

REGISTERED COMPANY NUMBER: 1613085 (England and Wales)
REGISTERED CHARITY NUMBER: 284907

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
For The Year Ended 31 March 2012
FOR
THE MUDCHUTE ASSOCIATION
(GROUP ACCOUNTS)

Hewitt Warin Limited
Chartered Accountants and Registered Auditors
Harlow Enterprise Hub
Edinburgh Way
Harlow
Essex
CM20 2NQ

THE MUDCHUTE ASSOCIATION (GROUP ACCOUNT)

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for the Year Ended 31 March 2012

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THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

REPORT OF THE TRUSTEES
for the Year Ended 31 March 2012

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2012. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

1613085 (England and Wales)

Registered Charity number

284907

Registered office

Mudchute Farm
Pier Street
Isle of Dogs
London
E14 9HP

Trustees

M Barraclough

P Fordham

M Frith

T J Lyle

- resigned 1.3.12

Cllr R Eckhardt

Chair

J Abbott

Mrs L Cavanagh

Mrs K P McTasney

C Stuart

B Teece

Cllr M Francis

A Bates

- resigned 3.4.12

Mrs V Scott

- appointed 13.5.11

- resigned 1.11.11

D F Tipple

- appointed 22.11.11

S I Bull

- appointed 22.11.11

S Wade

- appointed 3.4.12

Company Secretary

Cllr R Eckhardt

Senior Staff

M Tracey

Bankers

Barclays Bank plc

CAF Bank

Docklands

25 Kings Hill Avenue

Leicestershire

Kings Hill, West Mailling

LE87 2BB

Kent, ME19 4JQ

Auditors

Hewitt Wain Limited

Chartered Accountants and Registered Auditors

Harlow Enterprise Hub

Edinburgh Way

Harlow

Essex

CM20 2NQ

THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

REPORT OF THE TRUSTEES **for the Year Ended 31 March 2012**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REVIEW OF THE YEAR

I am delighted to report an excellent year across the Mudchute. The work of staff and volunteers ensured that the Mudchute's organisation and finances had been put into good shape prior to this year, and with the benefit of that stability the organisation was able to add even further to the services it provides to the community.

Andrew Bates, the representative of the AICVC on the Mudchute's trustee board stood down, and his place has been taken by Suzannah Wade. We are grateful for Andrew's contribution to the Mudchute, and welcome Suzannah on board. Some other changes happened among trustees, with Terry Lyle stepping down to focus on his work in particular with Cemetery Park. Terry has made a charity contribution to the Mudchute over many years with his great knowledge of the natural environment and enthusiastic commitment to the Mudchute, and will be sorely missed. Victoria Scott, who had joined briefly as treasurer, also stepped down during the year. In their place we did welcome some new trustees, being Sarla Bull who had been a volunteer on the farm, Danny Tipple, himself a regular user of the farm and the equestrian centre, together with two volunteers filling casual vacancies on the board being Jennifer Pryce as our treasurer, bringing her expertise as a charity accountant, and Hannah Lewis, an environmental expert. Despite some departures, the trustee body now brings a wide range of experience relevant to the Mudchute and I would like to thank all trustees for their support over the year which across the trustee group has involved a very significant amount of volunteer commitment.

After some previous years of change, this year saw the further development of the strong management team that is now in place across the Mudchute, led by Margaret Tracey. The cohesion and capacity of the team has never been higher, and after the year end was further supplemented by Nick Golson joining as Park and Farm Manager.

1. The Association

1.1 Children's Services

The services provided at very low cost to our local community continue to flourish and grow, combining the Muddy Boots Nursery, After Schools Club and other children services. Held in high regard by local families, community groups and the local authority, the success of the Mudchute Children's Services stands out. We were disappointed that public spending cuts stopped the plans for the extension of the Nursery, for which approval had been given, however we are still pursuing finding sources to continue with the project as this will be an important contributor to the future financial strength and therefore development of the Mudchute.

The Children's Services have again operated at full capacity for the entire year. Excellently managed and staffed by a devoted and loyal team, this provides an essential service for local families. Following reviews of pricing, a small increase in charges was made this year, but the Mudchute Childcare Services with its Outstanding Ofsted Report which it achieved this year continues to offer best value on the Isle of Dogs and probably in Tower Hamlets.

These services provide an invaluable support to local families and operate a programme twelve months of the year which enables children and young people to be encouraged and supported both in their learning and their growing. Play activities during term time and school holidays which have grown over the years have thanks to generous support from the National Lottery Play Matters and Inclusive Play administered by the London Borough of Tower Hamlets and IDCF. However, we are concerned that another adverse affect of the cuts has been the great reduction in level of Play Provision this year as funding streams have ceased and not been replaced. It is recognised that play is vital to the positive development of children and we will continue to seek funding for this crucial service.

THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

REPORT OF THE TRUSTEES

for the Year Ended 31 March 2012

1.2 The Education Project

This year has been highly rewarding for the education staff team, albeit working with a small team which has handled a great number of visitors and participants over the year. The Ack Ack gun project, which completed after the year end but was in process through the year, has exceeded all expectations, children and adults have taken a step back in time. Ack, Ack talks have been taken into the community visiting libraries and Idea stores. This talk has bought back the missing age group at Mudchute as after a talk the groups have visited the gun and seen the exhibition.

The Education team are currently working with Dr. Justine Aw, Zoologist, who is currently volunteering on the farm and seven groups of children and young people will be given the opportunity to participate in this exciting new programme of mini zoologists. Justine also has bought Mudchute alive on Facebook and after years of trying, risk assessments and teachers packs are available on Mudchute's website. The team have also been instrumental in meeting to produce a new Mudchute book, using the one published in the 80's, which is a project to be taken forward over the coming year.

Educational services have been provided to schools and Cubitt Town are now attending for three sessions a week for 38 weeks of the year, contributing substantially to the Mudchute's resources to provide such services. Mainstream schools continue to attend sessions and schools are booking a year in advance, further adding to the future potential of this service. The team have successfully run Open Access which is very popular with over 50 people attending daily. Other activities include a mini-fun day and the blossoming growing project.

1.3 The Farm

Mudchute's Farm continues to go from strength to strength and now has over 200 animals and birds, many of which are recognised British Rare Breeds. An initiative has begun to re-invigorate the small animals area, and this has had excellent early success. The Farm staff have worked hard throughout the year on this and other aspects of running the Farm, in particular during the very difficult winter months. More attention than ever has been paid to management of the health risks presented by the interaction of public and animals. By proactively introducing more signage and more hand washing facilities we have avoided the drastic step of having to introduce double fencing. During the coming year, we will be more actively managing the grazing areas and improving their quality and nutritional value. We will also be relaunching Farm Tours and introducing other events to promote the Mudchute's unique flora and fauna. Despite its extraordinary attractions and appeal, the farm remains unfunded and therefore reliant on any surpluses generated elsewhere by the Association. Achieving a better funding position for the Farm is a top priority for the year ahead.

1.4 The Park

An immensely valuable green space in the heart of the Isle of Dogs, the Park has again seen a record number of visitors during the year. Together with the Farm, the Park (and the very limited overhead costs) are the areas which have limited funding. The Mudchute continues to make use of very considerable amounts of voluntary labour to support the Farm, including corporate groups as described in Events below, community service work supervised by John Cavanagh, and a number of Trustees and volunteers, in particular Mike Barraclough and Peter Turner, the combination of which delivers services to the public significantly in excess of those which would be available by the monies from the Service Level Agreement.

We were pleased, after extensive discussion with LBTH, that the amount of the Service Level Agreement paid by LBTH to the Mudchute was agreed to be doubled with effect from the 2012/13 year. However, despite the public record of this being approved, LBTH officers have not yet implemented the change. We are continuing to work with them to address this, given the importance of this funding to the Mudchute.

1.5 Events

The Events section had another excellent year, and continues as a major income source for the charitable work of the Association. It was a busy year for children's birthday parties, team building sessions, conferences and our Corporate Volunteer Programme with over 750 volunteers from 50 organisations taking part in a range of activities that included building and remedial work. Mudchute was featured on an episode of the BBC's Junior Apprentice and hosted an episode of The Bill. Free community events included our Summer Open Day, Spooky Halloween and our Christmas Living Crib.

HSBC funded a project for the Children's Services where their Corporate Volunteers have created a wonderful woodland and play area for children.

THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

REPORT OF THE TRUSTEES for the Year Ended 31 March 2012

The summer of 2011 also saw the Mudchute's first summer fundraising event. We would like in particular to thank Jenny Barraclough for her invaluable work in bringing together a great party that not only raised the Mudchute's profile across a range of potential new supporters, but which also raised in excess of £35,000 for the Mudchute, vital funding which enabled us to move forward with recruiting for the post of Park and Farm Manager. The summer party has now become a core part of the Mudchute's fundraising strategy.

2. The Allotments

There remains an unsatisfactory position of no formal agreement between the Association and the allotments, the holders of which therefore currently have no formal status. The Association has again proposed a management agreement between the Association and the Allotment, and we are still awaiting the input of London Borough of Tower Hamlets legal department (this is the same position as reported last year and the year before, which is frustrating but we do hope it will be resolved).

3. Administration, Finance and Marketing and Staffing

A combination of Margaret Tracey, Vicky Strong and finance officer Zemichael Abrha, supported by Laura Preshous and other team members, have ensured the smooth running of the administration and finances of the farm.

After moving the accounting function in-house last year, Zemichael Abrha continued in his role as finance officer, with Jenny Pryce leading great support as Treasurer. We are delighted with the progress that has been made in our financial policies, reporting and budgeting, and our financial performance of the Mudchute which for a second year was in surplus. It is important we continue to build on this success to strengthen the Mudchute's financial reserves and ensure we have sufficient income to maximise the services we provide and pay our staff fairly.

Warren Bunce has continued to play a much appreciated role as IT volunteer.

Some progress was made in increasing membership, but numbers remained low and this is now a priority for the coming year.

4. Mudchute Park and Farm Limited

The trading company had a successful year making a strong financial contribution to the Mudchute charity. The Equestrian centre continues to do well with lessons always full and space for adults and children's lessons still in demand. We have some new editions and have said goodbye to some faithful friends which is always sad but part of the process when dealing with animals.

We are always eager to make improvements and moving into the coming year this becomes even more important as Olympic legacies are put in place. A new centre in the Shooters Hill area will affect our trade and it is more important than ever to ensure there is funding available to improve our stock so we do not lose any custom. Also improvements to the buildings and facilities are important as this new centre is sure to have modern facilities. Over the coming year we will consider the possibility of putting a lid on the arena as a way to go forward with riding for the disabled. With team GB so strong in the Paralympic equestrian event, there is great potential here.

The café continues to be managed by Frizzante, who operate also Hackney and Surrey Docks City Farm cafes, and are making a good financial contribution to the Farm.

5. Procedures and policies

The board consists of a maximum of 15 positions, with 6 elected by Island members, 2 by Tower Hamlets members, 1 appointed by Counsellors representing Millwall ward of LBTH, 1 co-opted for education, 2 co-opted for relevant skills, 1 appointed by the AIC and 2 allotment members. Each term as a board member lasts for 3 years with new or re-appointments usually taking place at the annual AGM.

Risk management policy and a reserves policy and a financial procedures policy have all now been put in place. A risk register is in place and is reviewed by both staff and trustees annually.

A fresh review of the management structure was made during the course of the year, in part as a consequence of funding pressures. Post the departure of the Chief Executive, a revised structure was implemented, with senior managers reporting directly to the board of Trustees.

Recruitment takes place using a formalised procedure of advertisement, short listing, interviewing and selection. An equal opportunities policy is in place.

THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

REPORT OF THE TRUSTEES
for the Year Ended 31 March 2012

6. Governance

The departure of some very experienced and greatly appreciated Trustees has been matched by some fresh input. The Sub-committee structure has been updated slightly as a way for trustees to work alongside both staff and expert volunteers to enhance the knowledge base of the organisation, together with the establishment of a Trustee Executive Committee as a delegated team to act as a day-to-day conduit with staff management.

PUBLIC BENEFIT

The trustees have considered the Charity Commission guidance on public benefit and consider that the activities of the charity meet its charitable objects and provide a benefit to the public.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of The Mudchute Association for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Hewitt Warin Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
J Abbott - Trustee

Date: 28 / 11 / 2012

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**

We have audited the financial statements of The Mudchute Association for the year ended 31 March 2012 on pages eight to sixteen. 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).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 Auditing Practices Board's 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 charitable company'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 financial statements 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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees.



Jeffrey Warin BSc ACA (Senior Statutory Auditor)
for and on behalf of Hewitt Warin Ltd
Chartered Accountants and Registered Auditors
Harlow Enterprise Hub
Edinburgh Way
Harlow
Essex
CM20 2NQ

Date: 4th December 2012

THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

for the Year Ended 31 March 2012

	Notes	Unrestricted Funds £	Restricted funds £	31.3.12 Total funds £	31.3.11 Total Funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	91,765	242,091	333,856	466,227
Investment income	3	66,722	-	66,722	44,879
Incoming resources from charitable activities					
Operation of park and farm	4	<u>796,055</u>	<u>-</u>	<u>796,055</u>	<u>798,405</u>
Total incoming resources		954,542	242,091	1,196,633	1,309,511
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising trading: cost of goods sold and other costs	5	293,752	-	293,752	240,017
Charitable activities	6				
Operation of park and farm		548,956	278,819	827,775	912,176
Governance costs	7	<u>25,815</u>	<u>-</u>	<u>25,815</u>	<u>50,554</u>
Total resources expended		868,523	278,819	1,147,342	1,202,747
NET INCOMING/(OUTGOING)					
RESOURCES before transfers		86,019	(36,728)	49,291	106,764
Gross transfers between funds	15	<u>(45,420)</u>	<u>45,420</u>	<u>-</u>	<u>-</u>
Net incoming/(outgoing) resources		40,599	8,692	49,291	106,764
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>138,415</u>	<u>518,611</u>	<u>657,026</u>	<u>550,262</u>
TOTAL FUNDS CARRIED FORWARD		<u>179,014</u>	<u>527,303</u>	<u>706,317</u>	<u>657,026</u>

The notes form part of these financial statements

THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**CONSOLIDATED BALANCE SHEET****At 31 March 2012**

	Note	Group		Company	
		2012 £	2011 £	2012 £	2011 £
FIXED ASSETS					
Tangible assets	11	552,809	548,351	541,464	533,224
Investments		-	-	2	2
		<u>552,809</u>	<u>548,351</u>	<u>541,466</u>	<u>533,226</u>
CURRENT ASSETS					
Stocks	12	3,668	2,811	-	-
Debtors	13	34,675	58,983	74,971	56,732
Cash at bank and in hand		207,906	121,929	148,687	114,018
		<u>246,249</u>	<u>183,723</u>	<u>223,658</u>	<u>170,750</u>
CREDITORS: Amounts falling due within one year	14	(92,741)	(75,048)	(70,330)	(48,873)
		<u>(92,741)</u>	<u>(75,048)</u>	<u>(70,330)</u>	<u>(48,873)</u>
NET CURRENT (LIABILITIES) / ASSETS		153,508	(108,675)	153,328	(121,877)
Net assets		<u>706,317</u>	<u>657,026</u>	<u>694,794</u>	<u>655,103</u>
RESERVES					
Unrestricted funds	15	179,014	138,415	167,491	136,492
Restricted funds		527,303	518,611	527,303	518,611
		<u>706,317</u>	<u>657,026</u>	<u>694,794</u>	<u>655,103</u>

The notes form part of these financial statements

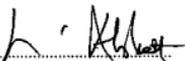
THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

CONSOLIDATED BALANCE SHEET - CONTINUED

At 31 March 2012

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on ...28/11/2012... and were signed on its behalf by:


.....
J H Abbott - Trustee

The notes form part of these financial statements

THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31 March 2012

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

Donations and gifts are accounted for when receivable either as income or for capital tangible assets as appropriate. All other income is credited to the Statement of Financial Activities (SOFA) on an accruals basis. Income received for specific purposes relating to the achievement of the Association's objectives, are treated as restricted income.

Resources expended

Direct charitable expenditure comprises direct expenses incurred for the defined charitable purposes of the charity and includes direct staff costs attributable to charitable activities. All management and overhead costs are shown as management and administration costs of the charity.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	-over the term of the lease
Fixtures and fittings	-25% on reducing balance
Motor vehicles	-25% on reducing balance
Computer equipment	-15% on reducing balance

Additions of new buildings constructed after 31 March 2000 will be depreciated over the lower of 20 years or the unexpired term of the lease on the net costs to the company after crediting all grants received for these building works.

Following the publication of FRS15 - Tangible Fixed Assets, the company has taken advantage of the transitional arrangements prior to the effective date of 23 March 2000 to retain the company's own revalued assets, certain leasehold land and buildings, at their book value of £538,766. The asset continues to be depreciated over the lease term, with annual transfers being made between the Revaluation Reserve and the Income Fund as set out in the accounting policies above.

Taxation

The Association is a registered charity and is not liable to Income Tax or Corporation Tax on income derived from its charitable activities. Any taxable profits arising in the subsidiary non-trading company are liable to Corporation tax. Income for non-charitable activities may be subject to taxation. The Association is not registered for VAT although its subsidiary company is so registered. Amounts in the financial statements are shown inclusive of VAT, where relevant.

Fund accounting

Unrestricted funds comprise those monies which may be used for the defined charitable purposes of the charity at the discretion of the Committee of Management.

Restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to conditions imposed by donors.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

for the Year Ended 31 March 2012

1. ACCOUNTING POLICIES – continued

Going Concern

The financial statements have been prepared on a going concern basis as the Committee of Management consider that the current and future sources of funding or support will be adequate for the Charity's needs.

2. VOLUNTARY INCOME

	31.3.12	31.3.11
	£	£
Voluntary Income	79,315	72,181
Grants	<u>257,541</u>	<u>394,046</u>
	<u>333,856</u>	<u>466,227</u>

Grants received, included in the above, are as follows:

	31.3.12	31.3.11
	£	£
London Borough of Tower Hamlets	135,686	314,082
Isle of Dogs Community Foundation	16,713	27,348
Jack Petchy	400	400
Robert Garvon Charitable Trust	5,000	-
Chevron Texaco Limited	5,000	-
Canary Wharf SPS	1,000	1,000
NHMF Lottery Fund	20,000	25,000
St Katherine & Shadwell Trust	-	3,400
London Youth Future Jobs Fund	-	22,816
HSBC Soft Play Grant	24,000	-
Veolia Environmental Trust	29,014	-
LFCYP	8,678	-
East End Homes	2,000	-
The Cutler Trust	750	-
The Worshipful Company of Innholders	750	-
The Worshipful Company of Plumbers	500	-
The Worshipful Company of Plaisterers	750	-
The Worshipful Company of Basket Makers	600	-
The Worshipful Company of Gold & Silver Wyre Drawers	500	-
The Worshipful Company of Chartered Secretaries & Administrators	500	-
The Worshipful Company of Tin Plate Workers	1,000	-
The Worshipful Company of Cutlers	500	-
The Worshipful Company of Insurers	500	-
The Worshipful Company of Builders Merchants	250	-
The Company of Watermen and Lightermen	250	-
James and Lucilla Joll Charitable Trust	2,000	-
Schroder Investments	<u>1,200</u>	-
	<u>257,541</u>	<u>349,046</u>

THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

for the Year Ended 31 March 2012

3. INVESTMENT INCOME

	31.3.12	31.3.11
	£	£
Rents received	27,040	10,920
Hire of Facilities	39,682	33,787
Deposit account interest	-	172
	<u>66,722</u>	<u>44,879</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	31.3.12	31.3.11
		£	£
Incoming resources from Charitable Activities	Operation of park and farm	<u>796,055</u>	<u>798,405</u>

5. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

	31.3.12	31.3.11
	£	£
Opening stock	2,811	467
Purchases and wages	294,609	242,361
Closing stock	<u>(3,668)</u>	<u>(2,811)</u>
	<u>293,752</u>	<u>240,017</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct costs	Totals
	£	£
Operation of park and farm	<u>827,775</u>	<u>827,775</u>

7. GOVERNANCE COSTS

	31.3.12	31.3.11
	£	£
Legal fees	-	69
Consultancy fees	11,537	35,272
Accountancy fees	8,902	10,893
Auditors' remuneration	<u>5,376</u>	<u>4,320</u>
	<u>25,815</u>	<u>50,554</u>

THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

for the Year Ended 31 March 2012

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	31.3.12	31.3.11
	£	£
Auditors' remuneration	5,376	4,320
Depreciation - owned assets	44,790	47,565
Accountancy fees	8,902	10,893
Hire of plant and machinery	<u>5,609</u>	<u>-</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2012 nor for the year ended 31 March 2011.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31 March 2012 nor for the year ended 31 March 2011.

10. STAFF COSTS

	31.3.12	31.3.11
	£	£
Wages and salaries	664,554	709,649
Social security costs	44,400	50,533
Other pension costs	<u>-</u>	<u>1,400</u>
	<u>708,954</u>	<u>761,582</u>

The average monthly number of employees during the year was as follows:

	31.3.12	31.3.11
Charitable activities	32	32
Office and management	2	2
Trading company	<u>6</u>	<u>6</u>
	<u>40</u>	<u>40</u>

No employee earned over £60,000 p.a.

THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2012

11. TANGIBLE FIXED ASSETS

	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2011	843,254	107,003	47,479	997,736
Additions	<u>45,420</u>	<u>3,828</u>	-	<u>49,248</u>
At 31 March 2012	<u>888,674</u>	<u>110,831</u>	<u>47,479</u>	<u>1,046,984</u>
DEPRECIATION				
At 1 April 2011	339,831	79,094	30,460	449,385
Charge for year	<u>32,931</u>	<u>7,605</u>	<u>4,254</u>	<u>44,790</u>
At 31 March 2012	<u>372,762</u>	<u>86,699</u>	<u>34,714</u>	<u>494,175</u>
NET BOOK VALUE				
At 31 March 2012	<u>515,912</u>	<u>24,132</u>	<u>12,765</u>	<u>552,809</u>
At 31 March 2011	<u>503,423</u>	<u>27,909</u>	<u>17,019</u>	<u>548,351</u>

The historical cost of the original leasehold land and buildings acquired on 14 June 1994 is £Nil and was valued by the Directors at £650,000 on acquisition. The company has adopted the transitional arrangements available on the introduction of FRS 15 - Tangible Fixed Assets, and will retain these leasehold land and buildings at cost being equivalent to their net book value at 31 March 2000 (£538,766). By taking advantage of the transitional arrangements, the Directors will not be required to carry out a periodic valuation of these land and buildings assets.

Additions of new buildings erected after 31 March 2000 will be shown at cost less related capital grants received.

12. STOCK

	2012 £	Group 2011 £	2012 £	Company 2011 £
Goods for resale and other stock	3,668	2,811	-	-
	<u>3,668</u>	<u>2,811</u>	<u>-</u>	<u>-</u>

13. DEBTORS

	2012 £	Group 2011 £	2012 £	Company 2011 £
Other debtors	34,675	58,983	31,017	46,832
Due from subsidiary undertaking	-	-	43,954	9,900
	<u>34,675</u>	<u>58,983</u>	<u>74,971</u>	<u>56,732</u>

THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

for the Year Ended 31 March 2012

14. CREDITORS

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	-	15,039	-	14,839
Trade creditors	7,511	17,110	7,511	17,039
Taxes and social security	12,297	10,978	11,003	9,532
Accruals	59,933	9,321	51,816	7,463
Provisions	13,000	22,600	-	-
	<u>92,741</u>	<u>75,048</u>	<u>70,330</u>	<u>48,873</u>

The provision included in creditors above of £13,000 relates to a potential liability of VAT. The Mudchute Association have received confirmation that the treatment of riding lessons as exempt is correct. The reduced provision relates to VAT reclaimed against partially exempt items in relation to this.

15. MOVEMENT IN FUNDS

	At 1.4.11	Net movement	Transfers	At 31.3.12
	£	in funds	between funds	£
		£	£	
Unrestricted funds				
General fund	138,415	86,019	(45,420)	179,014
Restricted funds				
Building	503,423	(32,931)	45,420	515,912
Minibus	<u>15,188</u>	<u>(3,797)</u>	-	<u>11,391</u>
	518,611	(36,728)	45,420	527,303
	<u>657,026</u>	<u>49,291</u>	-	<u>706,317</u>

Net movement in funds, included in the above are as follows:

	Incoming	Resources	Movement in
	resources	expended	funds
	£	£	£
Unrestricted funds			
General fund	954,542	(868,523)	86,019
Restricted funds			
Building	-	(32,931)	(32,931)
Isle of Dogs Community Fund	16,713	(16,713)	-
Minibus	-	(3,797)	(3,797)
LB Tower Hamlets Children's Work	135,686	(135,686)	-
Restricted grants	<u>89,692</u>	<u>(89,692)</u>	-
	242,091	(278,819)	(36,728)
TOTAL FUNDS	<u>1,196,633</u>	<u>(1,147,342)</u>	<u>49,291</u>