

**ROYAL DOCKS TRUST (LONDON)**  
**(A Company limited by guarantee without share capital)**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31<sup>ST</sup> MARCH 2009**

**Charity No: 1045057**

**Company No: 03032232**

# **ROYAL DOCKS TRUST (LONDON)**

## **Report and Financial Statements For the Year Ended 31<sup>st</sup> March 2009**

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# ROYAL DOCKS TRUST (LONDON)

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31<sup>st</sup> March 2009.

### Reference and Administrative Details

<u>Charity Number</u>	1045057
<u>Company Number</u>	03032232
<u>Registered Office</u>	37 Rushey Green Catford London SE6 4AS
<u>Operational Office</u>	Olive Cottage Station Road St Margaret's at Cliffe Kent CT15 6AY

### Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purposes of charity law and throughout this report are collectively referred to as its trustees.

The trustees who served during the year and since the end of the year were as follows:-

<b>Elected Trustees</b>	Michael Grier William Thomas Sidney Keys (from 22/7/2008) Stephen William Nicholas (from 22/7/2008) Eric Sorensen (Chair) Alan Taylor (subject to restricted voting rights in accordance with the articles of association) (from 22/7/2008)
<b>Nominated by the London Borough of Newham</b>	Councillor Marie Collier (until 22/7/2008) Councillor Patricia Holland (subject to restricted voting rights in accordance with the Articles of Association) (until 22/7/2008) Councillor Patrick John Andrew Murphy (from 22/7/2008) Councillor Paul William Leslie Schafer (subject to restricted voting rights in accordance with the articles of association) (from 22/7/2008)
<b>Nominated by Local Community Organisations</b>	Andrea Miller-Chan (by West Silvertown Village Community Foundation) (until 22/7/2008) William Thomas Sidney Keys (by Royal Docks Community Forum) (until 22/7/2008) Alan Taylor (by Custom House and Canning Town Community) (subject to restricted voting rights in accordance with the Articles of Association) (until 22/7/2008)
<b>Appointed by Board to represent Business Sector</b>	Richard Ernest Gooding (Executive Committee Chair)
<b>Co-opted</b>	Stephen William Nicholas (from 24/7/2007) (until 22/7/2008) Charulata Patel (from 27/10/2009) Iain Thom (from 27/10/2009)

**ROYAL DOCKS TRUST (LONDON)**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009**  
**(continued)**

Company Secretary

John Brian Parker

Bankers

National Westminster Bank plc  
Beckton Branch  
P.O. Box 3238  
Frobisher Road  
London  
E6 4GY

Investment Advisers

Black Rock Investment Managers (UK) Limited  
33 King William Street  
London  
EC4R 9AS

Auditors

Gotham Erskine LLP  
Chartered Accountants and Registered Auditors  
Friendly House  
52-58 Tabernacle Street  
London  
EC2A 4NJ

Solicitors

Parker Arrenberg  
37 Rushey Green  
Catford  
London  
SE6 4AS

Honorary Treasurer

Robert Heaton  
Executive Director of Resources  
London Borough of Newham  
Newham Dockside  
1000 Dockside Road  
London  
E16 2QU

# ROYAL DOCKS TRUST (LONDON)

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009

(continued)

### Structure, Governance and Management

#### Governing Instrument

The charity is a company limited by guarantee which was incorporated on 7<sup>th</sup> March 1995 and is governed by its memorandum and articles of association, the latter having been amended by special resolution on the 27<sup>th</sup> April 2004 following a review by the trustees of the board structure in the light of changing circumstances relevant to the area of benefit. Membership of the charity is open to individuals, voluntary organisations and businesses within the area of benefit. In the event that the charity is at some time wound up, members of the charity may be required to contribute not more than £10 in the case of an individual member and not more than £50 in the case of a corporate member towards the settlement of any debts and liabilities there might be at such time.

#### Appointment of Trustees

The trustees, who shall be not less than seven nor more than seventeen in number, are appointed in accordance with the articles of association as amended on 27<sup>th</sup> April 2004. These provide as follows:-

Up to two trustees may be appointed by the London Borough of Newham, one of which is to have restricted voting rights to ensure that the charity does not become a company subject to local authority influence for the purposes of section 69 of the Local Government and Housing Act 1989.

Not more than five trustees may be elected to serve until the end of the third annual general meeting following that at which they are elected but they may then be re-elected if willing to serve for a further period.

Not more than four trustees may be appointed to represent the community and voluntary sector in the area of benefit of the charity, the Board being given authority to determine, by regulations made, how these appointments should be effected. During the early part of the financial year, these were filled by inviting the three community forums which cover the charity's area plus the West Silvertown Village Community Foundation (itself a local charity) to nominate representatives but the London Borough Of Newham discontinued the community forum structure and the Board accordingly reviewed its regulations and decided to make direct appointments itself (although making provision to preserve the facility given to the West Silvertown Village Community Foundation) after undertaking a recruitment which is still being pursued.

Not more than three trustees may be representatives of developers or others having business interests in the area of benefit of the charity. In accordance with authority conferred by the articles, the board has determined that one of these places should be filled by direct appointment by the board and the other two by election by the business members of the charity. There is currently one vacancy.

The trustees appointed/elected as above may co-opt up to three additional trustees, one of whom shall be the representative of an umbrella organisation of voluntary groups active within the charity's area, insofar as one is eligible, available and not already represented under another head. However, a representative of such an organisation has not been available for co-option, leaving these three places vacant and on 27<sup>th</sup> October 2009 the Board co-opted Charulata Patel and Iain Thom to fill two of them. The terms of office of co-optees expire at the first meeting of the trustees following each annual general meeting although co-options may be renewed by the trustees at that meeting.

# ROYAL DOCKS TRUST (LONDON)

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009

(continued)

### Trustee Induction and Training

With the exception of Alan Taylor, who nevertheless had previously served as a trustee from 6<sup>th</sup> March 1997 to 26<sup>th</sup> July 2001, and Councillors Murphy and Schafer and the recently co-opted Charulata Patel and Ian Thom, the present trustees have all served in that capacity for a number of years and are fully familiar with the aims, activities and rules of governance of the charity. All are or have recently been either resident in its area of operation, involved in businesses there or are elected members of the local authority representing local wards. Indeed, several have wide experience of working within or serving as trustees of other charitable organisations. In the event of any new or additional trustees being recruited, they would first be supplied with copies of the Charity Commission's and Companies House publications detailing the respective duties and responsibilities of charity trustees and company directors to ensure that they are made aware of their legal obligations. On appointment, new trustees will be supplied with a copy of the memorandum and articles of association of the charity, a summary of the legal obligations and liabilities of trustees of charitable companies and other key documents such as the charity's latest annual report and audited accounts, its latest management accounts and sets of minutes covering a relevant period of activity. Further information, including legal advice, has been available as required to individual trustees and at board meetings through the secretary (a practising solicitor) and professional advisors who also review and report relevant developments in the charity field and provide ad hoc advice as and when appropriate.

### Organisation

The full board of trustees meets approximately quarterly but it has appointed a smaller Executive Committee which meets in between the board meetings and receives detailed reports on progress on the LDDC legacy projects referred to below and reports and updates on other on-going matters and issues in respect of which urgent decisions might be required.

The charity has no employees. The trustees are not employed by the charity and receive no remuneration. The London Borough of Newham and the charity's external consultants engaged by the Charity deal with the administration of the charity on a day to day basis.

### Related Parties

There were none during the year under review.

## Financial Review

### Assets

The assets of the charity, which have been acquired in accordance with the powers of the trustees, are held in the form of bank deposits and an investment portfolio comprising fixed interest securities, ordinary shares, unit trusts and a cash management account. During the year these assets, other than bank deposits, were managed by Black Rock Investment Managers (UK) Limited.

The charity also holds freehold properties valued as follows, all of which have been let on lease to local community organisations for the terms shown:-

Docklands Equestrian Centre – leased to a local charity for a term expiring in 2196 – valued at £1.

Stansfeld Road Livery Yard – leased to a local charity for a term expiring in 2196 – valued at £1.

Explorer Scouts Hut Site, Eastbury Road – leased to a local charity for a term expiring in 2095 – valued at £1.

# ROYAL DOCKS TRUST (LONDON)

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009

(continued)

Former S & M Club Building, Stansfeld Road – Occupied by a local charity until 31<sup>st</sup> July 2009 – valued in the accounts at £90,000. Whilst the value of the S&M Building is reflected at the value at which it was transferred from the LDDC the market value at March 2007 is estimated at £400,000.

Any assets remaining after a winding up or dissolution of the charity shall be given to other charitable institutions with similar objects.

### Stansfeld Road

The Trust holds the freehold of two adjacent properties located in Stansfeld Road, Beckton. These properties, the Stansfeld Road livery stables and the Beckton REC building (formerly known as the S & M club) were developed in the 1980s for community purposes.

Until the end of July 2009 the Beckton REC building was leased to a local charity Community Links and used as a youth centre. Community Links faced with reductions in funding and changes in the geography of service demand informed the RDT that the continued use of the building beyond July 2009 was financially untenable. The RDT had not attracted another long term tenant and the building did not form part of the RDT's core activities.

The Stansfeld Road livery yard comprises a 36 horse livery stable providing “do it yourself” stabling facilities for individual horse owners in return for fees. The Stansfeld Road livery stables are held on a long lease by a local charity Newham Riding School and Association. The Newham Riding School & Association (NRSA) is a community based Charity set up by local residents in 1972. The Charity provides on a not-for-profit basis recreational and therapeutic horse-riding experience to disabled people and local children and also provides training opportunities for local youngsters to follow careers as riding instructors and stable managers. Having raised £3,000,000 over the years, it now operates from the Docklands Equestrian Centre (DEC) in Claps Gate Lane Beckton, where its excellent facilities include a large outdoor manège and an indoor arena.

The NRSA has operated the Stansfeld Road stables as a commercial undertaking. They have not been a core activity of the Charity. Unfortunately they have operated at an increasing loss over the past three years. This has been an unsustainable financial drain on the Charity, which has effectively been subsidising the livery stables. The NRSA Trustees reluctantly concluded that they have no reasonable alternative to closing the livery stables.

In considering other possible uses for the Stansfeld road sites both the NRSA and the Royal Docks Trust have taken into account their charitable obligations and came to the view that the joint redevelopment of the sites of the livery stables and the club would provide a greater benefit to the local community than the continuation of existing uses. The objectives of the RDT and NRSA are such that any funds generated from the disposal of the RDT and NRSA interests would be used for the benefit of the RDT and NRSA areas of benefit.

An outline planning application was submitted to L B Newham (LBN) on 24th July 2009 in the joint names of the Royal Docks Trust (London) and the Newham Riding School and Association. The application provides for the demolition of the existing stables and community building and proposes residential development comprising of 32 dwellings with associated parking and open space. Discussion of the application continued with LBN until the 28 September when the application was withdrawn to enable further consideration of technical issues with the Environment Agency outside of the statutory 13 week period allowed for LBN to determine planning applications. The RDT / NRSA intention is to resubmit the application at the end of January / early February 2010.

The development of the NRSA's Docklands Equestrian Centre facility at Claps Gate Lane, Beckton has required the NRSA to take out a loan from the HSBC bank. The RDT has agreed to assist the NRSA with the repayment of this loan and has as a consequence provided funding to the NRSA of £5,750 in 2007 / 2008; £18,718 in 2008 / 2009 and anticipates to provide funding of £22,800 in 2009 / 2010. Following the closure of the Stansfeld Road livery yard and the completion of the planning application process it is proposed that the Stansfeld road sites are sold by the NRSA and the RDT with the NRSA repaying the RDT loan.

### Endowments

The charity has a two-part endowment totalling £2.7 million from the former London Docklands Development Corporation (LDDC). The original capital sum is to be preserved with the investment income being used to fund a community grants programme in the Royal Docks area and the charity's administration costs. The successor body to the LDDC has agreed, in accordance with provisions included in the Endowment Agreements, that capital profits arising from the endowments can be used towards the charity's objects.

# ROYAL DOCKS TRUST (LONDON)

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009

(continued)

### LDDC Legacy Funds

Shortly before the LDDC ceased operations on 31<sup>st</sup> March 1998, the charity entered into agreements with it under which the LDDC placed with the charity funds to enable it to secure implementation of projects for the benefit of the community within the area of benefit, together with a grant of £5,000 which was used to promote the charity and seek the support of local businesses. Provision is made within the majority of these agreements for the charity to retain the income earned from investment of the funds, the first call on such income to be the costs incurred by the charity in discharging its obligations under them. The individual Legacy Agreements entered into between the charity and the LDDC contain provisions under which, on stipulated occurrences, the interest earned on the respective funds are released to the charity for other purposes within its charitable objects, in some cases as unrestricted funds.

The original sum received from the LDDC pursuant to such agreements was £8,513,138. Further details of the original projects are shown below, including those projects which, at the end of the financial year, remain to be completed.

### Completed Projects

Ascension Church  
St John's Centre  
Impstart Trust  
Royal Docks Community School  
Former S & M Club Building  
Theatre Venture  
Drew Road / St John's Centre (Kennard Street)

### Remaining Projects

Watersports Centre, Royal Victoria Dock	£859,985
Waterski Centre, King George V Dock	<u>£762,626</u>
	<u>£1,622,611</u>

The charity regularly monitors progress on the remaining projects.

Since receipt, the amounts from the LDDC have been held on deposit by the trustees pending further project expenditure. During the year to 31<sup>st</sup> March 2009, a total of £151,382 was expended out of the "Legacy Fund" as detailed in Note 2 on page 20 of the Financial Statements.

In the event that, for reasons beyond the control of the charity any of the above projects cannot proceed, the respective grant agreements provide for the capital to be retained by the charity and employed by it for its charitable purposes, in some cases in general and in others initially, so far as the need exists, for purposes decided by the trustees but within a specified range of activities.

### Investment Powers

The memorandum of association of the charity includes powers to invest monies not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may from time to time be imposed or required by law. All investments held by the charity have been acquired in accordance with such power.

# ROYAL DOCKS TRUST (LONDON)

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009

(continued)

### Risk Management

The charity is aware that it faces a number of risks when making decisions on the investment and application of its funds and has recognised the following as key risks which may adversely affect the achievement of its charitable objectives:-

#### Fall in value in the investment of its endowed sum

80% of the investments are in UK equities and stock market. There has been significant falls during the year as a result of the global economic position. However, the charity engages external experts to manage its investments and advise upon actions needed. It receives regular valuations from its advisers at each meeting and at least one detailed presentation to the board each year at which trustees are able to raise matters of concern.

#### Increased costs of legacy projects

The charity is only committed contractually to provide grant support to those projects to the extent of the amount of the legacy sum with which it has been provided by the former LDDC. However, the charity would wish to ensure as far as it can reasonably do so that the individual projects are successfully completed. This can sometimes lead to the charity being asked to increase its support above the original legacy sum. The progress of each individual scheme is monitored with a view to securing its successful completion and the effective use of the funds held. Also, the legacy funds have been invested in short-term deposits pending their release in accordance with the relevant legacy agreement, thereby producing additional income. The retention of income so earned which has not been applied in accordance with the relevant legacy agreement provides further funds which the trustees are able to consider using, should they feel such would be appropriate, to meet additional expenditure on individual legacy projects such as increased costs etc.

### Reserves Policy

The charity understands its obligations to use its financial resources towards the achievement of its charitable objectives and that it should not hold on to such resources unnecessarily. However, it is committed to the prudent management of its financial resources and, under certain conditions, this will involve the retention of resources over a number of years, these resources being known as “reserves”.

In order to provide a framework within which it can consider the need to retain reserves, the charity has adopted the following reserves policy, which will be reviewed annually unless circumstances warrant more frequent review.

The charity may require reserves to enable it to achieve its charitable objectives as follows:

#### 1. Operational

To enable it to continue to meet its charitable objectives over a reasonable period of time, which will include continued commitment to its Community Grants Programme and associated activities.

# ROYAL DOCKS TRUST (LONDON)

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009 (continued)

### 2. Investment and Investment Policy

To provide for the continued investment of the endowed sum received from the former LDDC as set out in the endowment agreements and their subsequent interpretation. The endowed sum is invested through the charity's investment advisers, Black Rock Investment Managers Limited, with 80% held in UK equities. The charity receives regular reports from its advisers and gives full consideration to the advice received. The charity's investment policy is to seek capital growth in the endowed sum, which can be realised and employed in the longer term (five years or more) towards its charitable objectives, whilst also generating sufficient income (£125,000 on average per annum) to fund its share of the Community Grants Programme. For this reason, and acting upon advice from its investment advisers, the charity will maintain the majority of its investment in equities, despite variations from time to time in values, as it believes this to be the most appropriate way in which to achieve its objectives.

### 3. Commitments

To enable the charity to meet its obligations under the LDDC Legacy Agreements and any other similar arrangements, e.g. the dockworkers commemorative statue.

### 4. Match Funding

To enable the charity to attract additional external investment into its area through its ability to provide "match funding".

In assessing the need to retain reserves, and at what level, the charity will take into consideration the following factors:-

#### Current Operations and Obligations

1. Spending commitments
2. Estimates of income

#### New Developments

1. Additional spending proposals and their timing
2. Generation of additional income – opportunities, likelihood and timing

#### Risks

1. The business risks faced by the charity across all its activities
2. Its ability to manage and respond to those risks.

At 31<sup>st</sup> March 2009, the charity had assessed the reserves needed to provide for the above. This assessment is shown in the table below:

REQUIREMENT	£'000
<b>Operational - 5 year horizon</b>	
Potential operating deficit at current "core" level	(15)
Allowance for additional development activities	125
<b>Investment</b>	
Continued investment of LDDC Endowments in "real terms"	3,683
<b>Meeting Commitments</b>	
Meeting obligations under Legacy Agreements and others that have been agreed since	1,623
<b>Match Funding</b>	
To enable the Trust to seek additional funding	300
<b>Risk</b>	
To provide a "contingency" against business risks associated with Legacy Projects and other obligations (assessed at 10% of the outstanding commitment)	162
<b>TOTAL REQUIREMENT</b>	<b>5,878</b>

# ROYAL DOCKS TRUST (LONDON)

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009 (continued)

At 31<sup>st</sup> March 2009, the charity's accumulated reserves, excluding property, amounted to £5,609,431 a deficit of £269,000 compared to the reserves target. This compares with a surplus of £608,000 at 31<sup>st</sup> March 2008.

The reduction has been due to falls in equity values and volatility in the global markets. The situation is being kept under review by the Trust's fund managers.

### Objectives and Activities

The charitable objects of the charity are in summary to promote the following within that part of the London Borough of Newham which lies between the A13 trunk road (Newham Way) and the River Thames:-

- (1) advancement of education including vocational training
- (2) relief of poverty and sickness
- (3) provision of or assistance with providing facilities for recreation and leisure
- (4) provision of or assistance with providing housing for needy persons, including the disabled and handicapped
- (5) advancement of public education in the Arts
- (6) Preservation, repair and maintenance for public benefit of buildings of historical, architectural or constructional interest
- (7) general support of any religious order solely and specifically of its charitable work
- (8) improvements to the physical and social environment.

In accordance with the terms of the endowment agreements entered into with the LDDC, the charity has continued to operate a joint grants programme with the London Borough of Newham.

In addition, the charity has continued to pursue the implementation of the outstanding LDDC legacy projects with the bodies which would be responsible for their commission.

The charity has also continued to progress the dockworkers commemorative statue with a view to securing its completion and installation.

In planning their activities for the financial year 2008/09, the trustees considered the Charity Commission's guidance on public benefit and were satisfied that in operating the joint grants programme, pursuing the implementation of the outstanding legacy projects and progressing the dockworkers commemorative statue, they were not only acting within their charitable objects but that all the activities would confer substantial and worthwhile benefit on the public within the Trust's area of benefit. Furthermore all projects approved under the joint grants programme were carefully monitored through the year and the trustees were satisfied in all cases that their implementation complied with the required public benefit criteria.

### Achievements and Performance

The financial results for the year are as shown in the Statement of Financial Activities on page 15 together with the supporting notes on pages 17 - 23.

#### Grants

The charity approved a grant programme totalling £234,544 (£250,108 in 2007/08) under the joint grants programme operated with the London Borough of Newham, the proportion of the expenditure on these grants met by the charity being £167,044 (£182,608 in 2007/08). The grants were paid to a range of community and voluntary groups active in the charity's area of benefit. The grants paid are analysed in note 4 on pages 19-20 of the Financial Statements.

## **ROYAL DOCKS TRUST (LONDON)**

**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009**

**(continued)**

### LDDC Legacy Projects

The trust has continued its active involvement in seeking to progress the projects for which it holds LDDC legacy money.

The trust continued to work in partnership with the London Borough of Newham, East Thames Housing Group and the local community on the development of the Kennard Street adult learning centre combined with the development of sixteen flats to be built above the ground floor centre. The development of the flats enabled the London Borough of Newham to provide additional funding for the adult education centre as well as the provision of homes for local people. The construction of the scheme was completed in September 2008. Enrolment of students commenced in January 2009.

With respect to the watersports projects the trust has continued to work with key stakeholders including , L B Newham, Royal Docks Management Authority (RODMA), Sport England, Royal Albert Dock Trust to progress the projects. The King George V Dock Waterski project continued to be delayed as the site of the proposed centre has been required as working space for the DLR extensions first to London City Airport and subsequently to Woolwich Arsenal. Nonetheless, once again in Summer 2008 some of the accrued interest on the amount left by the LDDC for the project was utilised to promote, working in partnership with the LB Newham , programmes of watersports activities located at the Royal Victoria Dock Watersports Centre. The programme of activities included “waterski tasters sessions “ utilising Rixen Trainers. As well as providing watersports recreation this has assisted the trust to further understand the local community’s interest in waterski activities and assess the feasibility of the development of a waterski centre.

With regard to the proposed watersports centre at the Royal Victoria Dock, this continues to be the subject of ongoing discussion with key stakeholders. The Trust is collaborating with L B Newham, RODMA and the LDA in considering the options for the development of a new watersports centre at the Royal Victoria Dock but, following the decision of the LB Newham to embark upon the production of a master plan for the future of the Royals, it is inevitable, save for the possible interim relocation of the existing watersports centre, that no progress on the establishment of a permanent centre will be possible in the immediate future. The proposed waterski centre is similarly affected.

### Dockworkers Commemorative Statue

The Dockworkers Commemorative Statue has been completed and was installed prior to the G20 meeting held at Excel in the spring. The statue, which was unveiled by Sir Robin Wales at a ceremony held on 24<sup>th</sup> August 2009 has been very well received and provides an impressive focal point outside the exhibition centre.

### **Plans for Future Periods**

The charity’s main aim in the short to medium term is to continue to build a sound basis for an extended grant-making programme over the whole of its area of benefit and to seek the successful implementation of the purposes for which the legacy funds were received from the LDDC.

### **Auditors**

A resolution concerning the appointment of auditors will be put to the annual general meeting.

This report has been prepared in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities 2005 and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

## **ROYAL DOCKS TRUST (LONDON)**

**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009**  
(continued)

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the company and of the income or expenditure of the company for that period.

In preparing those accounts, the Trustees are required to: select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; prepare the accounts on a going concern basis unless it is inappropriate to assume that the company will continue in business and observe the methods and principles in the Charities SORP.

The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985 and other statutory requirements. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Statement of disclosure of information to auditors**

The Trustees have confirmed that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report was approved and authorised for issue by the Trustees on 19 January 2010 signed on their behalf by:

.....  
Eric Sorenson, Chairperson

## ROYAL DOCKS TRUST (LONDON)

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ROYAL DOCKS TRUST (LONDON) Company registered No 03032232

We have audited the financial statements of The Royal Docks Trust for the year ended 31<sup>st</sup> March 2009 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007), under the historical cost convention as modified by the valuation of fixed assets held for investment purposes and the accounting policies set out on pages 17 – 18 .

This report is made solely to the company's members, as a body in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in an auditor's 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 company and the company's members as a body, for our audit work, or for the opinion we have formed.

#### Respective Responsibilities of the Board of Trustees and Auditors

The Trustees' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements. In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and other transactions is not disclosed.

We read the Trustees report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

#### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities of the state of the Company's affairs as at 31<sup>st</sup> March 2009, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

.....  
GOTHAM ERSKINE LLP  
Chartered Accountants and Registered Auditors  
Date:

Friendly House  
52-58 Tabernacle Street  
London EC2A 4NJ

## ROYAL DOCKS TRUST (LONDON)

### STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009 (INCORPORATING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

	Note	2009 Unrestricted Funds	2009 Endowment	2009 Restricted Funds	2009 Total	2008 Total
		£	£	£	£	£
<b>INCOMING RESOURCES</b>						
Voluntary Income:						
In-Kind Time	3	11,623			11,623	11,623
Incoming Resources from generated funds:						
Rent		18,750			18,750	25,000
Bank interest		19,186		130,650	149,836	224,676
Listed Investment Income:						
Dividends		138,848			138,848	132,754
Commission rebate		18,267			18,267	19,390
Other income		4,216			4,216	2,019
		<b>210,890</b>		<b>130,650</b>	<b>341,540</b>	<b>415,462</b>
<b>RESOURCES EXPENDED</b>						
Direct Charitable expenditure:						
Grant programme	4	186,330			186,330	200,553
Special Projects	2	89,607		165,127	254,734	903,856
Area Teams	4	2,000			2,000	2,000
Statue		35,102			35,102	15,919
Other		61,047		1,800	62,847	44,824
Governance		45,663			45,663	33,088
		<b>419,749</b>		<b>166,927</b>	<b>586,676</b>	<b>1,200,240</b>
Net Expenditure / Income before transfers		<b>(208,859)</b>		<b>(36,277)</b>	<b>(245,136)</b>	<b>(784,778)</b>
Transfer	2	14,261		(14,261)		
Net Income / Expenditure before revaluations		<b>(194,598)</b>		<b>(50,538)</b>	<b>(245,136)</b>	<b>(784,778)</b>
Realised and Unrealised (losses)/gains on investments			<b>(1,132,015)</b>		<b>(1,132,015)</b>	<b>(299,888)</b>
Net movement in funds		<b>(194,598)</b>	<b>(1,132,015)</b>	<b>(50,538)</b>	<b>(1,377,151)</b>	<b>(1,084,666)</b>
Funds brought forward		446,618	4,043,821	2,569,946	7,060,385	8,145,051
<b>FUNDS CARRIED FORWARD</b>		<b>252,020</b>	<b>2,911,806</b>	<b>2,519,408</b>	<b>5,683,234</b>	<b>7,060,385</b>

The Accounting Policies on pages 17 to 23 form part of these Accounts. All transactions are derived from continuing activities.

All recognised gains and losses are included in the Statement of Financial Activities.

# ROYAL DOCKS TRUST (LONDON)

## BALANCE SHEET AT 31<sup>ST</sup> MARCH 2009

	Note	2009 £	2009 £	2008 £	2008 £
<b>FIXED ASSETS</b>					
Freehold Property	7		73,803		75,603
Listed Investments	8		5,812,496		7,686,259
			<u>5,886,299</u>		<u>7,761,862</u>
<b>CURRENT ASSETS</b>					
Debtors	9	11,285		15,592	
Cash	10	<u>73,467</u>		<u>75,672</u>	
		<u>84,752</u>		<u>91,264</u>	
CREDITORS DUE WITHIN ONE YEAR	11	(287,817)		(792,741)	
			<u>(203,065)</u>		<u>(701,477)</u>
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,683,234</u>		<u>7,060,385</u>
<b>FUNDS</b>					
Unrestricted Funds	12		252,020		446,618
Restricted Funds –					
Special Projects – Capital	2	1,622,611		1,773,993	
Special Projects – Income	2	822,994		720,350	
Charitable Property		<u>73,803</u>		<u>75,603</u>	
			2,519,408		2,569,946
Endowment Funds			<u>2,911,806</u>		<u>4,043,821</u>
			<u>5,683,234</u>		<u>7,060,385</u>

The financial statements have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

They were approved and authorised for issue by the Board of Trustees on 19<sup>th</sup> January 2009 and signed on their behalf by

.....

Eric Sorenson,  
Chairperson

The Notes on pages 17 to 23 form part of these Accounts.

# ROYAL DOCKS TRUST (LONDON)

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES

#### Basis of preparation of the financial statements.

The financial statements are prepared in accordance with applicable accounting standards and under the historical cost convention, with the exception of listed investments that are included at current market value.

The financial statements have been prepared in compliance with the Statement of Recommended Practice – Accounting and Reporting by Charities (revised 2005) and the Financial Reporting Standard for Smaller Entities (effective January 2007) and the Companies Act 1985.

#### Income and Expenditure

Income and expenditure are accounted for on an accruals basis. This includes the accrual of income due on listed investments that are quoted ex-dividend on the Balance Sheet date.

Support costs comprise costs for administering and other general day to day running costs. These have been allocated directly amongst the various activities. Administration of the grant programme has been allocated directly to 'Grants' and the legacy element of the consultant's time to 'Special Projects' with the balance of support costs spent by the consultants allocated between the grants programme, other expenditure and governance. Governance costs comprise the audit fee as well as 75% of the non-legacy Administration and Secretarial fee.

The Trust is not registered for VAT. Expenditure is shown inclusive of VAT where applicable.

#### Grants Payable

Grants are accounted for during the year in which they are approved by the Board of Trustees.

#### Realised and Unrealised Gains

Realised gains represent the net difference between the sale proceeds and the historical cost of investments disposed of during the year. Unrealised losses represent the amount by which the market value of investments were less than the historical cost at 31<sup>st</sup> March 2009 in comparison to that amount at 31<sup>st</sup> March 2008.

#### Donations

Donations of goods and services given free to the Trust are not recognised in the Accounts unless the benefit is significant and quantifiable.

#### Freehold Properties used for charitable purposes

Depreciation is charged on donated freehold buildings estimated so as to write off the estimated useful life over 40 years. No depreciation is charged on freehold land.

Some of the properties are let out rent free to tenants carrying out charitable work in accordance with the Charity's objects. They are held at a nominal value of £1.

#### Investments

Investments listed on a recognised stock exchange are stated at market value. It is the Board's policy to keep valuations up to date such that when an investment is sold only a small gain or loss arises. The fund manager values investments held as fixed assets annually at the balance sheet date and the gain or loss is taken to the Statement of Financial Activities.

## ROYAL DOCKS TRUST (LONDON)

### FUNDS

The Trust's funds are made up of:

#### Unrestricted Funds

Which may be used to support the Trust's charitable activities at the discretion of the Trustees.

#### Endowed Funds

##### Endowment

This represents the original endowment from the LDDC. The income generated is used to support a community grants programme and the Trust's administration costs.

#### Restricted Funds

##### Special Projects

This fund is made up of monies received from the LDDC in relation to specific projects. The Trust entered into agreements with the LDDC to secure the implementation of these projects. The first call on any income generated by the investment of these Funds is the costs incurred by the Trust in fulfilling its obligations under them.

##### Statue Fund

This fund is held in order to design and erect a commemorative statue to dock working in the Royal Docks.

## 2. SPECIAL PROJECTS

Movements on the Special Project Funds in the Year to 31<sup>st</sup> March 2009 were as follows:

Project	@31/3/08 £	Expenditure £	@31/3/09 £
Drew Road/ St John's Church Centre -- leisure facilities	148,705	(148,705)	0
Royal Victoria Dock – Watersports Centre	859,985		859,985
Water-ski Centre – King George V Dock	765,303	(2,677)	762,626
<b>Total</b>	<b>1,773,993</b>	<b>(151,382)</b>	<b>1,622,611</b>

## ROYAL DOCKS TRUST (LONDON)

A reconciliation between the unspent balances on Special Project Funds shown above, and the sum shown in the Balance Sheet on page 16 is given below:

	2009	2008
Balance at beginning of year	2,494,343	3,249,182
Capital Expenditure	(151,382)	(791,295)
Interest earned in year	130,650	200,371
Interest transferred in year	(14,261)	(51,488)
Interest expended in year	(2,657)	(100,078)
	<hr/>	<hr/>
	2,456,693	2,506,692
Administration Expenses	(11,935)	(12,483)
Administration expenses transferred	847	134
Balance at end of year	<u>2,445,605</u>	<u>2,494,343</u>
Made up of:		
Capital	1,622,611	1,773,993
Income	<u>822,994</u>	<u>720,350</u>
Total	<u>2,445,605</u>	<u>2,494,343</u>

By the terms of the endowment the interest on the Drew Road and St John's Centre funds can be transferred to the general fund and this is done each year.

In addition to the Special Projects Funds the premises owned by the Trust, but used by projects, are included in the funds shown on the balance sheet as follows:

	2009	2008
Freehold properties (net)	<u>73,803</u>	<u>75,603</u>

### 3. IN-KIND TIME

This represents the estimated value of time spent by LB Newham staff on the affairs of the Royal Docks Trust during the year.

### 4. GRANT PROGRAMME

The grant programme is administered by the London Borough of Newham. The Trust makes a contribution to the costs of administering the programme (see note 5). All grant payments are jointly funded by and require the approval of the Royal Docks Trust Board and the London Borough of Newham.

Summary of Grants Approved  
in the Year ended 31<sup>st</sup> March 2009

#### SUMMARY

	2009	2008
Total grants approved during year	234,544	250,108
Less Contribution from London Borough of Newham	(67,500)	(67,500)
Grants met by Trust	<hr/> 167,044	<hr/> 182,608
Support costs allocated to the grant programme	19,286	17,945
Total costs incurred on the grant programme	<u>186,330</u>	<u>200,553</u>

## ROYAL DOCKS TRUST (LONDON)

Grants Approved  
In the Year ended 31<sup>st</sup> March 2009  
Organisation

	Purpose	Grant Expenditure 2009 £
Ascension Community Centre	Running Costs	16,500
Bridges Community Project	Running Costs	30,000
Ascension Eagles Cheerleaders	Running Costs	30,000
British Trust for Conservation Volunteers	Running Costs	15,000
Community Links ASTA	Running Costs	15,000
Iroko Theatre Company	Running Cost	10,000
St John's Community Centre	Running Costs	35,000
Newham Music Trust	Running Costs	10,000
Community Links Beckton Rec	Running Costs	15,000
Community Links – Building Closer Communities	Running Costs	20,000
New London Orchestra	Running Costs	8,950
cSpace	Running Costs	12,000
Ascension Community Trust	Minor Grant	1,000
ART .e@ the Art of Change	Minor Grant	1,500
Leyes Road Allotment Association	Minor Grant	500
Community Links – Outdoors in the City	Minor Grant	500
Community Links – Andrews St Centre and Britannia Village Hall	Minor Grant	360
Docklands Riders	Minor Grant	1,493
Create Arts Ltd	Minor Grant	1,000
Eastlea Wanderers	Minor Grant	1,000
Custom House and Canning Town	Minor Grant	1,137
Beckton Islamic Association	Minor Grant	390
Portway Tornadoes	Minor Grant	1,000
Community Childcare	Minor Grant	1,500
Community Links	Minor Grant	1,500
Newham Pensions Forum	Minor Grant	750
Deafroots Association	Minor Grant	500
London East Research Institute	Minor Grant	1,464
Ascension Eagles Cheerleaders	Minor Grant	1,500
		<hr/>
		<b>234,544</b>

The Trust also makes small grants to a number of local groups; of these all were for less than £1,000.

## ROYAL DOCKS TRUST (LONDON)

### 5. SUPPORT AND GOVERNANCE COSTS

	2009	2008
	£	£
Administration and Secretarial	66,208	46,104
Administration of Grant Programme	15,600	15,600
Depreciation	1,800	1,800
Bank Charges	32	0
	83,640	63,504

Support costs have been allocated directly amongst the various activities. Administration of the grant programme has been allocated directly to 'Grants' and the legacy element of the consultant's time to 'Special Projects' with the balance of support costs spent by the consultants on governance.

	2009	2008
	£	£
Audit	4,600	4,700

### 6. TRANSFER BETWEEN RESTRICTED AND UNRESTRICTED FUNDS

This represents the transfer of interest received net of administration expenses incurred in prior years in respect of those Special Projects which were completed by 31<sup>st</sup> March 2009.

### 7. FIXED ASSETS – used for charitable purposes

Property assets, as set out below, were transferred to the Trust by the LDDC shortly before it ceased operations on 31<sup>st</sup> March 1998.

Freehold Properties	Cost	Depreciation Brought Forward	Depreciation charge for year	2009 Total	2008 Total
	£	£	£	£	£
Explorer scout Hut site, Eastbury Road	1			1	1
Docklands Equestrian Centre	1			1	1
Stansfield Road Livery Yard	1			1	1
Former S&M Club building, Stansfield Road	90,000	(14,400)	(1,800)	73,800	75,600
				73,803	75,603

Costs shown above represent valuations attributed to the properties by the LDDC at the date of transfer in March 1998 and were agreed by the District Valuer other than the Explorer Scout Hut. This has been revalued to £1 because from 1 April 2006 no further rent is being charged on this property. All the premises have been leased on terms ranging from 2 to 199 years to organisations carrying out charitable work within the Trust's objectives.

The Market Value of the Former S&M Club Building is an estimated £400,000 at March 2007. As explained in the Trustees Report there is a proposal to develop the site. The other properties do not have a market value as the Board has no plans to change the current rent-free usage.

## ROYAL DOCKS TRUST (LONDON)

### 8. FIXED ASSET – Investments

	2009	2008
	£	£
Quoted Investments		
Market Value 1 <sup>st</sup> April 2008	7,686,259	8,015,516
Additions – at cost	192,062	350,631
Disposals – at market value	(933,810)	(380,000)
Unrealised gains/(losses)	<u>(1,132,015)</u>	<u>(299,888)</u>
Market Value 31 <sup>st</sup> March 2009	<u>5,812,496</u>	<u>7,686,259</u>
Historical Cost as at 31 <sup>st</sup> March 2009	<u>6,566,759</u>	<u>7,309,689</u>

The Quoted Investments held are as follows:

	2009	2008
	£	£
UK Fixed Interest	581,044	619,237
UK Equities	2,325,570	3,419,891
Cash Instruments	<u>2,905,882</u>	<u>3,647,131</u>
	<u>5,812,496</u>	<u>7,686,259</u>

### 9. DEBTORS

	2009	2008
	£	£
Other Debtors (net of provisions)	<u>11,285</u>	<u>15,592</u>
	<u>11,285</u>	<u>15,592</u>

### 10. CASH

	2009	2008
	£	£
In hand and at bank	72,963	75,588
With Fund Managers	504	84
	<u>73,467</u>	<u>75,672</u>

### 11. CREDITORS

	2009	2008
	£	£
Grants payable	182,644	198,208
Accruals	105,173	594,533
	<u>287,817</u>	<u>792,741</u>

## ROYAL DOCKS TRUST (LONDON)

### 12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

FUND	Freehold Properties	Listed Investments	Net Current Assets	TOTAL
	£	£	£	£
Endowed Funds		2,911,806		2,911,806
Restricted Funds	Freehold Properties	73,803		73,803
	Special Projects	2,445,605		2,445,605
Unrestricted Funds		455,085	(203,065)	252,020
		<hr/>		
	73,803	5,812,496	(203,065)	5,683,234

### 13. TAXATION

No provision for Corporation tax has been provided as the Trust has received exemption on the grounds of its charitable status.

### 14. RELATED PARTY AND CONTINGENT ASSET.

The Trust is the owner of a special share in the Winsor Park Management Company Limited which gives it the responsibility to oversee the conduct of the Company and has the power to appoint up to four directors if it sees fit, and has appointed two directors. The special shareholder is also a joint signatory of the Accumulation Fund account held by the Company and has a duty to permit the proper operation of that Account.

The Accumulation Fund was established to meet any expenditure required in respect of failure of, or damage to, the reclamation works at Winsor Park. The fund was established by the LDDC and currently stands at approximately £6,387,000 and attracts about £304,000 of interest per year net of tax. It is to be held by Winsor Park Management Company Limited until 11<sup>th</sup> April 2070, unless it is required to be spent as above or unless an engineer reports that there is no reasonable likelihood of the fund having to be spent for that purpose. The engineering reports must be obtained every 10 years commencing 11<sup>th</sup> April 2010.

If the fund becomes repayable under either condition above, it is repayable to the special shareholder.

There were no transactions between Winsor Park Management Company Limited and the Trust during the year.

### 15. TRUSTEES

The trustees were not paid or reimbursed for expenses during the year.

Some trustees will from time to time have an involvement with organisations that are being considered for grant aid but this involvement would not be such as to confer any personal pecuniary benefit on them. Any such involvement is declared to avoid any possibility of a conflict of interest arising.