

REGISTERED COMPANY NUMBER: 01613085 (England and Wales)
REGISTERED CHARITY NUMBER: 284907

REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
FOR
THE MUDCHUTE ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

Friend & Grant Ltd
(Statutory Auditors)
Bryant House
Bryant Road
Strood
Rochester
Kent
ME2 3EW

THE MUDCHUTE ASSOCIATION

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FOR THE YEAR ENDED 31 MARCH 2023**

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THE MUDCHUTE ASSOCIATION

CHAIR'S REPORT FOR THE YEAR ENDED 31 MARCH 2023

It is with immense pride that I write this report as Chair of the Mudchute Park and Farm.

The Mudchute has looked wonderful this year with the grass greener than I have seen it for years, fences repaired, flowers and fruit trees blooming, this is credit to the staff of which I have pleasure in knowing as friends, as well as in a professional manner.

The staff, again, is led by a brilliant professional team headed by Margaret and Vicki, every department has pulled out stops to make this a place that will be memorable for many years to come.

The Mudchute has eventually bounced back after the Pandemic. It took a while to get back on track, but new initiatives enabled the accounts to look much better than we expected.

The work in the Nursery was completed and we were able to furnish both rooms from donations from other play provisions that unfortunately have had to close.

The Nursery is as popular as ever with a never-ending waiting list, thankfully this will remain the same as it is obvious that this is our stable revenue source and funds much more than the Nursery.

Margaret has been successful in getting grants for various projects, one addressed mental health through gardening, this has been extremely popular and is well attended, it looks like next year we may have to extend the days it is available.

We continue to work with LBTH to secure our lease, the new Mayor of Tower Hamlets would not accept the 90-year potential lease that was partially agreed and therefore the Trustees agreed a shorter lease of 30 years, and we await confirmation from the Local Authority.

It was agreed to look at the return of the Agriculture Show to see if we can successfully attract the grants needed for it to go ahead, this is an extremely popular event which can attract over 2-3000 people over the two days.

We have been incredibly lucky with our corporate volunteers this year coming from everywhere to support the Mudchute by repairing, planting, erecting and so much more, it must be said that without them we would struggle to get this kind of work done with such a small team of employees.

As Chair, I would like to thank all the staff, Friends of Mudchute, the volunteers and the corporate groups for all their efforts this year and by putting Mudchute on the map yet again.

I am also honored to Chair a brilliant team of Trustees that bring a vast number of skills and knowledge to the table each month and where their support to the Management Team has been second to none.



L Cavanagh OBE - Chairperson

Date: 20th December 2023

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

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 2023. The annual report serves the purposes of both Trustees Report and Directors Report under company law. The Trustees confirm that the Annual report and Financial statements of the charitable company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) (effective January 2019).

The report is prepared in accordance with the small company regime (Section 419(2) of the Companies Act 2006).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The purpose of the charitable company is to preserve the area known as The Mudchute, The Isle of Dogs, London, E14 for the benefit of the community, in the London Borough of Tower Hamlets and in particular The Isle of Dogs and the neighbourhood thereof in perpetuity.

Significant activities

Details of the significant activities of the charity can be found in the Achievement and Performance section of the Report of the Trustees.

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. We will continue to meet the requirements by ensuring that the nursery & after school club continue to provide affordable childcare for local residents, and alongside other educational activities (including school visits, summer camp programmes etc.), give a unique opportunity in a Central London location for children to experience and learn about the animals and their habitats.

Grantmaking

The charity has no grant making policy. No grants were made during the year.

Principal Risks and Uncertainties

Now that the effects of Covid have reduced significantly, the principal risks facing the organisation relate to cashflow management, day-to-day operational activities and the lease renewal.

As with any charitable organisation our income from year-to-year can be affected by the availability of grants, however in Mudchute's case the potential for volatility is reduced by earned income from the nursery and other activities which we are always looking for opportunities to increase and/or diversify. Income & Expenses are budgeted for the financial year and monitored monthly as part of our Governance framework.

Ongoing Operational risks include Health & Safety risks, public & employee liability and regulatory risk (e.g. Ofsted); they are mitigated by good working practices & procedures, pro-active management and insurance cover where appropriate.

Lastly the lease is due to expire in 2024, albeit subject to the provisions of the 1954 Tenant Act. The trustees have been actively negotiating the renewal terms with Tower Hamlets and look to work constructively with them over the coming weeks to resolve the remaining issues as soon as possible.

Principal funding sources

Principal funding sources to the charity come from government grants, voluntary income and earned income. These funding sources support the charity's key objectives by enabling the continued provision of affordable childcare for local residents, and enable children in Central London to experience & learn about animals & their habitats.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

ACHIEVEMENT AND PERFORMANCE

Director's Report

This year Mudchute is largely back to a typical activity level without any ongoing impacts from Covid, which materially affected us in prior years, both from a financial position and operational perspective. The nursery is now working to its full capacity, the hire of the premises for events has increased tremendously and we have been inundated with Corporate Volunteers who have carried out much needed ground maintenance and capital improvements. All of these factors have contributed to our much improved financial position.

The loss of the Equestrian Centre was a major blow but we have developed a project that has seen the individual stables put to a worthwhile use. Each stable has now been turned into a small business unit for local people. This is proving to be a popular attraction in addition to providing local small businesses with an opportunity to develop.

However, alongside the self-generating income, Mudchute continues to rely heavily on grants from Charitable Trusts and donations from generous supporters. This income, supports our charitable work which includes the Education Project, holiday activities, general community work with the wider community and our Apprenticeship Programme which provides unqualified, unskilled young people with opportunities to follow a chosen career path.

We have seen the numbers of visitors increase dramatically and believe that as the open green space in the area rapidly diminishes with the ever expanding housing developments, families keen to experience the beauty and freedom of the natural world use Mudchute to do so.

The financial support provided through our Service Level Agreement with Tower Hamlets does not begin to cover the Core Costs which have dramatically risen with the national cost of living increases and the volume of visitors that we receive on a regular basis.

There are no fees levied for entrance to Mudchute, this coupled with the fact that the Farm does not receive any statutory funding means we are increasingly dependent on our self-generated income to fund this and the unsupported Core Costs.

Corporate Volunteers bring tremendous benefit to Mudchute but equally I must mention the value that the band of regular volunteers contribute throughout the year. These cover a variety of tasks such as reception, administration, farm worker, open space labourer, handyman, plumber, builder and holiday event organisers.

Furthermore it should also be noted that much of Mudchute's current success is due to the efforts of the dedicated staff team and Trustees who work tirelessly to provide much needed, quality services for the local and neighbouring communities.

Nursery

The nursery went through a difficult period, during and immediately after the Covid 19 Pandemic when reduced hours, emergency closure days and a reduction in the numbers of children attending put extreme financial pressure on the service.

It has not been an easy task to get the service back on track and in turn placed an immense amount of pressure on Management and the staff team, but thanks to their hard work, dedication and commitment I am delighted that the nursery operations & child numbers are now back to normal (pre Covid) levels. We are once again running to full capacity, with a waiting list in excess of 90 children; the demand for the nursery remaining as high as ever.

We have recognised that with all the uncertainty around the Early Year's Sector many settings are closing due to the adverse effects of Covid and the cost of living crisis, and the demand for good quality nursery is at a premium.

We saw this as an opportunity to look at ways we could capitalise on the market conditions, and came to the conclusion that we needed to expand the nursery in order to create additional places. We are in the process of developing this idea which will provide an extra 24 places for children living in the area and employment opportunities for local people.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

The Nursery has undergone some much needed and long overdue refurbishments. Air Conditioning is now installed throughout the building, a much needed facility for the welfare of the children and the staff working in the rooms; a new entry intercom system and secure doors have been installed, adding to the security of the building; general maintenance that includes the painting of all rooms, new toilet facilities and new flooring.

An Ofsted inspection was carried out in February, the setting maintaining it a "Good" recommendation, a result we were delighted to achieve. Once again, the efforts of the staff team that made this possible should be recognised.

Our Afterschool Club has taken longer to recover from the effects of Covid. Many parents continue to work from home and are able to collect their own children from school. The consequence of this is that the demand for the service has been slow. However, I am pleased to say that recently we have seen our numbers improving and we are now offering full day care provision during the holiday periods. We believe that this is a vital service in the community, and I would like to thank the staff that have worked so hard to ensure this provision continues.

The Education Project

The Education project has recorded upwards of 14,000 school age children attendance's during the course of the last year. It is as ever very rewarding delivering this work. The wonderful working relationship with the farm staff team has been great in assisting the education team deliver the tours, workshops etc.

We have a number of groups that attend regularly from George Greens School (twice a week), Phoenix School and Phoenix College, who undertake various tasks on the Open space and farm. This in itself is a challenge to the participants as most have additional needs with the students from Phoenix school and college having high level needs with most being non-verbal. Some of the work undertaken by them includes fighting the endless rubbish that is discarded by visitors.

Our green fingered gardeners have again been growing a vast array of vegetables from potatoes and carrots and chillies, all of which have been harvested and made into tasty meals which have been enjoyed by all. This not only broadens the students tastes, but also provides a hot meal and access to fresh home grown vegetables where in some cases their choices at home may otherwise be limited. The meals are eaten in our classroom, at a table without any computer, television or phone screens which encourages the natural flow of conversation whilst eating a healthy meal.

Our children have made cakes, jams, chutneys and other preserves all with home grown produce. All of the students work towards a certificate of achievement for different tasks, with these tasks giving them essential life skills that they take away with them. The education and farm teams continue to provide an educational, fun and affordable time at Mudchute.

The Park and Farm

The period under review has seen constant activity on the farm with staff and volunteers once again working to improve our facilities and enhance our fabulous setting.

The animals again have kept us busy, with the changing of the seasons always a constant, welcoming our new arrivals in the spring and further helping to conserve our native rare breeds.

Alongside all of our usual goings on, such as attending agricultural shows, conservation grazing and providing animals and sometimes a farmer for film and T.V work, we have sold all varieties of livestock to other flocks and herds around the U.K as a genetic base, which given our breeds, is much sort after by other farmers and rare breed keepers. This again solidifying the importance of the conservation work that we undertake here at Mudchute.

Our visitor numbers continue increasing, as families' battle with the cost of living crisis and are unable to afford the days out to expensive attractions as they strive to save money.

I would like to thank all of our hardworking staff and volunteers for another great year at the Mudchute.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

The Allotments

The ongoing discussions in respect of the lease extensions continue with London Borough of Tower Hamlets and the allotments form a key part of these talks.

FINANCIAL REVIEW

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 2023 the unrestricted reserves of £263,054 is equal to approximately 2 months running costs and we will look to build this back up again during the next financial periods. These funds are held to ensure that in the event of a major incident preventing revenue generating activity, our running costs (excluding avoidable external costs) could continue to be met.

The balance on all restricted and unrestricted funds and explanation of why held can be found in note 18 to the financial statements.

Overview

The Statement of Financial Activities shows an operating surplus/(deficit) for the year of £40,125 (2022: (£190,933)).

The overall surplus for the year was £261,939 which includes donated works on the nursery refurbishment by London Borough of Tower Hamlets which totalled £235,972. This amount is included in donations received with the costs being capitalised under short leasehold which are then subsequently depreciated to the statement of financial activities each year (2023: £14,158).

Our reserves stand at £800,858 (2022: £538,919).

The positive result is a huge improvement versus 2022 and a testament to all the hard work of the management team and staff during the year.

As outlined above in the Directors Report, Mudchute is largely back to a typical activity level without any ongoing impacts from Covid which materially affected us in prior years, both from a financial position and operational perspective.

We continue to look for additional opportunities and revenue streams, including expanding the nursery provision and creating alternative uses for the stables.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Tax status

The charitable company is exempt from taxation on charitable activities.

FUTURE PLANS

Refurbishment and expansion work on the nursery facilities is well underway and will allow Mudchute to offer increased childcare places, as well as more efficient rotation between the rooms, both of which should increase its revenues.

With the closure of the equestrian centre alternative uses are being trialled, including renting units to local pop-up traders and hosting community events such as dog handling training.

We are also in the process of revamping our membership programme, including the rollout of a new corporate membership category.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

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.

Organisational structure

The Mudchute is governed by a board of trustees consisting of members of the local community who are elected at the annual general meeting.

The board of trustees has overall responsibility for ensuring that the finances at Mudchute are administered accordingly, in order to meet its legal and other obligations, e.g., Charities Act, Income Tax, VAT, Companies Act and Common Law.

The role of the treasurer, appointed from the board of trustees, is to understand accounting procedures and key internal controls, so as to be able to assure the board of Mudchute's financial integrity.

The charitable company is managed on a day to day basis by the Margaret Tracey, who reports to the board of trustees.

Induction and training of new trustees

The Trustee Board continues to be strong, with all key skills being filled. The trustees of the Mudchute Association are selected in accordance with the various categories set out in our Articles of Association, the maximum permitted being fifteen.

We continue to ensure that meetings and trustee involvement takes place in a transparent and engaged manner, and ensure training is provided as required.

Administration, Finance and Staffing

A combination of Margaret Tracey, Vicky Strong and finance officer Zemichael Abrha, supported by other team members has ensured the smooth running of the administration & finances of the association.

Warren Bunce has continued to play a much appreciated role as IT manager and also assisted us with the rebuild of the website which is now managed in-house via an online platform.

Remuneration

The finance sub committee made up of the chairperson, treasurer, HR trustee, the director and finance officer, in addition to the overall finances of Mudchute, focuses on the establishment of good employer practices. The committee is responsible for the review of staff salaries each year as part of the annual budgetary process.

Trustees indemnity

The charitable company has arranged qualifying indemnity insurance for the trustees.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

01613085 (England and Wales)

Registered Charity number

284907

Registered office

Mudchute Farm & Park
Pier Street
Isle of Dogs
London
E14 3HP

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

Principal address

Gf21 Harlow Enterprise Hub
Edinburgh Way
Harlow
Essex
CM20 2NQ

Trustees

M D Humber
M R Phillips
M Barraclough
J H Abbott (resigned 27.4.23)
R J Swindells
C Kirkwood (resigned 27.4.23)
M Gray
T Webb (appointed 9.6.22)
T J Roper Mead (appointed 9.6.22)
S Chen (appointed 9.6.22)
L Cavanagh
K P McTasney (resigned 5.4.22)
M Young (appointed 27.4.23)

Auditors

Friend & Grant Ltd
(Statutory Auditors)
Bryant House
Bryant Road
Strood
Rochester
Kent
ME2 3EW

Bankers

Barclays Bank Plc
Leicester
LE87 2BB

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

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 Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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.

In so far as the trustees are aware:

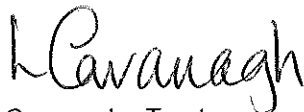
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Friend & Grant Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 20 December 2023 and signed on its behalf by:



L Cavanagh - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE MUDCHUTE ASSOCIATION (REGISTERED NUMBER: 01613085)**

Opinion

We have audited the financial statements of The Mudchute Association (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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).

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 2023 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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.

Responsibilities of trustees

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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis of our opinion. These procedures included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Review of cash expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Physical inspection of tangible assets susceptible to fraud or irregularity; and
- Review of significant and unusual transactions; and
- Identify and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE MUDCHUTE ASSOCIATION (REGISTERED NUMBER: 01613085)**

Use of our report

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.

Mark Friend BSc FCA (Senior Statutory Auditor)
for and on behalf of Friend & Grant Ltd
(Statutory Auditors)
Bryant House
Bryant Road
Strood
Rochester
Kent
ME2 3EW

20 December 2023

THE MUDCHUTE ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	241,376	256,972	498,348	728,145
Charitable activities					
Operation of park and farm	5	1,122,740	-	1,122,740	834,571
Other trading activities	4	151,485	-	151,485	73,793
Total		1,515,601	256,972	1,772,573	1,636,509
EXPENDITURE ON					
Raising funds	6	15,077	-	15,077	14,781
Charitable activities					
Operation of park and farm	7	1,430,992	64,565	1,495,557	1,812,661
Total		1,446,069	64,565	1,510,634	1,827,442
NET INCOME/(EXPENDITURE)		69,532	192,407	261,939	(190,933)
RECONCILIATION OF FUNDS					
Total funds brought forward		193,522	345,397	538,919	729,852
TOTAL FUNDS CARRIED FORWARD		263,054	537,804	800,858	538,919

CONTINUING OPERATIONS

There were no unrecognised gains or losses other than the surplus/deficit for the year. The accompanying accounting policies and notes form an integral part of these financial statements.

BALANCE SHEET
31 MARCH 2023


	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	13	121,131	536,804	657,935	464,856
CURRENT ASSETS					
Stocks	14	2,738	-	2,738	1,141
Debtors	15	39,225	-	39,225	38,441
Prepayments and accrued income		10,484	-	10,484	4,359
Cash at bank and in hand		267,126	1,000	268,126	157,629
		<u>319,573</u>	<u>1,000</u>	<u>320,573</u>	<u>201,570</u>
CREDITORS					
Amounts falling due within one year	16	(95,656)	-	(95,656)	(82,463)
NET CURRENT ASSETS					
		<u>223,917</u>	<u>1,000</u>	<u>224,917</u>	<u>119,107</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>345,048</u>	<u>537,804</u>	<u>882,852</u>	<u>583,963</u>
ACCRUALS AND DEFERRED INCOME					
	17	(81,994)	-	(81,994)	(45,044)
NET ASSETS					
		<u>263,054</u>	<u>537,804</u>	<u>800,858</u>	<u>538,919</u>
FUNDS					
	18			263,054	193,522
Unrestricted funds				537,804	345,397
Restricted funds					
TOTAL FUNDS					
				<u>800,858</u>	<u>538,919</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 20 December 2023 and were signed on its behalf by:



L Cavanagh - Trustee



M D Humber - Trustee

THE MUDCHUTE ASSOCIATION

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	357,733	(102,260)
Interest paid		(2,315)	(1,778)
Net cash provided by/(used in) operating activities		<u>355,418</u>	<u>(104,038)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(244,921)</u>	<u>(10,050)</u>
Net cash used in investing activities		<u>(244,921)</u>	<u>(10,050)</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		<u>157,629</u>	<u>271,717</u>
Cash and cash equivalents at the end of the reporting period		<u>268,126</u>	<u>157,629</u>

The notes form part of these financial statements

THE MUDCHUTE ASSOCIATION

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

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

	2023 £	2022 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	261,939	(190,933)
Adjustments for:		
Depreciation charges	51,299	39,695
Loss on disposal of fixed assets	543	-
Interest paid	2,315	1,778
Impairment of fixed asset investments	-	2
Increase in stocks	(1,597)	(327)
(Increase)/decrease in debtors	(6,909)	25,132
Increase in creditors	50,143	22,393
	<u>357,733</u>	<u>(102,260)</u>
Net cash provided by/(used in) operations	<u>357,733</u>	<u>(102,260)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/22 £	Cash flow £	At 31/3/23 £
Net cash			
Cash at bank and in hand	157,629	110,497	268,126
	<u>157,629</u>	<u>110,497</u>	<u>268,126</u>
Total	<u>157,629</u>	<u>110,497</u>	<u>268,126</u>

1. STATUTORY INFORMATION

The Mudchute Association is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

The company is registered in England and Wales, Registered Number 01613085 and its registered office is
Mudchute Farm & Park, Pier Street, Isle of Dogs, London, E14 3HP.

The presentation currency of the financial statements is the Pound Sterling (£). Figures are rounded to the nearest pound.

2. ACCOUNTING POLICIES

Basis of preparation

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)', the 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.

Going concern

No material uncertainties that may cast doubt about the ability of the charity to continue as a going concern have been identified by the trustees.

Recognition of income

Income is included in the Statement of Financial Activities when the charity becomes entitled to the resource, it is more likely than not that the trustees will receive the resources; and the monetary value can be measured with sufficient reliability.

In addition, income from the sale of goods is recognised when the company has transferred the significant risks and rewards of ownership to the buyer and the company retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold.

For the rendering of services the percentage of completion method is used to calculate the income recognised at the period end unless services are performed by an indeterminate number of acts over a specified period of time, in which circumstance income is recognised on a straight-line basis over the specified period.

Income is recognised at fair value, derived from ordinary activities and net of sales taxes and any trade discounts.

Donations

Donations are included in the Statement of Financial Activities when the general income recognition criteria are met.

Volunteers' contribution

The contribution from volunteers has not been included in the Statement of Financial Activities as the value of their contribution cannot be reliably quantified in financial terms.

Gift Aid

Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

2. ACCOUNTING POLICIES - continued

Expenditure and liabilities

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.

Allocation and apportionment of costs

All support costs are allocated directly to the Charitable Activities which they support. Whilst a minimal amount of support costs could be allocated to governance costs, it is not considered appropriate for such an allocation to be made due to the cost involved in doing so and since there would be no impact on the true and fair view of the accounts produced.

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	- 6% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 15% on reducing balance

Fixed assets costing less than £1,000 are not capitalised but are treated as expensed in the year of purchase.

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended.

Regular impairment reviews are carried out to ensure that fixed assets are recorded in the financial statements at no more than their recoverable amount. Any resulting impairment loss is measured and recognised on a consistent basis.

Stocks

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

Fund accounting

Unrestricted funds are funds which are expended at the discretion of the trustees in furtherance of the objects of the charity.

Restricted funds are funds subject to specific trusts, which may only be expended in accordance with the conditions imposed by the donors.

Pension costs and other post-retirement benefits

The charity operates defined benefit contribution schemes covering the majority of its permanent employees. The assets of the schemes are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the charity to the funds.

Financial instruments

Basic financial assets/liabilities including trade and other receivables/payables and cash and bank balances, are initially recognised at transaction price unless the arrangement constitutes a financing transaction (loan over period of time) where the transaction is measured at present value of the future receipts discounted at a market rate of interest. Such assets/liabilities are subsequently carried at amortised cost using the effective interest method.

2. ACCOUNTING POLICIES - continued

Financial instruments

Fixed asset investments

Investments in subsidiary undertakings are recognised at cost less impairment.

Key judgements

In preparing these financial statements, the trustees have made the following judgements:

Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risk and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Other key sources of estimation uncertainty

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Employee Benefits

All employee benefit costs to which employees have become entitled as a result of service rendered to the entity during the reporting period are recognised as an expense, unless the financial reporting standard requires the cost to be recognised as part of the cost of an asset, or as a liability, after deducting amounts that have been paid either directly to the employees or as a contribution to an employee benefit fund. If the amount paid exceeds the obligation arising from service before the reporting date, the excess is recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Hire purchase and leasing commitments

Assets held under finance lease and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of the leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Voluntary income	319,100	495,861
Gift aid	9,420	5,620
Legacies	28,065	-
Grants	141,763	226,664
	<u>498,348</u>	<u>728,145</u>

THE MUDCHUTE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

4. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Rents received	72,481	47,979
Hire of facilities	70,979	17,303
Sale of christmas trees	8,025	8,511
	<u>151,485</u>	<u>73,793</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
Activity	£	£
Incoming resources from charitable activities	1,122,740	834,571
Operation of park and farm	<u>1,122,740</u>	<u>834,571</u>

6. RAISING FUNDS

Other trading activities

	2023	2022
	£	£
Rental expenditure	8,919	8,799
Purchase of christmas trees	6,158	5,982
	<u>15,077</u>	<u>14,781</u>

7. CHARITABLE ACTIVITIES COSTS

	2023 £	2022 £
Operation of park and farm		
Staff costs	1,072,242	1,080,427
Hire of plant and machinery	5,998	5,251
Rates and water	10,817	5,953
Insurance	22,352	17,687
Light and heat	51,391	15,605
Telephone	2,017	2,027
Postage and stationery	6,346	6,097
Play activities	15,519	10,573
Training	10,470	2,497
Repairs and renewals	14,889	424,561
Motor expenses	7,455	4,674
Travelling	1,032	486
Refreshments and entertainment	1,720	2,231
Farm & nursery consumables	107,624	79,958
Subscriptions	11,081	8,587
Cleaning	50,336	41,787
Catering	29,510	24,466
Bad debts	6,801	24,519
Depreciation	51,299	39,695
Loss on sale of tangible fixed assets	543	-
Impairment losses for fixed asset investments	-	2
Bank interest	2,315	1,778
Auditor's remuneration	7,100	7,100
Auditor's remuneration for non-audit services	6,700	6,700
	1,495,557	1,812,661

8. SUPPORT COSTS

	Governance costs £
Charitable activities	13,800

Activity **Basis of allocation**
Governance costs **All support costs are allocated to charitable activities.**

Support costs, included in the above, are as follows:

Governance costs	2023 £	2022 £
Auditor's remuneration	7,100	7,100
Auditor's remuneration for non-audit work	6,700	6,700
	13,800	13,800

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

9. NET INCOME/(EXPENDITURE)

Net resources are stated after charging/(crediting):

	2023	2022
	£	£
Depreciation - owned assets	51,299	39,695
Impairment losses for fixed asset investments	-	2
Hire of plant and machinery	5,998	5,251
	<u>5,998</u>	<u>5,251</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

During the year ended 31 March 2023 the trustees made total donations to the charity of £220 (2022: £220).

During the year ended 31 March 2023 the charity reimbursed expenses of £757 (2022: £Nil) to the trustees.

11. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	985,345	998,169
Social security costs	70,980	66,793
Pension costs	15,917	15,465
	<u>1,072,242</u>	<u>1,080,427</u>

The average monthly number of employees in the year was:

	2023	2022
Charitable activities	55	57
Office	3	4
	<u>58</u>	<u>61</u>

There were no employees who received emoluments (excluding pension contributions) in excess of £60,000 for the year ended 31 March 2023 nor the year ended 31 March 2022.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	698,161	29,984	728,145
Charitable activities			
Operation of park and farm	834,571	-	834,571
Other trading activities	73,793	-	73,793
Total	<u>1,606,525</u>	<u>29,984</u>	<u>1,636,509</u>
EXPENDITURE ON			
Raising funds	14,781	-	14,781
Charitable activities			
Operation of park and farm	1,770,830	41,831	1,812,661
Total	<u>1,785,611</u>	<u>41,831</u>	<u>1,827,442</u>
NET INCOME/(EXPENDITURE)			
Transfers between funds	(179,086)	(11,847)	(190,933)
	46,730	(46,730)	-
Net movement in funds	<u>(132,356)</u>	<u>(58,577)</u>	<u>(190,933)</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	325,878	403,974	729,852
TOTAL FUNDS CARRIED FORWARD	<u><u>193,522</u></u>	<u><u>345,397</u></u>	<u><u>538,919</u></u>

THE MUDCHUTE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

13. TANGIBLE FIXED ASSETS

	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2022	1,090,485	154,189	60,279	9,421	1,314,374
Additions	235,972	8,949	-	-	244,921
Disposals	-	-	-	(639)	(639)
At 31 March 2023	<u>1,326,457</u>	<u>163,138</u>	<u>60,279</u>	<u>8,782</u>	<u>1,558,656</u>
DEPRECIATION					
At 1 April 2022	664,196	123,115	55,144	7,063	849,518
Charge for year	39,737	10,005	1,284	273	51,299
Eliminated on disposal	-	-	-	(96)	(96)
At 31 March 2023	<u>703,933</u>	<u>133,120</u>	<u>56,428</u>	<u>7,240</u>	<u>900,721</u>
NET BOOK VALUE					
At 31 March 2023	<u>622,524</u>	<u>30,018</u>	<u>3,851</u>	<u>1,542</u>	<u>657,935</u>
At 31 March 2022	<u>426,289</u>	<u>31,074</u>	<u>5,135</u>	<u>2,358</u>	<u>464,856</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 periodic valuation of these land and building assets.

14. STOCKS

	2023 £	2022 £
Stocks	<u>2,738</u>	<u>1,141</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	36,959	37,612
Other debtors	2,266	829
	<u>39,225</u>	<u>38,441</u>

THE MUDCHUTE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	27,152	41,484
Social security and other taxes	16,843	18,221
Other creditors	51,661	22,758
	<u>95,656</u>	<u>82,463</u>

17. ACCRUALS AND DEFERRED INCOME

	2023	2022
	£	£
Accruals and deferred income	81,994	45,044
	<u>81,994</u>	<u>45,044</u>

Deferred income of £65,322 (2022: £31,244) is included within the above figures. This relates to grants received, income for the hire of facilities, rents received and incoming resources from charitable activities, that relate to future years.

18. MOVEMENT IN FUNDS

	At 1/4/22	Net movement in funds	At 31/3/23
	£	£	£
Unrestricted funds			
General fund	193,522	69,532	263,054
Restricted funds			
Building Fund	269,843	205,623	475,466
Minibus Fund	1,564	(391)	1,173
Nature Trail Fund	18,385	(1,103)	17,282
Treehouse Project Fund	10,210	(613)	9,597
Arena Refurbishment Project Fund	35,411	(2,125)	33,286
East End Community Foundation Fund	9,984	(9,984)	-
Nursery inclusion fund	-	1,000	1,000
	<u>345,397</u>	<u>192,407</u>	<u>537,804</u>
TOTAL FUNDS	<u>538,919</u>	<u>261,939</u>	<u>800,858</u>

THE MUDCHUTE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

18. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,515,601	(1,446,069)	69,532
Restricted funds			
Building Fund	235,972	(30,349)	205,623
Minibus Fund	-	(391)	(391)
Nature Trail Fund	-	(1,103)	(1,103)
Treehouse Project Fund	-	(613)	(613)
Arena Refurbishment Project Fund	-	(2,125)	(2,125)
East End Community Foundation Fund	-	(9,984)	(9,984)
London Borough Of Tower Hamlets Fund	20,000	(20,000)	-
Nursery inclusion fund	1,000	-	1,000
	<u>256,972</u>	<u>(64,565)</u>	<u>192,407</u>
TOTAL FUNDS	<u>1,772,573</u>	<u>(1,510,634)</u>	<u>261,939</u>

Comparatives for movement in funds

	At 1/4/21 £	Net movement in funds £	Transfers between funds £	At 31/3/22 £
Unrestricted funds				
General fund	324,918	(179,086)	47,690	193,522
Fairy Garden Project Fund	960	-	(960)	-
	<u>325,878</u>	<u>(179,086)</u>	<u>46,730</u>	<u>193,522</u>
Restricted funds				
Building Fund	287,067	(17,224)	-	269,843
Minibus Fund	2,086	(522)	-	1,564
Nature Trail Fund	28,008	(1,173)	(8,450)	18,385
Treehouse Project Fund	10,862	(652)	-	10,210
Arena Refurbishment Project Fund	75,951	(2,260)	(38,280)	35,411
East End Community Foundation Fund	-	9,984	-	9,984
	<u>403,974</u>	<u>(11,847)</u>	<u>(46,730)</u>	<u>345,397</u>
TOTAL FUNDS	<u>729,852</u>	<u>(190,933)</u>	<u>-</u>	<u>538,919</u>

18. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,606,525	(1,785,611)	(179,086)
Restricted funds			
Building Fund	-	(17,224)	(17,224)
Minibus Fund	-	(522)	(522)
Nature Trail Fund	-	(1,173)	(1,173)
Treehouse Project Fund	-	(652)	(652)
Arena Refurbishment Project Fund	-	(2,260)	(2,260)
East End Community Foundation Fund	9,984	-	9,984
London Borough Of Tower Hamlets Fund	20,000	(20,000)	-
	<u>29,984</u>	<u>(41,831)</u>	<u>(11,847)</u>
TOTAL FUNDS	<u>1,636,509</u>	<u>(1,827,442)</u>	<u>(190,933)</u>

Unrestricted funds

The General fund includes income from grants, fundraising and farming activities. Also included within the general fund, is income from the charity's other trading activities, which consist of rents received, hire of facilities and the sale of christmas trees.

Restricted funds

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

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

The Nature trail fund represents monies given to improve pathways and accessibility to the farm site.

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

The Arena refurbishment project fund represents monies given to rebuild the riding arena.

The East end community foundation fund represents monies given to be used towards the introduction of a cyclical maintenance system to improve the environment. The fund monies were fully expended during the year.

The London Borough of Tower Hamlets fund represents monies given to run activities to support young people and promote a healthy lifestyle. The fund monies were fully expended during the year.

The Nursery inclusion fund represents monies given to support children who require one to one support.

19. EMPLOYEE BENEFIT OBLIGATIONS

The charitable company operates a defined contribution scheme. The pension costs charge consists of contributions payable to the funds of £15,917 (2022: £15,465). Contributions of £3,100 (2022: £3,070) were outstanding at the end of the period.

20. OTHER FINANCIAL COMMITMENTS

The following operating lease payments are committed to be paid:

	2023 £	2022 £
Within one year	885	830
Between one and five years	1,771	-
In more than five years	-	-
	<u>2,656</u>	<u>830</u>

21. RELATED PARTY DISCLOSURES

During the year under review, total salary payments £42,949 (2022: £33,644) were made to one adult child, two adult grandchildren and the daughter in law of the general manager, who were employed by the charity. These transactions were in the normal course of the charity's operations.

Also during the year under review, total rental income of £6,859 (2022: £6,859) was received from one of the employees of the charity, for a flat based within the leasehold of the charity. The rental income was in line with the market rate.

As also noted in note 23, total salary payments of £115,367 (2022: £110,233) were made to key management personnel during the year. These transactions were in the normal course of the charity's operations.

The charitable company received donations without conditions of £220 (2022: £220) from related parties and trustees, of which £220 (2022: £220) relates to trustee donations as detailed in note 10 of the financial statements.

The charitable company reimbursed expenses of £757 (2022: £Nil) to related parties and trustees. These transactions were in the normal course of the charity's operations.

22. FINANCIAL INSTRUMENTS

	2023 £	2022 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	317,771	200,328
	<u>317,771</u>	<u>200,328</u>
Financial liabilities		
Financial liabilities measured at amortised cost	112,329	96,263
	<u>112,329</u>	<u>96,263</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors, and cash and cash equivalents.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and social securities.

23. KEY MANAGEMENT PERSONNEL

Key management includes the trustees, the director general and the nursery manager. The compensation paid or payable to key management for employee services is shown below:

	2023 £	2022 £
Salaries and other short-term benefits	115,367	110,233
	<u>115,367</u>	<u>110,233</u>

24. LESSOR COMMITMENTS

At the year end the charity have leased assets, in regards to rental of part of the short leasehold building, which is capitalised within the balance sheet, as well as the rental of telephone masts included within the land of the short leasehold property. The amounts committed to be received during the rented term are listed below:-

	2023 £	2022 £
Within one year	54,836	52,086
Between one and five years	12,897	25,733
In more than five years	-	-
Total	<u>67,733</u>	<u>77,819</u>

25. GOVERNMENT GRANTS

Government grants received were as follows:

	2023 £	2022 £
Furlough and SSP	-	88,980
	<u>-</u>	<u>88,980</u>
	<u>-</u>	<u>88,980</u>

THE MUDCHUTE ASSOCIATION

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Voluntary income	319,100	495,861
Gift aid	9,420	5,620
Legacies	28,065	-
Grants	141,763	226,664
	<u>498,348</u>	<u>728,145</u>
Other trading activities		
Rents received	72,481	47,979
Hire of facilities	70,979	17,303
Sale of christmas trees	8,025	8,511
	<u>151,485</u>	<u>73,793</u>
Charitable activities		
Incoming resources from charitable activities	1,122,740	834,571
Total incoming resources	<u>1,772,573</u>	<u>1,636,509</u>
EXPENDITURE		
Other trading activities		
Rental expenditure	8,919	8,799
Purchase of christmas trees	6,158	5,982
	<u>15,077</u>	<u>14,781</u>
Charitable activities		
Wages	985,345	998,169
Social security	70,980	66,793
Pensions	15,917	15,465
Hire of plant and machinery	5,998	5,251
Rates and water	10,817	5,953
Insurance	22,352	17,687
Light and heat	51,391	15,605
Telephone	2,017	2,027
Postage and stationery	6,346	6,097
Play activities	15,519	10,573
Training	10,470	2,497
Repairs and renewals	14,889	424,561
Motor expenses	7,455	4,674
Travelling	1,032	486
Refreshments and entertainment	1,720	2,231
Farm & nursery consumables	107,624	79,958
Carried forward	1,329,872	1,658,027

This page does not form part of the statutory financial statements

THE MUDCHUTE ASSOCIATION

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Charitable activities		
Brought forward	1,329,872	1,658,027
Subscriptions	11,081	8,587
Cleaning	50,336	41,787
Catering	29,510	24,466
Bad debts	6,801	24,519
Short leasehold depreciation	39,737	27,209
Fixtures & fittings depreciation	10,005	10,356
Motor vehicles depreciation	1,284	1,713
Computer equipment depreciation	273	417
Loss on sale of tangible fixed assets	543	-
Impairment losses for fixed asset investments	-	2
Bank interest	2,315	1,778
	<u>1,481,757</u>	<u>1,798,861</u>
Support costs		
Governance costs		
Auditors' remuneration	13,800	13,800
	<u>1,510,634</u>	<u>1,827,442</u>
Net income/(expenditure)	<u><u>261,939</u></u>	<u><u>(190,933)</u></u>