

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

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2011

Charity No: 1045057

Company No: 03032232

ROYAL DOCKS TRUST (LONDON)

Report and Financial Statements For the Year Ended 31st March 2011

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ROYAL DOCKS TRUST (LONDON)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2011

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31st March 2011.

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:-

Elected Trustees	Robert Michael Heaton (from 15/6/2011) William Thomas Sidney Keys Stephen William Nicholas Eric Sorensen (Chair) Alan Taylor (subject to restricted voting rights in accordance with the articles of association) Ken Wilson (from 21/7/2009)
Trustees elected by business members	Charulata Patel (from 12/5/2011) Ken Wilson
Nominated by the London Borough of Newham	Councillor Stephen Ernest Brayshaw (from 27/5/2010 until 19/5/2011) Councillor Conor McAuley (from 21/7/2011) Councillor Patrick John Andrew Murphy (until 27/5/2010) Councillor Paul William Leslie Schafer (subject to restricted voting rights in accordance with the articles of association)
Representing Community and Voluntary Sector Interests	Dennis Eric James
Appointed by Board to represent Business Sector	Richard Ernest Gooding (Executive Committee Chair)
Co-opted	Charulata Patel (until 12/5/2011) Kayar Raghavan (from 14/9/2011) Iain Thom (until 16/3/2011) Amanda Williams (from 14/9/2011)

ROYAL DOCKS TRUST (LONDON)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2011 (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 (until 31/3/2011)

Rensburg Sheppards Investment Management Limited
2 Gresham Street
London
EC2V 7QN (from 1/4/2011)

Senior Statutory Auditor

Peter Gotham

Auditors

MHA MacIntyre Hudson (formerly Gotham Erskine LLP)
Chartered Accountants and Statutory Auditor
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Solicitors

Parker Arrenberg
37 Rushey Green
Catford
London
SE6 4AS

Honorary Treasurer

Robert Heaton (until 30/6/2011)
Executive Director of Resources
Deborah Hindson (from 11/10/2011)
Director of Finance
London Borough of Newham
Newham Dockside
1000 Dockside Road
London
E16 2QU

ROYAL DOCKS TRUST (LONDON)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2011 (continued)

Structure, Governance and Management

Governing Instrument

The charity is a company limited by guarantee which was incorporated on 7th March 1995 and is governed by its memorandum and articles of association, the latter having been amended by special resolution on the 27th 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 27th 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. In accordance with authority conferred by the articles, the Board has determined that these four places should be filled by direct appointment by the trustees, although making provision for West Silvertown Village Community Foundation (itself a local charity) to put forward a nominee for consideration. There are currently three vacancies in this category.

Not more than three trustees may be appointed being 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.

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. 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. There is currently one vacancy in this category.

ROYAL DOCKS TRUST (LONDON)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2011

(continued)

Trustee Induction and Training

The present trustees 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, are elected members of the local authority representing local wards or, in one case a former officer of the Trust. Indeed, several have wide experience of working within or serving as trustees of other charitable organisations. In the case of newly appointed trustees, they are 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 are supplied with a copy of the memorandum and articles of association of the charity and 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 and financial advice, is readily available as required to individual trustees and at board meetings through the secretary (a practising solicitor) and professional advisers 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 financial reports, reports on on-going and other matters, particularly 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 deal with the administration and operation of the charity on a day to day basis.

Related Parties

There were none during the year under review except as referred to in note 14 and 15 to the financial statements.

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 although, as from 1st April 2011 they have been succeeded by Rensburg Sheppards Investment Management 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 31ST MARCH 2011

(continued)

Former S & M Club Building, Stansfeld Road – Occupied by a local charity until 31st July 2009 – valued in the accounts at £90,000 reflecting the value at which it was transferred from the LDDC.

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 service demand, informed the RDT that the continued use of the building beyond July 2009 was financially non viable. The RDT has 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 and has provided “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 (NRSA). The NRSA is a community based charity set up by local residents in 1972 which provides recreational and therapeutic horse-riding experience to disabled people and local children on a not-for-profit basis 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 operation of the Stansfeld Road stables has not been a core activity of the charity. Unfortunately they have operated at an increasing loss over recent 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 but to close the livery stables and action is currently being taken to effect closure.

In considering how these sites might better be used for the benefit of the communities served by the NRSA and the Royal Docks Trust both charities have taken into account their charitable obligations and have come to the view that, in the absence of a demand for them to be occupied for further community uses, it would be preferable for them to dispose of their respective interests for redevelopment and thereby realise their substantial value and thus generate additional funds to employ in furtherance of their respective charitable objects.

Accordingly, 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 NRSA. The application provided for the demolition of the existing stables and community building and proposed residential development comprising 32 dwellings with associated parking and open space. Discussion of the application continued with LBN until the 28 September 2009 when the application was withdrawn to enable further consideration of technical issues with the Environment Agency (since resolved) outside of the statutory 13 week period allowed for LBN to determine planning applications. Discussions have also been pursued and are still continuing with LBN and are primarily centred on concerns about community provision within the local area. Resubmission of the application is being held in abeyance pending completion of these discussions.

As required by section 36 of the Charities Act 1993 both charities have jointly appointed an independent duly qualified and experienced surveyor to advise them in regard to the proposal to dispose of the sites.

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 £22,800 in 2009 / 2010. Following the closure of the Stansfeld Road livery yard and sale of the sites it is intended that the NRSA will repay the RDT loan.

ROYAL DOCKS TRUST (LONDON)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2011

(continued)

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.

LDDC Legacy Funds

Shortly before the LDDC ceased operations on 31st March 1998, the charity entered into agreements with it under which the LDDC placed with the charity funds to enable it so far as feasible 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 was 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 in order to secure the completion of the following 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)
Watersports Centre, Royal Victoria Dock
Waterski Centre, King George V Dock

However, although all but the last two have been successfully completed, in the case of the Watersports Centre, Royal Victoria Dock, and the Waterski Centre, King George V Dock, it has not been possible, for reasons outside the control of the Trust, to bring these to fruition. The Legacy Agreements for both projects contained clauses under which, if completion was not achieved within defined timescales (long exceeded) default provisions come into effect, ultimately releasing the funds to the Trust for use in furtherance of its general charitable purposes (i.e. as unrestricted money). Having considered the individual circumstances surrounding each project very carefully and consulted its auditors, the Board instructed the Secretary to approach the Homes and Communities Agency (HCA) (as successor to the LDDC) for their agreement to the funds being released from all restrictions, both primary and secondary, affecting each project and being re-designated as unrestricted. This was agreed by the HCA and the amount concerned (in total £1,622,611) is now available for the Trust to employ in furtherance of its general charitable objects, free of restriction.

ROYAL DOCKS TRUST (LONDON)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2011 (continued)

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.

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 a key risk which may adversely affect the achievement of its charitable objectives:-

Fall in value in the investment of its endowed sum

80% of the investments have been in UK equities and stock market. There has been significant fluctuations 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.

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 31ST MARCH 2011 (continued)

2. Commitments

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

3. 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 31st March 2011, the charity had assessed the reserves needed to provide for the above. This assessment is shown in the table below:

REQUIREMENT	£'000
Operational - 5 year horizon	
Potential operating deficit at current "core" level	595
Allowance for additional development activities	125
Investment	
Continued investment of LDDC Endowments in "real terms"	4,003
Meeting Commitments	
Meeting obligations under former Legacy Agreements and others that have been agreed since	1,623
Match Funding	
To enable the Trust to seek additional funding	300
Risk	
To provide a "contingency" against business risks associated with its obligations (assessed at 10% of the outstanding commitment)	162
TOTAL REQUIREMENT	6,808

ROYAL DOCKS TRUST (LONDON)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2011 (continued)

At 31st March 2011, the charity's accumulated reserves, excluding property, amounted to £6,721,305 a deficit of £86,700 compared to the reserves target. This compares with a surplus of £269,580 at 31st March 2010 and is a reflection of the current volatility in the global economic situation. 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.

Prior to the G20 meeting held in the Spring of 2009 the charity successfully secured the completion and installation of the dockworkers commemorative statue in a prominent position outside the ExCeL Exhibition Centre where it was unveiled by Sir Robin Wales at a ceremony on 24th August 2009 and the Trust is pleased to report that it has become an established icon of the history and heritage of the Royal Docks, generating a lot of interest from scholars, visitors to the Centre and the general public alike.

Public Benefit Statement

In planning their activities for the financial year 2010/11, the trustees considered the Charity Commission's guidance on public benefit and were satisfied that in operating the joint grants programme and pursuing other activities, 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 16 together with the supporting notes on pages 18 - 24.

Grants

The charity approved a grant programme totalling £204,690 (£189,526 in 2009/10) 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 £131,003 (£110,117 in 2009/10). 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 page 21 of the Financial Statements.

ROYAL DOCKS TRUST (LONDON)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2011 (continued)

LDDC Legacy Projects

These have already been referred to in this Report.

The Trust collaborated with L B Newham in promoting a summer watersports event in 2010, incorporating waterski taster sessions using the Rixen Trainers purchased by the Trust, repeating the very successful event promoted in 2009.

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.

Preparation of the report

This report of the Board of Trustees has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006.

Auditors

The Charities auditors, Gotham Erskine LLP, have since the year end become the Not-For-Profit Team at MHA MacIntyre Hudson, the trading name of MacIntyre Hudson LLP. MHA MacIntyre Hudson have indicated their willingness to continue in office and offer themselves for re-appointment as such, under Section 485 of the Companies Act 2006.

ROYAL DOCKS TRUST (LONDON)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2011 (continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who act as directors for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company and charity law applicable to Charities in England and Wales 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 ensuring the Charity has an appropriate system of controls, financial and otherwise; keeping proper accounting records, which are sufficient to show and explain the company's transactions and 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 2006 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 7 December 2011 and signed on their behalf by:

.....
Eric Sorensen, 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 March 2011 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 April 2008).

This report is made solely to the 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 Company's trustees 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 Company and its Management Committee as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Board of Trustees and Auditors

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis of Opinion

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 2011, 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 applicable to small entities; and
- have been properly prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

ROYAL DOCKS TRUST (LONDON)

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

Continued..

Matters on which we are required to report by exception

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

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

.....

Peter Gotham (Senior Statutory Auditor)
For and on behalf of MHA MacIntyre Hudson
Chartered Accountants and Statutory Auditor
New Bridge Street House
30-34 New Bridge Street
London EC4V 6BJ
Date:

ROYAL DOCKS TRUST (LONDON)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST MARCH 2011 (INCORPORATING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

	Note	2011 Unrestricted Funds	2011 Endowment	2011 Restricted Funds	2011 Total	2010 Total
		£	£	£	£	£
INCOMING RESOURCES						
Voluntary Income:						
In-Kind Time	3	10,127			10,127	11,847
Donations (London Docklands Educational Trust)		13,881			13,881	
Incoming Resources from generated funds:						
Bank interest		4,130			4,130	20,908
Listed Investment Income:						
Dividends		129,800			129,800	141,013
Commission rebate		17,474			17,474	13,149
Other income		1,321		0	1,321	0
		176,733	0	0	176,733	186,917
RESOURCES EXPENDED						
Direct Charitable expenditure:						
Grant programme	4	148,871			148,871	128,164
Special Projects	2	39,568			39,568	115,368
Area Teams		2,500			2,500	2,000
Statue		0			0	24,688
Other		28,689		1,800	30,489	43,933
Governance		30,603			30,603	31,755
		250,231	0	1,800	252,031	345,908
Net Income / Expenditure before transfers		(73,498)		(1,800)	(75,298)	(158,991)
Transfer	6	2,480,996		(2,480,996)	0	0
Net Income / Expenditure before revaluations		2,407,498		(2,482,796)	(75,298)	(158,991)
Realised and Unrealised (losses)/gains on investments		11,883	269,340		281,223	1,061,340
Net movement in funds		2,419,381	269,340	(2,482,796)	205,925	902,349
Funds brought forward		129,641	3,973,146	2,482,796	6,585,583	5,683,234
FUNDS CARRIED FORWARD		2,549,022	4,242,486	0	6,791,508	6,585,583

The notes on pages 18 to 24 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 31ST MARCH 2011

	Note	2011 £	2011 £	2010 £	2010 £
FIXED ASSETS					
Freehold Property	7		70,203		72,003
Listed Investments	8		6,840,564		6,615,220
			6,910,767		6,687,223
CURRENT ASSETS					
Debtors	9	5,659		5,412	
Cash	10	<u>42,431</u>		<u>34,892</u>	
		<u>48,090</u>		<u>40,304</u>	
CREDITORS DUE WITHIN ONE YEAR	11	(167,349)		(141,944)	
NET CURRENT ASSETS			<u>(119,259)</u>		<u>(101,640)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,791,508</u>		<u>6,585,583</u>
FUNDS					
Unrestricted Funds					
General Funds	12, 6		926,411		129,641
Designated Funds	2, 6		<u>1,622,611</u>		<u>0</u>
			2,549,022		129,641
Endowment Funds	12		4,242,486		3,973,146
Restricted Funds					
Special Projects – Capital	2	0		1,622,611	
Special Projects - Income	2	0		788,182	
Charitable Property		<u>0</u>		<u>72,003</u>	
	6		0		2,482,796
			<u>6,791,508</u>		<u>6,585,583</u>

The financial statements have been prepared in accordance with the provisions of the Companies Act 2006 applicable to companies subject to the small companies' regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

They were approved and authorised for issue by the Board of Trustees on 7 December 2011 and signed on their behalf by

.....
Eric Sorensen,
Chairperson

The Notes on pages 18 to 24 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 April 2008) and the Companies Act 2006.

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 gains represent the amount by which the market value of investments exceeds the historical cost at 31st March 2011 in comparison to that amount at 31st March 2010.

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)

NOTES TO THE ACCOUNTS

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	<u>Endowment</u> 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.
Other Unrestricted Funds	<u>Special Projects</u> 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 but the agreed timeframe on these has now long since passed. The trustees however, were content to continue to earmark these funds for the possible undertaking of significant projects but, as noted in the Trustee report, decided in 2010/11 to approach the successor body to the LDDC, the Homes & Community Agency. Consent was obtained to treat unspent Special Projects funds as unrestricted. The trustees, however, wish to designate part of the fund for capital purposes.

2. SPECIAL PROJECTS

Movements on the Capital Special Project Funds (formerly "restricted", now "designated") in the Year to 31st March 2011 were as follows:

Project	@31/3/10	Expenditure	Transfer	@ 31/3/11
	£	£	£	
<u>Restricted</u>				
Royal Victoria Dock - Watersports Centre	859,985		(859,985)	0
Water-ski Centre - King George V Dock	762,626		(762,626)	0
<u>Designated</u>				
General Capital Special Project Fund	0		1,622,611	1,622,611
Total available for other special projects	1,622,611	0	0	1,622,611

ROYAL DOCKS TRUST (LONDON)

NOTES TO THE ACCOUNTS

A reconciliation of the Total Special Project Funds is given below:

	2011	2010
Balance at beginning of year	2,410,793	2,445,605
Capital Expenditure	0	0
Interest earned in year	0	17,487
Interest transferred in year	0	0
Interest expended in year	0	(48,899)
Balance transferred to unrestricted	(2,410,793)	0
	0	2,414,193
Administration Expenses	0	(3,400)
Administration expenses transferred	0	0
Balance at end of year	0	2,410,793
Made up of:		
Capital	0	1,622,611
Income	0	788,182
Restricted Special Project Funds at year end	0	2,410,793
Designated in the year	1,622,611	0
Designated Special Project Funds at year end	1,622,611	0

In removing the restrictions on the former legacy funds, the trustees have opted to reallocate all of the interest earned to its general unrestricted purposes, whilst at the same time, the capital sum of £1,622,611, although also unrestricted, has been designated to undertake significant capital type projects. However, if this does not come to pass, the trustees may spend these monies on their general charitable purposes.

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:

	2011	2010
Freehold properties (net)	70,203	72,003

These were also transferred to the general funds during the course of the year as there was no continuing restriction on their use.

Futhermore, a sum of £39,568 was spent on the development of Stansfeld Road as a special unrestricted project.

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.

ROYAL DOCKS TRUST (LONDON)

NOTES TO THE ACCOUNTS

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 31st March 2011

SUMMARY	2011	2010
Total grants approved during year	204,690	189,526
Grants not fully claimed - previous year's grants not taken up	(6,187)	(11,909)
	198,503	177,617
Less Contribution from London Borough of Newham	(67,500)	(67,500)
Grants met by Trust	131,003	110,117
Support costs allocated to the grant programme	17,868	18,047
Total costs incurred on the grant programme	148,871	128,164

Grants Approved In the Year ended 31st March 2011

Organisation	Purpose	Grant Expenditure 2011
Ascension Community Trust - Garden Cafe	Running Costs	16,203
Ascension Community Trust - Elders Project	Running Costs	14,031
Ascension Eagles Cheerleaders	Running Costs	30,000
Bonny Downs Community Association	Running Costs	5,000
Bonny Downs Community Association	Running Cost	10,000
Community Links - City Farm	Running Costs	15,000
Community Links - Canning Town Rect	Running Costs	13,740
Community Links - ASTA	Running Costs	15,000
Newham Music Trust	Running Costs	11,626
St John's Community Centre	Running Costs	30,000
St Mark's Community Centre	Running Costs	20,000
Theatre Venture	Running Costs	7,919
Custom House Baptist Church	Minor Grant	500
Leyes Road Allotment Association	Minor Grant	500
Newton's Heritage Art Project	Minor Grant	1,473
Newham Community Transport	Minor Grant	1,500
St John's Centre	Minor Grant	1,500
Ascension Eagles	Minor Grant	1,500
South Canning Town Detached Youth Project	Minor Grant	1,000
Community Links	Minor Grant	350
Trinity Steering Group	Minor Grant	750
		<u>197,592</u>

ROYAL DOCKS TRUST (LONDON)

NOTES TO THE ACCOUNTS

Organisation	Purpose	Grant Expenditure 2011
	Brought Forward	197,592
South West Ham District Horticultural Society	Minor Grant	500
The cSpace Trust	Minor Grant	1,479
Royal Docks Learning and Activity Centre	Minor Grant	600
St Luke's Tuesday Club	Minor Grant	400
Tate and Lyle Retired Person's Association	Minor Grant	516
Monday Senior Citizen's Club – The Cundy Centre	Minor Grant	500
Community Links	Minor Grant	1,000
Custom House Baptist Church	Minor Grant	500
South Canning Town Detached Youth Project	Minor Grant	750
Newham Riding School and Association	Minor Grant	853
	Total	204,690

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

5. SUPPORT AND GOVERNANCE COSTS

	2011 £	2010 £
Administration and Secretarial	46,836	47,171
Administration of Grant Programme	15,600	15,600
Depreciation	1,800	1,800
Bank Charges	13	0
	<u>64,249</u>	<u>64,571</u>

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.

	2011 £	2010 £
Audit	<u>5,160</u>	<u>5,075</u>

6. TRANSFER BETWEEN RESTRICTED AND UNRESTRICTED FUNDS

This represents the transfer of the balance of restricted funds in accordance with the removal of the restrictions as agreed with the Homes & Communities Agency. As reflected in note 2 the balance on 'capital projects' have now been reflected as designated funds. The movements are as follows:

	1 April 2010	Income	Expenditure	Transfer	31 March 2011
Restricted	2,482,796	0	(1,800)	(2,480,996)	0
Endowment	0	0	0	1,622,611	1,622,611
Unrestricted	129,641	188,616	(250,231)	858,385	926,411

ROYAL DOCKS TRUST (LONDON)

NOTES TO THE ACCOUNTS

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 31st March 1998.

Freehold Properties	Cost Valuation £	Depreciation Brought Forward £	Depreciation charge for year £	2011 Total £	2010 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	(18,000)	(1,800)	70,200	72,000
				<u>70,203</u>	<u>72,003</u>

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 was estimated at £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.

8. FIXED ASSET - Investments

Quoted Investments	2011 £	2010 £
Market Value 1 st April 2010	6,615,220	5,812,496
Additions - at cost	29,036	136,186
Disposals - at market value	(84,718)	(410,771)
Unrealised gains/(losses)	<u>281,025</u>	<u>1,077,309</u>
Market Value 31 st March 2011	<u>6,840,563</u>	<u>6,615,220</u>
Historical Cost as at 31 st March 2011	<u>6,466,558</u>	<u>6,522,240</u>

The Quoted Investments held are as follows:

	2011	2010
	£	£
UK Fixed Interest	608,193	633,483
UK Equities	3,493,505	3,279,589
Other Pooled Funds	1,133,069	1,051,214
Cash Instruments	<u>1,605,797</u>	<u>1,650,934</u>
	<u>6,840,564</u>	<u>6,615,220</u>

ROYAL DOCKS TRUST (LONDON)
NOTES TO THE ACCOUNTS

9. DEBTORS

	2011	2010
	£	£
Other Debtors (net of provisions)	5,659	5,412
	<u>5,659</u>	<u>5,412</u>

10. CASH

	2011	2010
	£	£
In hand and at bank	42,419	34,881
With Fund Managers	12	11
	<u>42,431</u>	<u>34,892</u>

11. CREDITORS

	2011	2010
	£	£
Grants payable	146,602	125,717
Accruals	20,747	16,227
	<u>167,349</u>	<u>141,944</u>

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

FUND	Freehold Properties	Listed Investments	Net Current Assets	TOTAL
	£	£	£	£
General Funds	70,203	736,949	119,259	926,411
Designated Funds		1,622,611		1,622,611
Endowed Funds		4,242,486		4,242,486
	<u>70,203</u>	<u>6,602,046</u>	<u>119,259</u>	<u>6,791,508</u>

13. TAXATION

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

ROYAL DOCKS TRUST (LONDON)

NOTES TO THE ACCOUNTS

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 WPMC was established broadly for the purpose of monitoring maintenance and improvement of reclamation works at Winsor Park which is within the trust's area of benefit. The Accumulation Fund was established 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 £6,575,629 and attracts £22,025 of interest per year less £25,448 of general expenses. It is to be held by Winsor Park Management Company Limited until 11th 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 11th April 2010. In order to meet its obligations under the Shareholders Agreement in respect of the commissioning of engineering reports and the review of the reclamation works and the continuing need for the accumulation fund the WPMC instructed Card Geotechnics to review the operation and the integrity of the reclamation scheme and to advise WPMC. The WPMC is considering the report provided by Card Geotechnics and the continuing need for the Accumulation Fund and the obligations of the shareholders agreement.

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 (2010 - none).

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.