

TOWER HILL TRUST

**TRUSTEES' ANNUAL REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 30th APRIL 2010

Tower Hill Trust
Trustees' Annual Report and Financial Statements
for the year ended 30th April 2010

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TOWER HILL TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 30th APRIL 2010

Reference and Administrative Details

Registered address:	Attlee House 28 Commercial Street London E1 6LR
Trust deed made:	7 th February 1938 (subsequently varied by Schemes approved by the Charity Commissioners on 23 rd October 1973 and 23 rd April 1987)
Registered charity number:	206225
Trustees:	Mrs Davina J. Walter (Chairman) Commodore John Burton-Hall John Polk Esq. Hamish M. J. Ritchie Esq. Mrs Susan M. Wood Major General Geoffrey Field CB CVO OBE (appointed 24 th June 2009)
Bankers:	National Westminster Bank P.O. Box 34 15 Bishopsgate London EC2P 2AP
Solicitor:	Cumberland Ellis Atrium Court 15 Jockey's Fields London WC1R 4QR
Auditor:	Moore Stephens LLP Chartered Accountants 150 Aldersgate Street London EC1A 4AB
Investment managers:	Newton Investment Management Limited Mellon Financial Centre 160 Queen Victoria Street London EC4V 4LA
Principal officer:	Roland H. Smith CMG Secretary and Treasurer
Grant officer:	Elaine Crush

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TRUSTEES' REPORT FOR THE YEAR ENDED 30th APRIL 2010

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 its financial activities for that period. In preparing those financial statements, the Trustees are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether the policies adopted are in accordance with the Statement of Recommended Practice for Charities of 2005, and with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- d) prepare the financial statements on the on-going concern basis, unless it is inappropriate to assume that the charity will continue in business.

The Trustees 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 relevant legislation. They are also responsible for safeguarding the assets of the Charity, and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The Trustees confirm that the accounting policies adopted are in accordance with the Statement of Recommended Practice for Charities of 2005. The financial statements have been prepared in accordance with the going concern basis.

Structure, Governance and Management

The Trust was established as the Tower Hill Improvement Trust in 1938. The original Trust Deed of the Tower Hill Improvement Trust, dated 7th February 1938 was subsequently varied by Schemes approved by the Charity Commissioners on 23rd October 1973 and 23rd April 1987.

On the 8th of February 2005, the Charity Commissioners made an Order giving the Trustees general authority to amend the trusts of the charity, subject to certain limitations, including the need on some matters to obtain the prior written approval of the Charity Commissioners. This power has been used four times. On the 16th March 2005, the maximum number of Trustees was increased from five to eight. On the 21st June 2006, with the approval of the Charity Commission, the name of the Trust was changed from Tower Hill Improvement Trust to Tower Hill Trust. Again with the approval of the Charity Commission, on the 14th of March 2007, the Trust's area of benefit was enlarged, and now comprises the Tower Hill area and the whole of the London Borough of Tower Hamlets. Finally, on 17th September 2008, the period for which the Chairman is elected by the Trustees was increased from one to three years.

The Charity is governed by a Board of not more than eight Trustees. As at 30th April 2010, there were six Trustees. One new Trustee, Major General Geoffrey Field CB CVO OBE (a former Governor of the Tower of London) was appointed during the year.

New Trustees are appointed by the existing Board of Trustees, and are invited to serve for as long as they feel they can commit. In recruiting, choosing and appointing new Trustees, the Trustees seek to ensure that the Board as a whole contains a suitable balance of experience, expertise, and knowledge of the Trust's area of benefit. Before new Trustees are appointed, they are provided with documentation about the Trust, and are invited to meet the existing Trustees and to familiarise themselves with the work of the Trust. Trustees are encouraged to attend relevant courses and seminars in order to improve their knowledge of charity law and of good practice. The Board meets quarterly (or more frequently as required) to discuss Trust matters, and to consider applications for grants.

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TRUSTEES' REPORT FOR THE YEAR ENDED 30th APRIL 2010 (continued)

The Trust shares a small office in Attlee House, Toynbee Hall, Commercial Street, Tower Hamlets, with the Wakefield and Tetley Trust. This office is staffed by a part-time Secretary and Treasurer and a part-time Grant Officer (at present Mr Roland Smith and Ms Elaine Crush). A service charge is paid to the Wakefield and Tetley Trust for the provision of staff and services. The Secretary and Treasurer is responsible for administration and bookkeeping. The Grant Officer is charged with keeping up-to-date with local charitable activity and funding needs, providing satisfactory information to support applications to the Trustees, and with monitoring the expenditure of grants by beneficiaries. Staff are responsible for all day-to-day matters, and for making recommendations to the Trustees, but all significant decisions are taken by the Board of Trustees.

Objectives and Activities for the Public Benefit

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives, and in planning future activities. The Trust's objectives are to use Trust income for the promotion of charitable purposes for the general benefit of the inhabitants in the Trust's area of operation in any or all of the following ways:

- i) The provision of gardens and open spaces for the general benefit of the inhabitants;
- ii) The provision and support of facilities for recreation and leisure-time occupation;
- iii) The provision and support of educational facilities;
- iv) The relief of the aged, handicapped and poor.

These objects are listed in the order of priority, which the Trustees determined at their meeting on 27th June 2007. The Trust seeks to do these things not by giving money to individuals or by carrying out programmes of its own, but by making grants to registered charities and not-for-profit companies for activities and projects which in the view of the Trustees will help to advance the objects. In making grants, the Trust always looks at the question of who will be the ultimate beneficiaries, and what will be the benefit to them. The Trustees insist that all activities or projects must be open to anyone who qualifies as a potential beneficiary, and that people in poverty are not excluded from the opportunity to benefit.

The chief restriction on the Trust's grant-making is geographical. The guidance on public benefit published by the Charity Commission recognises that: "it is generally reasonable for a charity's aims to be intended to benefit people living in a particular geographical area, such as a village, town, city, county or country". The Trust's area of benefit comprises the area of Great Tower Hill, Tower Hill and the London Borough of Tower Hamlets. The Trustees particularly welcome proposals for equipment or capital costs, and proposals having a link with the Trust's original area of benefit, i.e. the area around Tower Hill, and the former St Katharine's Ward in the Borough of Tower Hamlets.

The public benefit of funding by the Trust is measured against the achievements of the organisations and projects funded by the Trust. Grant recipients are required to provide regular or one-off Progress Reports, depending on the nature of the project and the size of grant awarded. The monitoring process aims to be 'light touch', and there is no formal monitoring or evaluation form to complete, since organisations and projects can struggle under the burden of monitoring requirements. Grant recipients can devise their own Reports, and may submit information that has been prepared for another funder if this is appropriate (many of the Trust's grants are contributions to projects also supported by one or several other donors). Recipients are asked to reflect on the progress that they have made in relation to the aims, objectives and outcomes which they identified at the beginning of a project.

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TRUSTEES' REPORT FOR THE YEAR ENDED 30th APRIL 2010 (continued)

The Trust's income is derived partly from funds managed by Newton Investment Management Limited, and partly from the head rent of the Tower Hill Wine Vaults, of which the Trust owns the freehold.

ACHIEVEMENTS AND PERFORMANCE

The Trust aims to maintain a high level of grant-giving, while ensuring that adequate funds are available for the proper administration of the charity, and that reserves are maintained to generate income for future grant-giving and to ensure that funds are available when needed for new projects. During 2009-10, the Trust awarded 21 grants totalling £167,397, and paid out a total of £119,109 to grant recipients.

A considerable proportion of the amount actually paid out in grants during the year reflected the continuation of grants awarded in previous years. Similarly, a considerable proportion of grants awarded in 2009-10 will actually be paid out in subsequent years. The Trustees have decided that grants payable should be charged in the year when they are awarded, irrespective of when they are paid, as Trustees regard them as financial obligations. For this reason, the amount shown in the Statement of Financial Activities under "Grants payable in furtherance of the Trust's objectives" does not represent the grants actually paid in 2009-10, but the grants awarded during the year after deduction of any grants withdrawn. Details of both grants paid and grants awarded during the year are contained in note 13.

In general, the Trust is satisfied with the effectiveness of its grants, and this is reflected in the fact that in a number of cases, further grants have been approved to the same recipient. At the same time, the Trust warns recipients not to become over-reliant on its grants, particularly since the extension of the Trust's area of benefit means that many excellent applications are now being received from organisations that previously were not eligible to apply. In 2009-10, a total of 47 eligible applications were received. Of these, 21 were awarded grants (a success rate of 44.7%). 11 of the 21 grants awarded were to recipients whom the Trust had not previously assisted.

Grants that were approved included:

The Attlee Foundation: £6,860 was approved to support 'The Good Gardening Project', a new project which aims to provide opportunities for Spitalfield's residents to improve their health and wellbeing, developing a new growing space where they can be supported to cultivate their own food. The grant will be used for site preparation, to purchase gardening tools, seeds, pots and storage and to employ a sessional worker for 10 hours per week to support the involvement of 30 participants and run specialist gardening workshops. The project started in April 2010 and will run for 28 weeks.

Heba Women's Project: A grant of £1,992 was awarded to purchase and install an interactive whiteboard for both educational and recreational purposes. Among other things, this has enabled the creation of a new weekly film club which provides an opportunity for project users to meet together socially, practise their English and learn about other beliefs and traditions through sharing favourite films. Women from South Asia, Africa, South America and Europe participate in Heba's various training projects, and 250 women a year benefit from the services.

FareShare: A grant of £8,000 was awarded as a contribution to the work of the London Food Access Project in Tower Hamlets. 'Fit for purpose' food that is surplus to business requirements, e.g. because of over-production or short shelf-life, is redistributed, with the help of 44 volunteers. In 2009/2010 the project delivered fresh fruit and vegetables, fruit juices, dairy products, pasta and cereals to charities and community groups in Tower Hamlets, representing 29,083 meals for vulnerable people during the year. On average each organisation received £13,000 of surplus food from FareShare annually

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TRUSTEES' REPORT FOR THE YEAR ENDED 30th APRIL 2010 (continued)

Most of the member organisations that receive deliveries are small charities, and savings on food expenditure can make a vital difference; it is estimated that member organisations can save up to £20,000 a year on food.

Sir John Cass Primary School: A grant of £5,000 was awarded to support improvements to the roof garden at the school - a precious resource in an area with limited green space. The roof garden was created twenty years ago and needed updating. The garden gives children the opportunity to grow their own vegetables and is an important resource to support teaching of the curriculum in science and in art & design. The grant will pay for a new irrigation system and solar panel to provide heating for the greenhouse, a new tool shed and some new and refurbished planters to improve and extend the growing space.

Furniture on the Street: A grant of £9,638 was awarded to support the 'microallotment' food-growing project; the project will develop 20 lockable polycarbonate greenhouses for public spaces and 100 domestic versions for estate balconies. Funding will cover the cost of resident engagement, project development and materials. The project will be working with residents of Old Ford Housing Association in Bow and will engage young people to design, make and supply the greenhouses.

SSAFA Forces Help: During the year £5,000 was awarded to SSAFA for emergency grants to ex-service personnel resident in Tower Hamlets, and a further £20,000 was awarded for 2010 to help volunteers keep pace with the demand from clients. Experienced volunteers deal primarily with casework, conducting thorough assessments of individual circumstances and requirements. The East London Branch has seen an increase in demand for their service over the past 12 months, which has enabled grants to be made to a number of elderly veterans for essential requirements such as electrically power wheelchairs, riser/recliner chairs for the disabled and white goods.

Thames 21: A grant of £7,150 was awarded to support five intensive clean-up events during 2010 along the Limehouse Cut, a stretch of neglected canal in Tower Hamlets. The project also aims to build stronger relationships between neighbouring communities and have a long-term impact on the natural environment. The work will take place in May-June 2010 and benefits will include the training of community volunteers to lead safe river events, rubbish clearance from waterways and towpaths, the involvement of socially excluded communities and long term improvements to the natural environment and bio-diversity of the canal.

The Trustees recognise the value to charities of making commitments to grants over more than one year, and are prepared where appropriate to award grants for periods of up to three years, or in exceptional cases even more. Such grants are conditional on the regular receipt of reports demonstrating effective performance and progress of the projects to which the grants are directed.

FINANCIAL REVIEW

The Trust's investments are managed by Newton Investment Management Limited. The Trustees would like to thank Newton Investment Management for its work for the Trust over the year. The Trust will continue to keep its investment policy under review. A review meeting was held with Newton Investment Management in April 2010, and it is intended to continue to hold similar meetings once a year. The Trustees have agreed the following statement of investment policy as guidance for the Trust's investment manager: "The maintenance of an optimum level of income, tempered by the need for capital growth, in order to safeguard future grant-making capacity". The Trustees set the fund managers an income target of £130,000 per year, and this target was exceeded in 2009-10.