,014
Net inflow of funds		9,097	22,664
Transfer from restricted fund		17,225	-
Transfer (to) designated reserve		(13,389)	(3,785)
		<u>63,826</u>	<u>50,893</u>
		<u>£ 93,964</u>	<u>£ 82,393</u>

Approved by the directors on 30 July 2003 signed on their behalf by:


Rosemary Treves Brown


Ros Wilden Brown

RAGGED SCHOOL MUSEUM TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2003

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 Museum is held as an object of the Charity and as such is considered to be a 'historic asset'. Improvements and renovations have been carried out over a number of years and treated as revenue expenditure in the year incurred. Because 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, the cost of the building is shown at a nominal amount.

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.

RAGGED SCHOOL MUSEUM TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2003

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 £500 are capitalised.

2. NET MOVEMENT IN FUNDS	2003	2002
	£	£
The net movement in funds is stated after charging:		
Auditors remuneration - Statutory audit	2,209	2,021
Depreciation and adjustment on disposal	5,960	4,498
3. EMPLOYEES AND STAFF COSTS	2003	2002
	£	£
Staff costs were as follows:		
Salaries and wages	122,106	108,836
National insurance	9,459	8,274
	£ 131,565	£ 117,110

The average number of employees in the year, calculated on a full time equivalent basis, was 8 full time. (2002: 7)
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 director's salary and the development officer's salary being allocated to fundraising and publicity.
No employee received remuneration of more than £50,000.

4. EXECUTIVE COMMITTEES' REMUNERATION AND REIMBURSED EXPENSES

No Trustee received remuneration for their services during the year.

No Trustee received any reimbursed expenses during the year (2002: £-).

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs	Other	Depreciation	Total
	£	£	£	£
Fundraising and publicity	3,172	-	-	3,172
Support costs	15,980	11,415	3,974	31,369
Project costs	123,981	32,367	917	157,265
Charity management & administration	1,824	2,209	-	4,033
	£ 144,957	£ 45,991	£ 4,891	£ 195,839

RAGGED SCHOOL MUSEUM TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2003

6. TANGIBLE ASSETS

	Freehold Premises £	Office Equipment £	Displays £	Total £
Cost				
1st April 2002	1	33,777	9,154	42,932
Additions	-	6,883	1,116	7,999
Disposals	-	(5,060)	-	(5,060)
 31st March 2003	 1	 35,600	 10,270	 45,871
Depreciation				
1st April 2002	-	23,694	6,603	30,297
Charge for the year	-	3,974	917	4,891
Disposals	-	(3,991)	-	(3,991)
 31st March 2003	 -	 23,677	 7,520	 31,197
 Net Book Value				
31st March 2003	£ 1	£ 11,923	£ 2,750	£ 14,674
31st March 2002	£ 1	£ 10,083	£ 2,551	£ 12,635

7. DEBTORS

	2003 £	2002 £
Fees receivable	422	741
Prepayments	1,793	1,108
Revenue grant due	4,802	7,589
	£ 7,017	£ 9,438

8. CREDITORS: amounts falling due within one year

	2003 £	2002 £
Deferred income (see note 9 below)	36,042	32,848
Sundry creditors	54	1,833
Accruals	2,209	3,249
	£ 38,305	£ 37,930

9. DEFERRED INCOME

	2003 £	2002 £
Balance at 1 April 2002	32,848	24,941
Amount released into incoming resources	(32,848)	(24,941)
Amount deferred in the year	36,042	32,848
 Balance at 31 March 2003	 36,042	 32,848

RAGGED SCHOOL MUSEUM TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2003

10. RESTRICTED FUNDS

	Balance at 1st April 2002	Incoming resources	Expenditure	Transfers	Balance at 31st March 2003
	£	£	£	£	£
Fixed assets fund	11,350	-	-	(11,350)	-
Capital grants for minor equipment	-	3,915	(3,915)	-	-
Schools programme	-	8,540	(8,540)	-	-
Summer activities	-	10,150	(10,150)	-	-
Other holiday activities	-	16,709	(16,709)	-	-
Community education	3,667	46,196	(39,649)	-	10,214
Special needs	-	2,058	(2,058)	-	-
Events - History Club	-	2,000	(2,000)	-	-
Exhibitions	1,803	17,674	(19,477)	-	-
Printing and publications	1,200	3,000	(4,200)	-	-
Volunteer co-ordinator	-	15,869	(15,869)	-	-
Collection management	-	1,000	(1,000)	-	-
Feasibility study	5,875	-	-	(5,875)	-
Website project	1,320	4,257	(5,327)	-	250
Training & others	-	580	(580)	-	-
	<u>25,215</u>	<u>131,948</u>	<u>(129,474)</u>	<u>(17,225)</u>	<u>10,464</u>

The Trust previously received grants for the purchase of equipment. In accordance with SORP 2000, the terms of the grants are considered to have been fulfilled. The balance brought forward, equal to the net book value of equipment purchased with these grants, has been transferred to the Fixed Assets Designated Fund.

The feasibility study was carried out in the previous year and all other reserves were for projects undertaken in the current year.

11. DESIGNATED FUNDS

	Balance at 1st April 2002	New designations	Utilised/ realised	Transfers	Balance at 31st March 2003
	£	£	£	£	£
Staffing fund	5,000	-	-	-	5,000
Fixed assets fund	1,285	7,999	(5,960)	11,350	14,674
	<u>6,285</u>	<u>7,999</u>	<u>(5,960)</u>	<u>11,350</u>	<u>19,674</u>

The Trustees have established a Staffing fund based on potential redundancy liabilities and to meet 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.

RAGGED SCHOOL MUSEUM TRUST**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH 2003**

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Designated Funds	General Funds	Restricted Funds	Total Funds
	£	£	£	£
Tangible assets	14,674	-	-	14,674
Current assets	5,000	102,131	10,464	117,595
Current liabilities	-	(38,305)	-	(38,305)
Total Net Assets	£ 19,674	£ 63,826	£ 10,464	£ 93,964

13. 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. The number of members at the end of the financial year was 146 (2002: 236)

RAGGED SCHOOL MUSEUM TRUST

DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2003

	2003		2002	
	£	£	£	£
INCOMING RESOURCES				
Grants	146,555		203,727	
Donations	7,128		8,220	
<i>Gift in kind</i>	2,392		5,100	
Interest received	2,344		1,819	
		158,419		218,866
Activities to generate funds:				
School income	33,282		30,212	
Shop income	18,375		20,588	
Cafe income	3,621		4,202	
		55,278		55,002
Other charitable income:				
Membership subscriptions	1,418		1,533	
Room hire and fees	4,353		3,320	
		5,771		4,853
		219,468		278,721
Restricted reserve income		(131,948)		(201,680)
		87,520		77,041
EXPENDITURE				
Cost of generating funds:				
Shop expenditure	10,530		11,947	
Cafe expenditure	1,528		1,639	
Staff costs	144,958		125,298	
Administration costs	24,659		20,437	
Premises expenses	11,414		7,890	
Project costs	14,808		78,495	
	207,897		245,706	
Restricted reserve expenditure	(129,474)		(191,329)	
Total resources expended		(78,423)		(54,377)
Net movement in funds	£	9,097	£	22,664