

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

REPORT OF THE TRUSTEES AND CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
FOR
MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

Hewitt Warin Ltd
Chartered Accountants and Statutory Auditors
Harlow Enterprise Hub
Edinburgh Way
Harlow
Essex
CM20 2NQ

MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

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for the Year Ended 31 March 2017

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MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

REPORT OF THE TRUSTEES **for the Year Ended 31 March 2017**

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 group for the year ended 31 March 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

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

ACHIEVEMENT AND PERFORMANCE

Review of the Year

It is my pleasure to present this report of the Trustees, representing another tremendous year in the life of the Mudchute. It also marks my last report as Chair as I hand over to Lorraine Cavanagh. I would like to express my deepest thanks to Lorraine, my fellow trustees, Margaret Tracey and the staff of the Mudchute for their inspirational work and companionship over the years I have had the privilege to be Chair, and I wish Lorraine the greatest success for the future.

The Mudchute Association is responsible for some 32 acres of beautiful countryside, in the heart of East London. In this wonderful setting we provide a wide range of activities and services for our many visitors from the local community and beyond.

We benefited from another year of stability across the staff team. This stability has allowed other members of the team to further develop in their skills and abilities, and I am pleased to thank the Mudchute's Director Margaret Tracey and Assistant Director Vicky Strong for another year of excellent leadership under which we can see people flourishing across the many projects at the Mudchute. The individual sections below describe in greater depth the developments during the year.

On this note I would like to thank the wonderful team of staff and volunteers, both corporate and individual, aided by my Trustee colleagues, who give so much of their time to make the Mudchute what it is today. We remain sincerely grateful for the generosity of those who support us, whether financially or in kind; without you our work would not be possible.

MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

REPORT OF THE TRUSTEES **for the Year Ended 31 March 2017**

Children's Services

Once again, Mudchute Children's Services have been a major success. The unique wraparound childcare provision that we offer means that our services are extremely popular and we are aware that as the population of the area continues to grow, the demand for childcare places will be at a premium. Should funding for the development of the building become available, we have a design ready to submit for planning approval. Expansion of our childcare services would contribute tremendously towards the financial sustainability of the Mudchute so once again seeking capital funding for this will be our main priority in the coming year.

This year, we were subjected to an Ofsted Inspection which resulted in the Children's Services receiving an overall "Good" for Effectiveness and Leadership and Outcomes for Children and an "Outstanding" in Personal development, Behaviour and Welfare.

During the summer, we ran four weeks of fun filled activities for children based in the After School Club. Part funded by East End Community Foundation and Canary Wharf plc, the 50 children who attended each day were able to enjoy a wide range of onsite environmental, sporting and free play activities as well as numerous off site trips to other venues.

Activities for teenagers were limited this year as funding from "Tower Hamlets Positive Actions For Young People" has been cut. This funding had been instrumental in supporting Mudchute to provide a range of exciting opportunities for youngsters from across Tower Hamlets. The cessation of these services has been a major loss for young people as recent years has seen a huge decrease in services for this age group; consequently provision at Mudchute was in great demand.

However, we were able to maintain the level of opportunities for volunteering and work experience placements for young people, with a total of 130 young people accessing this provision during the year.

Thanks to funding from the Worshipful Company of Horners Charitable Trust and East End Community Foundation, we have been able to develop our apprenticeship programme that has enabled us to employ 3 local young people in our Children's Services.

The Education Project

The Education project has recorded a total of 12,435 children from 32 schools attending this academic year. The development of improved transport links has increased the number of visits of schools from neighbouring Boroughs, subsequently; we are now a London Wide Resource.

Despite the success of the Education Project, there is a major concern amongst staff that planned cuts in education budgets will see schools struggling to maintain critical front line services, which will in turn reduce the amount of funding they have to spend on outreach projects such as Field Study trips to Mudchute.

We have always been able to subsidise such visits, recognising the value that they have in opening children's mind to environmental factors whilst providing pleasurable experiences, however due to cuts in our own funding from local authority is making it increasingly difficult to maintain the current level of support. Acquiring funding to support this innovative area of work for local children has got to be a priority in the forthcoming year.

The Park and Farm

This year we have recorded a total of 700 individual volunteers who have given their time and labour to help out with the animals and management of the parkland. In addition to these we have recorded a grand total of 1200 Corporate Volunteers whose input has helped us to improve the facilities for the thousands of visitors that Mudchute has attracted throughout the year. We recognise that the work carried out by the volunteers has been a significant factor in helping us to once again retain the Green Flag Award for yet another year.

With a limited budget to maintain the open space we have worked closely again with organisation such as Froglife and TCV to name but two. These well-established partnerships have allowed us to establish new paths and habitats continued conservation work has encouraged the annual growth of the Mudchute's Indigenous plants and vegetation, further moving to restoring it to its former beauty. We are mindful that conservation is a priority that must be addressed sooner rather than later and we intend to concentrate on securing funding that will enable us to employ an expert in this field.

We have expanded our range of animals this year with the addition of several new breeds of pigs, sheep, goats and poultry; this has been helped by the Friends of Mudchute who have donated to help towards the project. We have attended various agricultural shows around the UK with both sheep and poultry both species winning various prestigious prizes.

MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

REPORT OF THE TRUSTEES **for the Year Ended 31 March 2017**

ACHIEVEMENT AND PERFORMANCE

Review of the Year

We have applied to become a rare breeds approved conservation centre; if this is successful we will become the only rare breeds approved conservation centre in London.

Some of you may have seen that some of our sheep had a week grazing in Green Park as part of a conservation project in which we teamed up with the Rare Breeds Survival Trust, The Royal Parks and Mission Invertebrate, partnerships that we hope to be continuing next year.

The summer of 2016 saw the Mudchute's sixth summer fundraising event, another great success. After the end of the year being reported the summer of 2017 saw the reinstatement of our very own Agricultural show which was a huge success, with an estimated attendance of 5000-7000. All the staff and volunteers went above and beyond to put this event on so massive thanks to you all as well as our sponsors for the event.

The Stables

The stables - home of the Mudchute Equestrian Centre - is the principal activity of Mudchute Park and Farm Limited, which is a wholly owned subsidiary of the Mudchute Association.

A particular highlight of the year was the successful bid for an award from the London Marathon Trust for the re-construction and re-surfacing of the riding arena. This is a vital development for the stables given the drainage issues that have over the years hampered its year round operation.

As in previous years, we have successfully worked with Tower Hamlets School, catering for 90 children over the six week holiday period, and working with PAYP groups throughout the year. We have encouraged many young adults to get involved with the horses on a daily basis, which has improved their confidence both on and off the stable yard. Currently we are working on an assortment of projects, including Equine Therapy and Riding for the Disabled to make the stables more accessible.

The Allotments

I am sorry to report that (for yet another year) despite our repeated efforts, LBTH have still not resolved the position regarding the allotments. Therefore 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 - and the year before that - which is frustrating but we do hope it will be resolved).

FINANCIAL REVIEW

Financial position

The trustees look forward with confidence to the year ahead, for a further year of solidly founded development of our activity. This includes both continuation of our services as well as pursuing discussions with LBTH to extend our lease for the long term and improve our public funding.

The total income for the year rose to £1,260,784 from £1,123,893 in 2016. This is due to an increase in Hire Fees and from the charitable activities of operating the park and farm.

The total expenditure also rose during the year from £1,246,900 to £1,286,223. This is due to the increased costs of running the park and farm.

Overall during the year there was a slight deficit in net income, but a modest surplus after adding back depreciation.

Reserves policy

The trustees deem it prudent to hold 3 months running costs in unrestricted funds not allocated against fixed assets. As of 31st March 2017 we are in broadly in line with that level, with net current assets of approximately £200,000 and, in the event of a major incident preventing revenue generating activity, our running costs (excluding avoidable external costs) for three months would be approximately that amount.

MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

REPORT OF THE TRUSTEES **for the Year Ended 31 March 2017**

FUTURE PLANS

The trustees look forward with confidence to the year ahead, for a further year of solidly founded development of our activity. This includes both continuation of our services as well as pursuing discussions with LBTH to extend our lease for the long term and improve our public funding

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.

Recruitment and appointment of new trustees

The year has seen stability among the trustee group, who have committed substantial time to the governance of the charity. After the year end, as mentioned, I stepped down as Chair, replaced by the current Deputy Chair, Lorraine Cavanagh, ensuring continuity as well as a highly capable new Chair.

The trustees of the Mudchute Association are selected in accordance with the various categories set out in our Articles of Association. The maximum number of trustees permitted is fifteen, and after year end an effort was made to recruit a mix of trustees to a number of vacant positions, reflecting particular skills and backgrounds that were sought. In addition to the experience and expertise of trustees, we continue to ensure meetings and trustee involvement takes place in a transparent and engaged manner, ensuring further training for those trustees concerned.

Administration, Finance and Staffing

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

The year's financial performance was satisfactory, as we managed to record an operating surplus for the year prior to depreciation - again against the challenging backdrop of expanding our scope of services and making a number of investments in our facilities.

Warren Bunce has continued to play a much appreciated role as IT volunteer, and Justine Aw has very kindly continued with the maintenance of our website and our excellent social media presence, giving us a significant saving each year.

Procedures and policies

The trustees have decided to review various policies, in particular risk management. The reserves policy targets a modest increase in unrestricted cash reserves, which is an objective to meet in the coming year or two, and a financial procedures policy is in place. The risk register is to be reviewed by both staff and trustees during the course of the year.

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

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

Company Secretary

K B Woeste

Senior Staff

M Tracey
V Strong

MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

REPORT OF THE TRUSTEES
for the Year Ended 31 March 2017

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

M Barraclough
J Abbott Chair until 01.07.17
Mrs L Cavanagh Chair from 01.07.17
Mrs K P McTasney
H Lewis - resigned 4.10.16
R J Swindells
M Phillips
J AW
A Haiyum
K B Woeste

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Barclays Bank plc CAF Bank
Docklands 25 Kings Hill Avenue
Leicestershire Kings Hill,
LE87 2BB West Mallings,
Kent,
ME19 4JQ

Auditors

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

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

Company law requires the trustees to prepare consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and its subsidiary and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and its subsidiary for that period. In preparing those consolidated 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 consolidated financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and its subsidiary 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 its subsidiary and to enable them to ensure that the consolidated financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and its subsidiary and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

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

Dec 19, 2017

Approved by order of the board of trustees on and signed on its behalf by:

Lorraine Cavanagh OBE
Lorraine Cavanagh OBE (Dec 19, 2017)

.....
Mrs L Cavanagh - Trustee

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

We have audited the consolidated financial statements of Mudchute Association (the 'parent') and its subsidiary (the 'group') for the year ended 31 March 2017 on pages eight to twenty two. 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 set out on page two, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the consolidated 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 consolidated 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 consolidated financial statements sufficient to give reasonable assurance that the consolidated 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 group'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 consolidated financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited consolidated financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on consolidated financial statements

In our opinion the consolidated financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2017 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 consolidated financial statements are prepared is consistent with the consolidated financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
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 consolidated 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.



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

Date: Dec 19, 2017
Date:

MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(including consolidated income and expenditure account)

for the Year Ended 31 March 2017

	Notes	Unrestricted funds £	Restricted funds £	31.3.17 Total funds £	31.3.16 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	74,183	101,651	175,834	196,765
Charitable activities					
Charitable activities	4	841,299	-	841,299	807,166
Trading company		164,827	-	164,827	168,744
Investment income	3	78,755	-	78,755	63,369
Other income		69	-	69	2,849
Total		<u>1,159,133</u>	<u>101,651</u>	<u>1,260,784</u>	<u>1,238,893</u>
 EXPENDITURE ON					
Raising funds	6	261,217	-	261,217	249,799
Charitable activities					
Charitable activities	7	891,621	98,897	990,518	962,366
Trading company		<u>34,488</u>	<u>-</u>	<u>34,488</u>	<u>34,735</u>
Total		<u>1,187,326</u>	<u>98,897</u>	<u>1,286,223</u>	<u>1,246,900</u>
NET INCOME/(EXPENDITURE)		(28,193)	2,754	(25,439)	(8,007)
 RECONCILIATION OF FUNDS					
Total funds brought forward		<u>264,364</u>	<u>438,143</u>	<u>702,507</u>	<u>710,514</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>236,171</u></u>	<u><u>440,897</u></u>	<u><u>677,068</u></u>	<u><u>702,507</u></u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

CONSOLIDATED BALANCE SHEET

At 31 March 2017

	Notes	Unrestricted funds £	Restricted funds £	31.3.17 Total funds £	31.3.16 Total funds £
FIXED ASSETS					
Tangible assets	13	36,725	416,247	452,972	460,054
CURRENT ASSETS					
Stocks	15	3,285	-	3,285	5,429
Debtors	16	33,676	-	33,676	47,287
Cash at bank		<u>265,459</u>	<u>24,650</u>	<u>290,109</u>	<u>280,324</u>
		302,420	24,650	327,070	333,040
CREDITORS					
Amounts falling due within one year	17	(102,974)	-	(102,974)	(90,587)
NET CURRENT ASSETS		<u>199,446</u>	<u>24,650</u>	<u>224,096</u>	<u>242,453</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>236,171</u>	<u>440,897</u>	<u>677,068</u>	<u>702,507</u>
NET ASSETS		<u>236,171</u>	<u>440,897</u>	<u>677,068</u>	<u>702,507</u>
FUNDS	18				
Unrestricted funds				236,171	264,364
Restricted funds				<u>440,897</u>	<u>438,143</u>
TOTAL FUNDS				<u>677,068</u>	<u>702,507</u>

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.

Dec 19, 2017

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:

Lorraine Cavanagh OBE
Lorraine Cavanagh OBE (Dec 19, 2017)

.....
Mrs L Cavanagh -Trustee

Klaus Woeste
Klaus Woeste (Dec 19, 2017)

.....
K B Woeste -Trustee

The notes form part of these financial statements

MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

BALANCE SHEET – MUDCHUTE ASSOCIATION ONLY

At 31 March 2017

	Notes	Unrestricted funds £	Restricted funds £	31.3.17 Total funds £	31.3.16 Total funds £
FIXED ASSETS					
Tangible assets	13	29,377	416,247	445,624	450,257
Investment in subsidiary	14	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>
		29,379	416,247	445,626	450,259
CURRENT ASSETS					
Stocks	15	561	-	561	800
Debtors	16	103,628	-	103,628	102,520
Cash at bank		<u>257,132</u>	<u>24,650</u>	<u>281,782</u>	<u>264,407</u>
		361,321	24,650	385,971	367,727
CREDITORS					
Amounts falling due within one year	17	(86,978)	-	(86,978)	(80,926)
		<u>274,343</u>	<u>24,650</u>	<u>298,993</u>	<u>286,801</u>
NET CURRENT ASSETS					
		<u>303,722</u>	<u>440,897</u>	<u>744,619</u>	<u>737,060</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>303,722</u>	<u>440,897</u>	<u>744,619</u>	<u>737,060</u>
NET ASSETS					
		<u>303,722</u>	<u>440,897</u>	<u>744,619</u>	<u>737,060</u>
FUNDS					
Unrestricted funds	18			303,722	298,917
Restricted funds				<u>440,897</u>	<u>438,143</u>
TOTAL FUNDS					
				<u>744,619</u>	<u>737,060</u>

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.

Dec 19, 2017

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:

Lorraine Cavanagh OBE

Lorraine Cavanagh OBE (Dec 19, 2017)

.....
Mrs L Cavanagh -Trustee

Klaus Woeste

Klaus Woeste (Dec 19, 2017)

.....
K B Woeste -Trustee

The notes form part of these financial statements

MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 March 2017

	Notes	31.3.17 £	31.3.16 £
Cash flows from operating activities:			
Cash generated from operations	1	40,805	30,626
Interest paid		<u>(3,860)</u>	<u>(3,621)</u>
Net cash provided by (used in) operating activities		<u>36,945</u>	<u>27,005</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(27,160)</u>	<u>(28,350)</u>
Net cash provided by (used in) investing activities		<u>(27,160)</u>	<u>(28,350)</u>
Change in cash and cash equivalents in the reporting period		9,785	(1,345)
Cash and cash equivalents at the beginning of the reporting period		<u>280,324</u>	<u>281,669</u>
Cash and cash equivalents at the end of the reporting period		<u>290,109</u>	<u>280,324</u>

The notes form part of these financial statements

MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 March 2017

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.17	31.3.16
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(25,439)	(8,007)
Adjustments for:		
Depreciation charges	34,243	36,152
Interest paid	3,860	3,621
Decrease in stocks	2,144	1,471
Decrease/(increase) in debtors	13,610	(15,576)
Increase in creditors	<u>12,387</u>	<u>12,965</u>
Net cash provided by (used in) operating activities	<u>40,805</u>	<u>30,626</u>

MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS **for the Year Ended 31 March 2017**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements and assessment of going concern

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

Group financial statements and basis of consolidation

The financial statements consolidate the results of the charity and its wholly owned subsidiary Mudchute Park & Farm Ltd (company no. 02713933) on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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	- at varying rates on cost
Plant and machinery	- 25% on reducing balance
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.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED **for the Year Ended 31 March 2017**

1. ACCOUNTING POLICIES - continued

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.

Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand includes cash, current bank accounts and deposit bank accounts with no withdrawal limitations.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

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.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially settled at transaction value and subsequently measured at their settlement value.

MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2017

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	31.3.17 Total funds £	31.3.16 Total funds £
Voluntary Income	63,783	2,801	66,584	72,647
Grants	<u>10,400</u>	<u>98,850</u>	<u>109,250</u>	<u>124,118</u>
	<u>74,183</u>	<u>101,651</u>	<u>175,834</u>	<u>196,765</u>

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

	31.3.17 £	31.3.16 £
London Borough of Tower Hamlets	15,000	64,978
The Goldsmiths' Company	-	3,000
Jack Petchey Foundation	750	700
Canary Wharf Ltd	3,250	6,000
The Cutler Trust	-	500
The Worshipful Company of Tin Plate Workers	2,000	-
East End Community Foundation	28,950	4,340
The Horners Charitable Fund	1,000	-
The Worshipful Company of Fletchers	2,000	-
The Worshipful Company of Coopers	-	500
The Worshipful Company of Tylers and Bricklayers	-	500
The Worshipful Company of Fan Makers	-	1,000
Valero Energy Ltd	5,600	5,000
Bewlay Charitable Trust	500	500
The Asda Foundation	500	-
The Worshipful Company of Arbitrators	1,000	1,000
Tower Hill Trust	-	36,000
The Robinson Charitable Trust	100	100
Island House	300	-
Roundstone Development Management Ltd	17,000	-
The Worshipful Company of Horners	30,500	-
City Livery Club	<u>800</u>	<u>-</u>
	<u>109,250</u>	<u>124,118</u>

3. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.3.17 Total funds £	31.3.16 Total funds £
Rents received	27,040	-	27,040	25,295
Hire of Facilities	<u>51,715</u>	<u>-</u>	<u>51,715</u>	<u>38,074</u>
	<u>78,755</u>	<u>-</u>	<u>78,755</u>	<u>63,369</u>

MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2017

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.17 £	31.3.16 £
Charitable activities	Charitable activities	841,299	807,166
Charitable activities	Trading company	<u>164,827</u>	<u>168,744</u>
		<u>1,006,126</u>	<u>975,910</u>

5. INCOME EARNED FROM OTHER ACTIVITIES

The wholly owned trading subsidiary Mudchute Park and Farm Limited is incorporated in the United Kingdom (company number 2713933). Mudchute Park and Farm Limited operates the livery, riding lessons and all other commercial trading operations carried on at the Mudchute Park and Farms. A summary of the trading results is shown below. The summary financial performance of the subsidiary alone is:

	31.3.17 £	31.3.16 £
Turnover	164,827	171,744
Cost of sales and administration costs	(197,894)	(186,005)
Other operating income	<u>69</u>	<u>2,849</u>
Net (loss)	<u>(32,998)</u>	<u>(11,412)</u>

The assets and liabilities of the subsidiary are:

Tangible assets	7,347	9,796
Current assets	11,661	22,990
Current liabilities	<u>(86,557)</u>	<u>(67,337)</u>
Total net (liabilities)	<u>(67,549)</u>	<u>(34,551)</u>
Aggregate share capital and reserves	<u>(67,549)</u>	<u>(34,551)</u>

6. RAISING FUNDS

Other trading activities

	Unrestricted funds £	Restricted funds £	31.3.17 Total funds £	31.3.16 Total funds £
Opening stock	4,629	-	4,629	6,486
Purchases	141,439	-	141,439	143,718
Staff costs	117,873	-	117,873	104,224
Closing stock	<u>(2,724)</u>	<u>-</u>	<u>(2,724)</u>	<u>(4,629)</u>
	<u>261,217</u>	<u>-</u>	<u>261,217</u>	<u>249,799</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs (See note 7) £	Totals £
Charitable activities	980,498	10,020	990,518
Trading company	<u>30,508</u>	<u>3,980</u>	<u>34,488</u>
	<u>1,011,006</u>	<u>14,000</u>	<u>1,025,006</u>

MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2017

8. SUPPORT COSTS

	Governance costs £
Charitable activities	10,020
Trading company	<u>3,980</u>
	<u>14,000</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.17 £	31.3.16 £
Auditors' remuneration	6,060	6,060
Depreciation - owned assets	34,242	36,152
Hire of plant and machinery	<u>8,662</u>	<u>7,008</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2017 nor for the year ended 31 March 2016.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2017 nor for the year ended 31 March 2016.

Key management personnel

The charity considers its key management personnel to comprise the trustees, the director general and the nursery manager. Total key management remuneration for the year was £84,829. (2016: £83,370)

11. STAFF COSTS

	31.3.17 £	31.3.16 £
Wages and salaries	855,718	818,379
Social security costs	55,028	50,621
Other pension costs	<u>3,997</u>	<u>3,514</u>
	<u>914,743</u>	<u>872,514</u>

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

	31.3.17	31.3.16
Charitable activities	35	34
Office and management	5	4
Trading company	<u>6</u>	<u>5</u>
	<u>46</u>	<u>43</u>

No employees received emoluments in excess of £60,000.

MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2017

12. COMPARATIVES FOR THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	92,788	103,977	196,765
Charitable activities			
Charitable activities	807,166	-	807,166
Trading company	168,744	-	168,744
Investment income	63,369	-	63,369
Other income	2,849	-	2,849
Total	1,134,916	103,977	1,238,893
EXPENDITURE ON			
Raising funds	249,799	-	249,799
Charitable activities			
Charitable activities	863,707	98,659	962,366
Trading company	34,735	-	34,735
Total	1,148,241	98,659	1,246,900
NET INCOME/(EXPENDITURE)	(13,325)	5,318	(8,007)
RECONCILIATION OF FUNDS			
Total funds brought forward	277,689	432,825	710,514
TOTAL FUNDS CARRIED FORWARD	<u>264,364</u>	<u>438,143</u>	<u>702,507</u>

MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2017

13. TANGIBLE FIXED ASSETS (group)

	Short leasehold £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2016	921,224	29,327	104,631
Additions	<u>26,160</u>	<u>-</u>	<u>-</u>
At 31 March 2017	<u>947,384</u>	<u>29,327</u>	<u>104,631</u>
DEPRECIATION			
At 1 April 2016	488,289	22,788	91,418
Charge for year	<u>27,545</u>	<u>1,635</u>	<u>3,303</u>
At 31 March 2017	<u>515,834</u>	<u>24,423</u>	<u>94,721</u>
NET BOOK VALUE			
At 31 March 2017	<u>431,550</u>	<u>4,904</u>	<u>9,910</u>
At 31 March 2016	<u>432,935</u>	<u>6,539</u>	<u>13,213</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2016	47,479	8,410	1,111,071
Additions	<u>1,000</u>	<u>-</u>	<u>27,160</u>
At 31 March 2017	<u>48,479</u>	<u>8,410</u>	<u>1,138,231</u>
DEPRECIATION			
At 1 April 2016	43,440	5,082	651,017
Charge for year	<u>1,260</u>	<u>499</u>	<u>34,242</u>
At 31 March 2017	<u>44,700</u>	<u>5,581</u>	<u>685,259</u>
NET BOOK VALUE			
At 31 March 2017	<u>3,779</u>	<u>2,829</u>	<u>452,972</u>
At 31 March 2016	<u>4,039</u>	<u>3,328</u>	<u>460,054</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.

MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2017****13. TANGIBLE FIXED ASSETS (parent)**

	Short leasehold	Fixtures and fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£	£
COST					
At 1 April 2016	921,224	93,069	47,479	7,707	1,069,479
Additions	<u>26,160</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>27,160</u>
At 31 March 2017	<u>947,384</u>	<u>93,069</u>	<u>48,479</u>	<u>7,707</u>	<u>1,096,639</u>
DEPRECIATION					
At 1 April 2016	488,289	83,114	43,440	4,379	619,222
Charge for year	<u>27,545</u>	<u>2,489</u>	<u>1,260</u>	<u>499</u>	<u>31,793</u>
At 31 March 2017	<u>515,834</u>	<u>85,603</u>	<u>44,700</u>	<u>4,878</u>	<u>651,015</u>
NET BOOK VALUE					
At 31 March 2017	<u>431,550</u>	<u>7,466</u>	<u>3,779</u>	<u>2,829</u>	<u>445,624</u>
At 31 March 2016	<u>432,935</u>	<u>9,955</u>	<u>4,039</u>	<u>3,328</u>	<u>450,257</u>

14. FIXED ASSET INVESTMENTS

The investment comprises 100% of the share capital of Mudchute Park and Farm Limited (Company number 2713933) a wholly owned subsidiary.

15. STOCKS

	Group 31.03.17	Group 31.03.16	Charity 31.03.17	Charity 31.03.16
	£	£	£	£
Stocks	<u>3,285</u>	<u>5,429</u>	<u>561</u>	<u>800</u>
	<u>3,285</u>	<u>5,429</u>	<u>561</u>	<u>800</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 31.03.17	Group 31.03.16	Charity 31.03.17	Charity 31.03.16
	£	£	£	£
Trade debtors	18,035	22,942	17,805	22,045
Other debtors	13,646	22,667	13,646	21,517
Prepayment and accrued income	1,995	1,678	1,616	1,279
Due from subsidiary	<u>-</u>	<u>-</u>	<u>70,561</u>	<u>57,679</u>
	<u>33,676</u>	<u>47,287</u>	<u>103,628</u>	<u>102,520</u>

MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2017

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 31.03.17 £	Group 31.03.16 £	Charity 31.03.17 £	Charity 31.03.16 £
Trade creditors	15,872	34,209	14,818	31,029
Social security and other taxes	15,700	11,937	13,461	9,941
Other creditors	60,788	35,744	50,615	33,279
Accrued expenses	<u>10,614</u>	<u>8,697</u>	<u>8,084</u>	<u>6,677</u>
	<u>102,974</u>	<u>90,587</u>	<u>86,978</u>	<u>80,926</u>

18. MOVEMENT IN FUNDS

	At 1.4.16 £	Net movement in funds £	At 31.3.17 £
Unrestricted funds			
General funds	263,404	(28,193)	235,211
Fairy Garden Project	<u>960</u>	<u>-</u>	<u>960</u>
	264,364	(28,193)	236,171
Restricted funds			
Building	400,385	(25,694)	374,691
Minibus fund	3,459	(865)	2,594
Nature Trail	34,299	(1,599)	32,700
Treehouse Project	-	13,912	13,912
Arena Refurbishment project	<u>-</u>	<u>17,000</u>	<u>17,000</u>
	438,143	2,754	440,897
TOTAL FUNDS	<u>702,507</u>	<u>(25,439)</u>	<u>677,068</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General funds	1,159,133	(1,187,326)	(28,193)
Restricted funds			
Building	1	(25,695)	(25,694)
Sundry restricted grants	22,350	(22,350)	-
Nature Trail	-	(1,599)	(1,599)
Apprenticeship scheme	47,500	(47,500)	-
Treehouse Project	14,800	(888)	13,912
Arena Refurbishment project	17,000	-	17,000
Minibus fund	<u>-</u>	<u>(865)</u>	<u>(865)</u>
	101,651	(98,897)	2,754
TOTAL FUNDS	<u>1,260,784</u>	<u>(1,286,223)</u>	<u>(25,439)</u>

MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2017

18. MOVEMENT IN FUNDS - continued

Building fund represents the net book value of the restricted portion of buildings on the site.

Minibus fund represents the net book value of a minibus purchased with restricted monies.

Nature Trail represents monies given to improve pathways and accessibility to the farm site.

Treehouse project monies given to enabled the building of a tree house which is part of the children's services provision.

Arena refurbishment project monies given to rebuild the riding arena.

19. RELATED PARTY DISCLOSURES

During the year, total salary payments of £19,745 (2016: £21,799) were made to three adult children of the general manager, who were employed by the charity. These transactions were in the normal course of the charity's operations.