

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

**REPORT OF THE TRUSTEES AND**  
**FINANCIAL STATEMENTS**  
**For The Year Ended 31 March 2016**  
**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 2016**

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## **THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**

### **REPORT OF THE TRUSTEES** **for the Year Ended 31 March 2016**

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 2016. 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).

#### **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	
J Abbott	Chair
Mrs L Cavanagh	
Mrs K P McTasney	
J Pryce	- resigned 29.10.15
H Lewis	- resigned 04.10.16
R J Swindells	
M Phillips	
J AW	
A Haiyum	
K B Woeste	- appointed 12.11.15

##### **Company Secretary**

K B Woeste

##### **Senior Staff**

M Tracey  
V Strong

##### **Bankers**

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

##### **Auditors**

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

#### **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.

## **THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**

### **REPORT OF THE TRUSTEES** **for the Year Ended 31 March 2016**

#### **REVIEW OF THE YEAR**

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.

Later on each report gives more information on the year across our activities. A few figures do though illustrate the depth and breadth of activity:

- Over 40 full time staff, providing much needed career paths and training locally
- More than 125 children in our highly regarded nursery and playgroup
- Some 1,200 volunteers engaged in helping deliver our goals
- 6,370 attendances to our after school club
- 12,435 attendances to education programmes

This year – like every year – is busy throughout with the rich variety of activities that take place at the Mudchute. As always our year begins with spring and the arrival of new lambs. As well as our very own we have provided homes to orphan lambs in recent years, with this year's arrivals Bo and Belle featuring on the BBC.

Last year saw the restoration of our ponds, which continue to flourish and offer home to a rich variety of wildlife. This year it was the turn of our aviaries to be refurbished, and our aviary birds have been able to enjoy more spacious accommodation with all mod cons from perches, ropes, feeders and even a new bathing table.

As summer began we saw the first benefits of the continued work to rework the muck heap, an essential part of running a farm but one which had been in need of a little attention. Some of the well-rotted manure was used to create a new bank, and left unplanted local flora have rapidly colonised the area, with flowering plants from common mallow to poppies, fat hen, nippewort and other wonderfully named species.

Soon our sheep were sheared of their winter coats to keep cool over the summer months. Mudchute fleeces and wool continue to be available to keen knitters, with a monthly wool crating group meeting year round.

Mid-summer was marked by our annual summer party where we were able to welcome over two hundred friends of the Mudchute to a wonderful evening of farm entertainment in the unique setting we are fortunate to have.

Visitors may also have noticed the continued improvements to the educational growing area, which has had the addition of a modestly sized polytunnel to add to the range of outdoor raised beds. The children's growing project had another successful year with excellent participation from local schools.

Autumn came with a programme of planting for nectar-rich foraging for the Mudchute beehives which arrived last year. We continue to build an excellent partnership with the London Beekeepers Association who ensure our hives are in good health. The first year's honey harvest was successful and was selected for a honey gourmand menu at Plateau Restaurant nearby in Canary Wharf. Autumn also saw the arrival of new animal residents to the farm, something that happens across the year, with the year seeing a range from tamworth pigs to a range of turkeys and finches.

Winter at the Mudchute remains busy with maintenance and other jobs which are harder during the crammed summer months, but this winter was marked with the building work for our new nature trail, which provides a series of connected paths and information boards to help visitors to see and enjoy our hidden gems, together with a wheelchair-accessible all-weather path around our lower field.

Throughout the year we are busy running our highly regarded children's nursery, Muddy Boots, our education programmes, the riding centre, café and farm shop.

It is a remarkable achievement to be in this position in spite of the very low levels of public funding which the Mudchute received during the year, and which were in fact further reduced. It is even more remarkable that we have managed to do so while maintaining a balanced budget for the year.

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.

## **THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**

### **REPORT OF THE TRUSTEES** **for the Year Ended 31 March 2016**

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.

#### **Children and Young People's Services**

The wonderful environment of Mudchute coupled with the abundance of natural facilities has once again enabled us to deliver a wide range of services for children and young people. Situated in an area where there has intense growth in housing and rapid diminishing green space, the wide open space at Mudchute is a much sought after commodity by schools during Term Time and children and families at weekends and school holidays. Consequently numbers of service users in all departments of Children's and Young People's Services have continued to increase.

#### **Children's Services**

The Children's Nursery has had another outstanding year, running to full capacity, and reflected in the size of the waiting list which we would very much like more capacity to be able to meet. Open for 51 weeks of the year, a total of 16,500 attendees have used these services during this financial year, with 100 children registered with the nursery and an additional 25 registered for the playgroup. Currently we have over 200 requests for nursery places and some 40 requests for places in the playgroup. Unfortunately, we can only accommodate the amount of children that we are registered with Ofsted to take on role and as demand for places is so great, we constantly have to disappoint parents requesting a place for their child.

Capital funding to restructure the nursery building would enable us to accommodate extra children, but public funding cuts have curtailed our plans in this area. However we will continue to search for avenues that would make it possible, allowing us to meet demand for our unique service and also to generate funds to help to sustain the park and farm environment for which we currently receive only very limited public funding, and yet which is a key part of what we offer to children and young people.

The After School Club is yet another much sought after service. Over 350 children are registered for this service which has accommodated a total of 6,370 attendees during the current financial year. We have noticed an ever increasing demand for places for children younger than 5 years, possibly due to the fact that children are now being offered full time places in school at a much younger age. The unique "wrap around service" that Mudchute offers means that we can accommodate this age group by providing care for them in the Nursery when they have been collected from school. This is so beneficial for parents and the child as it makes the transition from Nursery to school so much easier.

We have been able to run a full programme of activities for young people and children during school holidays. Daily attendances for drop in sessions averaged 45 with approximately 100 children taking part in the daily family events that were organised by the Education Officer and her staff team.

During the summer, we ran 4 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.

Funding to provide leisure pursuits for older youths during school holidays was once again available from Tower Hamlets Council's initiative of "Positive Activities for Young People". This programme was widely publicised by the Careers Services and individual support workers for young people who would most benefit by the type of leisure activities that were provided and the take up for places was extremely high. A total of 275 young people registered to participate in the holiday programmes of which 35 were registered disabled. Approximately 60% of participants were identified as having one or more forms of disadvantage to contend with and the projects were designed to assist in addressing these.

There were many outstanding successful outcomes from the schemes that registered an average of 35 attendees each day. Unfortunately, we are concerned that this source of funding will be discontinued in the coming year, leaving us with yet another funding priority that should be addressed as this is a service that meets many prevailing needs of local young people.

Another extremely beneficial aspect of Children's Services is the provision of the high numbers of opportunities for volunteering and work experience placements that were made available for young people throughout the year. A total of 130 young people accessed this provision during the year.

## **THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**

### **REPORT OF THE TRUSTEES** **for the Year Ended 31 March 2016**

#### **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**

Overshadowed by new housing developments on all parameters, the Mudchute Park and Farm is truly an oasis of natural beauty in what could now be classed as a concrete jungle. In an area where green open space is rapidly declining, Mudchute with its 32 acres of natural parkland is an extremely valuable asset that serves not just local families but a London wide community since the improvement of transport links has made it so accessible.

This year we have recorded a total of 680 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 1,200 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 another year.

Thanks to an extremely generous grant from the Tower Hill Trust, we have been able to make remarkable improvements to the Nature Trail which had been rather neglected in recent years. With a limited budget to spend on the Open Space, much needed maintenance on pathways and horticultural tasks had not been possible and the area had become inaccessible for many visitors. The grant has enabled us to establish new paths, carry out valuable conservation work to encourage the growth of its natural plants and vegetation, 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 continue to develop partnerships with other Community Organisations and have recently established a connection with the Primary Healthcare Trust, providing facilities to run a Horticulture Project with the Mental Health Team who have recognised the benefits of such therapy for their patients. It is envisaged that this partnership will continue to expand, possibly incorporating the other City Farms and Gardens in Tower Hamlets.

We have not expanded our range of animals this year but a partnership with the Donkey Sanctuary had led to the introduction of Dissy and Snowflake, two rescue donkeys who have become a major attraction.

## **THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**

### **REPORT OF THE TRUSTEES** **for the Year Ended 31 March 2016**

#### **Events**

It has been another great year for our Corporate Volunteer programme. Volunteers from companies small and global have completed volunteer days working with the staff on a variety of projects; the year saw close to forty different groups attend, with over 1,000 individuals taking part in volunteering days at the farm.

Maintaining the 32 acres is a constant challenge and the corporate volunteers played a huge part in ensuring the Park, Farm and Children's services were kept in tip-top condition. We were pleased to welcome back a number of old friends and new undertaking a variety of tasks that are essential for the upkeep of the area.

Valero returned once again for their annual volunteering day, with 100 volunteers attending and undertaking some specialist projects throughout the Park and Farm, this has now become a regular event on the Mudchute calendar and we hope this will continue for some time to come.

We continue to build and strengthen our partnership with the business community in Canary Wharf and beyond, who in turn recognise the value Mudchute Park and Farm plays in the local community. The corporate event days were fantastic evidence of the whole community working together.

The summer of 2015 saw the Mudchute's fifth summer fundraising event. The summer party has now become a core part of the Mudchute's year, attracting new friends to the farm as well as making a significant contribution to fundraising. 2015 saw the arrival of sheep racing, and took place in the full glory of our East London countryside, attracting record numbers.

#### **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.

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).

## **THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**

### **REPORT OF THE TRUSTEES** **for the Year Ended 31 March 2016**

#### **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. Our reserves policy is to maintain an amount in cash and/or liquid investments equal to approximately three months' of operating expense. That figure is approximately in line with current reserves. 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.

#### **Governance**

The year has seen stability among the trustee group, who have committed substantial time to the governance of the charity.

#### **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

#### **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 Accounting Standards (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.



**THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**

**REPORT OF THE TRUSTEES**  
**for the Year Ended 31 March 2016**

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.

Approved by order of the board of trustees on **Dec 8, 2016** ..... and signed on its behalf by:

**ON BEHALF OF THE BOARD:**

*justin abbott*  
justin abbott (Nov 29, 2016)

.....  
J Abbott - Chairman

Date: **Dec 8, 2016**  
.....

## **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 2016 on pages ten 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 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 Report of the Trustees to identify material inconsistencies with the audited 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 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 2016 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 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*

Jeffrey Warin (Dec 8, 2016)

Jeffrey Warin BSc FCA (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: **Dec 8, 2016** .....

**THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**for the Year Ended 31 March 2016**

	Notes	Unrestricted Funds £	Restricted funds £	31.3.16 Total Funds £	31.3.15 Total Funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	92,788	103,977	196,765	232,444
<b>Charitable Activities</b>					
Operation of park and farm	4	984,752	-	984,752	976,963
Investment income	3	<u>63,369</u>	<u>-</u>	<u>63,369</u>	<u>75,072</u>
<b>Total</b>		1,140,909	103,977	1,244,886	1,284,479
<b>EXPENDITURE ON</b>					
Raising funds	5	249,800	-	249,800	298,112
<b>Charitable activities</b>					
Operation of park and farm	6	<u>904,433</u>	<u>98,659</u>	<u>1,003,092</u>	<u>1,014,126</u>
<b>Total</b>		1,154,233	98,659	1,252,892	1,312,238
<b>NET INCOME(EXPENDITURE) before transfers</b>					
		(13,324)	5,318	(8,006)	(27,759)
<b>Transfers between funds</b>	15	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET INCOME/(EXPENDITURE)</b>		(13,324)	5,318	(8,006)	(27,759)
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<u>277,688</u>	<u>432,825</u>	<u>710,513</u>	<u>738,272</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>264,364</u></u>	<u><u>438,143</u></u>	<u><u>702,507</u></u>	<u><u>710,513</u></u>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

**THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**

**CONSOLIDATED BALANCE SHEET**

**At 31 March 2016**

	Notes	2016 £	Group 2015 £	2016 £	Company 2015 £
<b>FIXED ASSETS</b>					
Tangible assets	12	460,053	467,856	450,257	454,794
Investments		-	-	2	2
		<u>460,053</u>	<u>467,856</u>	<u>450,259</u>	<u>454,796</u>
<b>CURRENT ASSETS</b>					
Stocks	13	5,429	6,900	800	414
Debtors	14	47,286	31,707	102,520	67,903
Cash at bank and in hand		280,323	286,715	264,407	284,558
		<u>333,038</u>	<u>325,322</u>	<u>367,727</u>	<u>352,875</u>
<b>CREDITORS:</b> Amounts falling due within one year	15	(90,584)	(82,655)	(80,926)	(74,016)
		<u>242,454</u>	<u>242,657</u>	<u>286,801</u>	<u>278,859</u>
<b>NET CURRENT (LIABILITIES) / ASSETS</b>					
Net assets		<u>702,507</u>	<u>710,513</u>	<u>737,060</u>	<u>733,655</u>
<b>RESERVES</b>					
Unrestricted funds	16	264,364	277,688	298,917	300,830
Restricted funds		438,143	432,825	438,143	432,825
		<u>702,507</u>	<u>710,513</u>	<u>737,060</u>	<u>733,655</u>

**Dec 8, 2016**

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

Justin Abbott  
Justin Abbott (Nov 29, 2016)  
.....  
J H Abbott - Trustee

Klaus Woeste  
Klaus Woeste (Dec 8, 2016)  
.....  
K Woeste -Secretary

The notes form part of these financial statements



**THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**

**NOTES TO THE CASH FLOW STATEMENT**  
**for the Year Ended 31 March 2016**

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

	31.3.16	31.3.15
	£	£
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	(8,006)	(27,759)
<b>Adjustments for:</b>		
Depreciation charges	36,153	38,854
Interest paid	792	737
(Increase)/decrease in stocks	1,471	(1,015)
(Increase)/decrease in debtors	(15,579)	19,428
Increase/(decrease) in creditors	<u>12,965</u>	<u>24,903</u>
<b>Net cash provided by (used in) operating activities</b>	<u>27,796</u>	<u>55,148</u>

**2. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	31.3.16	31.3.15
	£	£
Cash in hand	-	200
Notice deposits (less than 3 months)	280,323	286,515
Overdrafts included in bank loans and overdrafts falling due within one year	<u>-</u>	<u>(5,046)</u>
<b>Total cash and cash equivalents</b>	<u>280,323</u>	<u>281,669</u>

The notes form part of these financial statements

## **THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**

### **NOTES TO THE FINANCIAL STATEMENTS** **for the Year Ended 31 March 2016**

#### **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 with the exception of investments which are included at market value.

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

##### **Group financial statements**

The financial statements consolidate the results of the charity and its wholly owned subsidiary Mudchuet 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
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.



## **THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**

### **NOTES TO THE FINANCIAL STATEMENTS - CONTINUED** **for the Year Ended 31 March 2016**

#### **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 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.

##### **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.

**THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 March 2015**

**2. DONATIONS AND LEGACIES**

	31.3.16	31.3.15
	£	£
Voluntary Income	72,647	81,731
Grants	<u>124,118</u>	<u>150,713</u>
	<u>196,765</u>	<u>232,444</u>

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

	31.3.16	31.3.15
	£	£
London Borough of Tower Hamlets	64,978	114,363
The Goldsmiths' Company	3,000	-
Jack Petchey	700	600
Canary Wharf SPS	6,000	-
The Cutler Trust	500	-
Asda	-	4,000
Bromley by Bow Centre	-	3,000
The Worshipful Company of Plumbers	-	2,000
The Worshipful Company of Insurers	-	1,000
The Worshipful Company of Tin Plate Workers	-	2,000
The Worshipful Company of Builders Merchants	-	250
East End Community Foundation	4,340	14,100
The Worshipful Company of Coopers	500	500
The Worshipful Company of Gardener's Charitable Trust	-	500
The Worshipful Company of Tylers and Bricklayers	500	500
The Worshipful Company of Fan Makers	1,000	-
Valero Energy Ltd	5,000	7,400
Bewlay Charitable Trust	500	500
The Worshipful Company of Arbitrators	1,000	-
Tower Hill Trust	36,000	-
The Robinson Charitable Trust	<u>100</u>	<u>-</u>
	<u>124,118</u>	<u>150,713</u>

**THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 March 2016**

**3. INVESTMENT INCOME**

	31.3.16	31.3.15
	£	£
Rents received	25,295	32,244
Hire of Facilities	<u>38,074</u>	<u>42,828</u>
	<u>63,369</u>	<u>75,072</u>

**4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Activity	31.3.16	31.3.15
		£	£
Incoming resources from Charitable Activities	Operation of park and farm	<u>984,752</u>	<u>976,963</u>

**5. RAISING FUNDS**

	31.3.16	31.3.15
	£	£
Opening stock	6,486	4,910
Purchases and wages	247,943	299,688
Closing stock	<u>(4,629)</u>	<u>(6,486)</u>
	<u>249,800</u>	<u>298,112</u>

**6. CHARITABLE ACTIVITIES COSTS**

	Direct costs	Support costs (See note 7)	Totals
	£	£	£
Operation of park and farm	<u>995,367</u>	<u>7,725</u>	<u>1,003,092</u>

**7. SUPPORT COSTS**

	Governance costs
	£
Operation of park and farm	<u>7,725</u>

**THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 March 2016**

**8. NET INCOME/(EXENDITURE)**

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

	31.3.16	31.3.15
	£	£
Auditors' remuneration	6,060	5,030
Accountancy fees	2,020	3,310
Depreciation - owned assets	36,153	38,854
Hire of plant and machinery	<u>7,008</u>	<u>8,613</u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2016 nor for the year ended 31 March 2015.

The charity consider its key management personnel to comprise the trustees, the director general and the nursery manager. Total key management remuneration for the year was £83,370.

**Trustees' Expenses**

There were no trustees' expenses paid for the year ended 31 March 2016 nor for the year ended 31 March 2015.

**10. STAFF COSTS**

	31.3.16	31.3.15
	£	£
Wages and salaries	818,379	799,464
Social security costs	50,621	49,411
Other pension costs	<u>3,514</u>	<u>2,529</u>
	<u>872,514</u>	<u>851,404</u>

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

	31.3.16	31.3.15
Charitable activities	34	32
Office and management	4	4
Trading company	<u>5</u>	<u>6</u>
	<u>43</u>	<u>42</u>

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

**THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 March 2016**

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	82,931	149,513	232,444
<b>Charitable activities</b>			
Operation of park and farm	976,963	-	976,963
Investment income	<u>75,072</u>	<u>-</u>	<u>75,072</u>
<b>Total</b>	<b>1,134,966</b>	<b>149,513</b>	<b>1,284,479</b>
<b>EXPENDITURE ON</b>			
Raising funds	298,112	-	298,112
<b>Charitable activities</b>			
Operation of park and farm	<u>835,423</u>	<u>178,703</u>	<u>1,014,126</u>
<b>Total</b>	<b>1,133,535</b>	<b>178,703</b>	<b>1,312,238</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>1,431</b>	<b>(29,190)</b>	<b>(27,759)</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<b>276,257</b>	<b>462,015</b>	<b>738,272</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b><u>277,688</u></b>	<b><u>432,825</u></b>	<b><u>710,513</u></b>

**THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 March 2016**

**12. TANGIBLE FIXED ASSETS**

	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 April 2015	892,874	142,369	47,479	1,082,722
Additions	<u>28,350</u>	<u>-</u>	<u>-</u>	<u>28,350</u>
At 31 March 2016	<u>921,224</u>	<u>142,369</u>	<u>47,479</u>	<u>1,111,072</u>
<b>DEPRECIATION</b>				
At 1 April 2015	460,655	112,117	42,094	614,866
Charge for year	<u>27,634</u>	<u>7,173</u>	<u>1,346</u>	<u>36,153</u>
At 31 March 2016	<u>488,289</u>	<u>119,290</u>	<u>43,440</u>	<u>651,019</u>
<b>NET BOOK VALUE</b>				
At 31 March 2016	<u>432,935</u>	<u>23,079</u>	<u>4,039</u>	<u>460,053</u>
At 31 March 2015	<u>432,219</u>	<u>30,252</u>	<u>5,385</u>	<u>467,856</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.

**13. STOCK**

	2016 £	Group 2015 £	2016 £	Company 2015 £
Goods for resale and other stock	5,429	6,900	800	414
	<u>5,429</u>	<u>6,900</u>	<u>800</u>	<u>414</u>

**14. DEBTORS**

	2016 £	Group 2015 £	2016 £	Company 2015 £
Other debtors	47,286	31,707	44,841	30,635
Due from subsidiary undertaking	-	-	57,679	37,268
	<u>47,286</u>	<u>31,707</u>	<u>102,520</u>	<u>67,903</u>

**THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 March 2016**

**15. CREDITORS**

	<b>2016</b>	<b>Group</b>	<b>2016</b>	<b>Company</b>
	<b>£</b>	<b>2015</b>	<b>£</b>	<b>2015</b>
		<b>£</b>		<b>£</b>
Trade creditors	34,207	14,299	31,029	10,095
Taxes and social security	11,937	13,588	9,941	11,862
Accruals	44,440	49,732	39,956	47,013
Bank loans & Overdrafts	-	5,046	-	5,046
	<u>90,584</u>	<u>82,665</u>	<u>80,926</u>	<u>74,016</u>

**16. MOVEMENT IN FUNDS**

	At 1.4.15	Net movement	Transfers	At 31.3.16
	£	in funds	between funds	£
		£	£	
<b>Unrestricted funds</b>				
General fund	277,688	(14,284)	-	263,404
Fairy Garden Project	<u>-</u>	<u>960</u>	<u>-</u>	<u>960</u>
	277,688	(13,324)	-	264,364
<b>Restricted funds</b>				
Building	428,020	(27,635)	-	400,385
Minibus	4,805	(1,346)	-	3,459
Nature Trail	<u>-</u>	<u>34,299</u>	<u>-</u>	<u>34,299</u>
	432,825	5,318	-	438,143
	<u>710,513</u>	<u>(8,006)</u>	<u>-</u>	<u>702,507</u>

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

	Incoming	Resources	Movement in
	resources	expended	funds
	£	£	£
<b>Unrestricted funds</b>			
General fund	1,139,842	(1,154,126)	(14,284)
Fairy Garden Project	<u>1,067</u>	<u>(107)</u>	<u>960</u>
	1,140,909	(1,154,233)	(13,324)
<b>Restricted funds</b>			
Building	(1)	(27,634)	(27,635)
Minibus	-	(1,346)	(1,346)
LB Tower Hamlets Children's Work	64,978	(64,978)	-
Nature Trail	36,000	(1,701)	34,299
Restricted grants	<u>3,000</u>	<u>(3,000)</u>	<u>-</u>
	103,977	(98,659)	5,318
	<u>1,244,886</u>	<u>(1,252,892)</u>	<u>(8,006)</u>

**THE MUDCHUTE ASSOCIATION (GROUP ACCOUNTS)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 March 2016**

**16. 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

**17. RELATED PARTY DISCLOSURES**

During the year, total salary payments of £21,499 was 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.