

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

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2010

Charity No: 1045057

Company No: 03032232

ROYAL DOCKS TRUST (LONDON)

Report and Financial Statements For the Year Ended 31st March 2010

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ROYAL DOCKS TRUST (LONDON)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2010

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31st March 2010.

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	Michael Grier (until 15/7/2009) 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)
Nominated by the London Borough of Newham	Councillor Stephen Ernest Brayshaw (from 27/5/2010) 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 (from 19/1/2010)
Appointed by Board to represent Business Sector	Richard Ernest Gooding (Executive Committee Chair)
Co-opted	Charulata Patel (from 27/10/2009) Iain Thom (from 27/10/2009)

ROYAL DOCKS TRUST (LONDON)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2010 (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

Senior Statutory Auditor

Peter Gotham

Auditors

Gotham Erskine LLP
Chartered Accountants and Statutory 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 31ST MARCH 2010 (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. There is currently one vacancy in this category.

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 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 in this category.

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 27th 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 31ST MARCH 2010

(continued)

Trustee Induction and Training

With the exception of Councillor Brayshaw (who nevertheless already serves as a trustee of another local charity) and the recently recruited Charulata Patel, Ian Thom and Dennis James, 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 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), the Honorary Treasurer 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 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 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.

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 2010 (continued)

Former S & M Club Building, Stansfeld Road – Occupied by a local charity until 31st 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 was 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 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 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 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 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 NRSA. 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 (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.

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 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.

ROYAL DOCKS TRUST (LONDON)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2010

(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 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 which have been subject to protracted delays for reasons outside the control of the charity.

Since receipt, the amounts from the LDDC have been held on deposit by the trustees pending further project expenditure. During the year to 31st March 2010, there was no expenditure out of the "Legacy Fund" as detailed in Note 2 on page 19 of the Financial Statements.

In the case of both the remaining projects, under the term of the respective Grant Agreements, the charity has, by reason of lapse of time, been discharged from the primary purposes for which the legacy funds were donated and they are now subject to the default provisions set out in the Agreements. The present situation in respect of both projects is currently under review by the trustees with a view to determining whether, and if so, how elements of the capital and interest earned might be released and applied for other uses in accordance with the such provisions, working through the successive restricted purposes stipulated in the Agreements and, subject to their first being discharged or the trustees being of the opinion that the relevant needs no longer exist, ultimately for the charity's general charitable purposes, i.e. as unrestricted funds.

ROYAL DOCKS TRUST (LONDON)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2010

(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 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 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.

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 31ST MARCH 2010 (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 31st March 2010, 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	240
Allowance for additional development activities	125
Investment	
Continued investment of LDDC Endowments in "real terms"	3,794
Meeting Commitments	
Meeting obligations under 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 Legacy Projects and other obligations (assessed at 10% of the outstanding commitment)	162
TOTAL REQUIREMENT	6,244

ROYAL DOCKS TRUST (LONDON)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2010 (continued)

At 31st March 2010, the charity's accumulated reserves, excluding property, amounted to £6,513,580 a surplus of £269,580 compared to the reserves target. This compares with a deficit of £269,000 at 31st March 2009. 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, notwithstanding having been released by lapse of time from the primary purposes of the outstanding LDDC legacy projects, to pursue their implementation with the bodies which would be responsible for their commission.

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. The statue has quickly become established as a focal point, having been extremely well received, and has generated a lot of interest from both the public and scholars alike.

Public Benefit Statement

In planning their activities for the financial year 2009/10, 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 16 together with the supporting notes on pages 18 - 24.

Grants

The charity approved a grant programme totalling £189,526 (£237,450 in 2008/09) 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 £110,117 (£167,044 in 2008/09). 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 2010 (continued)

LDDC Legacy Projects

These have already been referred to in this Report.

The Trust again sought to collaborate with L B Newham with a view to promoting a summer watersports event in 2009, incorporating waterski taster sessions using the Rixen Trainers purchased by the charity, repeating the very successful event promoted in 2008, but were disappointed that, for a number of logistical reasons, it was not possible for LBN to put the necessary arrangements in place.

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 auditors, Gotham Erskine LLP have indicated their willingness to accept re-appointment under Section 485 of the Companies Act 2006.

ROYAL DOCKS TRUST (LONDON)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2010 (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 9 December 2010 and 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 March 2010 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

The responsibilities of the Trustees (who are also the directors of The Royal Docks Trust for the purposes of company law), 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 Responsibilities Statement of the Trustees.

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 United Kingdom Generally Accepted Accounting Practice and the Companies Act 2006. We also report to you if, in our opinion, the information given in the Report of the Management Committee is consistent with the financial statements. In addition we report to you if, in our opinion, the Company has not kept adequate accounting records, if the financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosure of trustees' remuneration specified by law are not made.

We read the Report of the Trustees 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 directors 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements 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 financial statements.

ROYAL DOCKS TRUST (LONDON)

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

Continued..

Opinion

In our opinion:

- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities;
- the financial statements have been properly prepared in accordance with the Companies Act 2006;
- the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2010, and of its incoming resources and application of resources, including its income and expenditure, in the year then ended; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

.....
Peter Gotham (Senior Statutory Auditor)
For and on behalf of Gotham Erskine LLP
Chartered Accountants and Statutory Auditors
Friendly House
52-58 Tabernacle Street
London EC2A 4NJ
Date:

ROYAL DOCKS TRUST (LONDON)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2010 (INCORPORATING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

	Note	2010 Unrestricted Funds	2010 Endowment	2010 Restricted Funds	2010 Total	2009 Total
		£	£	£	£	£
INCOMING RESOURCES						
Voluntary Income:						
In-Kind Time	3	11,847			11,847	11,623
Incoming Resources from generated funds:						
Rent		0			0	18,750
Bank interest		3,422		17,486	20,908	149,836
Listed Investment Income:						
Dividends		141,013			141,013	138,848
Commission rebate		13,149			13,149	18,257
Other income		0			0	4,226
		169,431	0	17,486	186,917	341,540
RESOURCES EXPENDED						
Direct Charitable expenditure:						
Grant programme	4	128,164			128,164	186,330
Special Projects	2	63,070		52,298	115,368	254,734
Area Teams	4	2,000			2,000	2,000
Statue		24,688			24,688	35,102
Other		42,133		1,800	43,933	62,847
Governance		31,755			31,755	45,663
		291,810	0	54,098	345,908	586,676
Net Income / Expenditure before revaluations		(122,379)		(36,612)	(158,991)	(245,136)
Realised and Unrealised (losses)/gains on investments			1,061,340		1,061,340	(1,132,015)
Net movement in funds		(122,379)	1,061,340	(36,612)	902,349	(1,377,151)
Funds brought forward		252,020	2,911,806	2,519,408	5,683,234	7,060,385
FUNDS CARRIED FORWARD		129,641	3,973,146	2,482,796	6,585,583	5,683,234

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 2010

	Note	2010 £	2010 £	2009 £	2009 £
FIXED ASSETS					
Freehold Property	7		72,003		73,803
Listed Investments	8		6,615,220		5,812,496
			<u>6,687,223</u>		<u>5,886,299</u>
CURRENT ASSETS					
Debtors	9	5,412		11,285	
Cash	10	<u>34,892</u>		<u>73,467</u>	
		<u>40,304</u>		<u>84,752</u>	
CREDITORS DUE WITHIN ONE YEAR	11	<u>(141,944)</u>		<u>(287,817)</u>	
NET CURRENT ASSETS			<u>(101,640)</u>		<u>(203,065)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,585,583</u>		<u>5,683,234</u>
FUNDS					
Unrestricted Funds	12		129,641		252,020
Restricted Funds -					
Special Projects - Capital	2	1,622,611		1,622,611	
Special Projects - Income	2	788,182		822,994	
Charitable Property		<u>72,003</u>		<u>73,803</u>	
			2,482,796		2,519,408
Endowment Funds			<u>3,973,146</u>		<u>2,911,806</u>
			<u>6,585,583</u>		<u>5,683,234</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 9th December 2010 and signed on their behalf by

.....
Eric Sorenson,
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 2010 in comparison to that amount at 31st March 2009.

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.
Restricted 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. 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.

2. SPECIAL PROJECTS

Movements on the Special Project Funds in the Year to 31st March 2010 were as follows:

Project	@31/3/09 £	Expenditure £	@31/3/10 £
Royal Victoria Dock – Watersports Centre	859,985		859,985
Water-ski Centre – King George V Dock	762,626		762,626
Total	1,622,611	0	1,622,611

ROYAL DOCKS TRUST (LONDON)

NOTES TO THE ACCOUNTS

A reconciliation between the unspent balances on Special Project Funds shown above, and the sum shown in the Balance Sheet on page 17 is given below:

	2010	2009
Balance at beginning of year	2,445,605	2,494,343
Capital Expenditure	0	(151,382)
Interest earned in year	17,487	130,650
Interest transferred in year	0	(14,261)
Interest expended in year	(48,899)	(2,657)
	<hr/> 2,414,193	<hr/> 2,456,693
Administration Expenses	(3,400)	(11,935)
Administration expenses transferred	0	847
Balance at end of year	<hr/> <u>2,410,793</u>	<hr/> <u>2,445,605</u>
Made up of:		
Capital	1,622,611	1,622,611
Income	788,182	822,994
	<hr/> <u>2,410,793</u>	<hr/> <u>2,445,605</u>
Total at year end	<hr/> <u>2,410,793</u>	<hr/> <u>2,445,605</u>

There is provision in the agreements setting-up the various restricted funds which, on discharge of the restrictions, enable both the interest and capital to be used in furtherance of the general charitable objects of the Trust. Aware of this the Trustees have been content to budget for a reduction in the size of the unrestricted fund over the last several years. In light of the time that has elapsed since inception, and of the need to make best use of charitable funds, the Trustees are reviewing the structure of the restricted funds this year, with a view to determining which restrictions may properly be regarded as discharged so releasing funds for wider 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:

	2010	2009
Freehold properties (net)	<hr/> 72,003	<hr/> 73,803

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 2010

SUMMARY	2010	2009
Total grants approved during year	189,526	237,450
Grants not fully claimed - previous year's grants not taken up	(11,909)	(2,906)
	<hr/>	<hr/>
	177,617	234,544
Less Contribution from London Borough of Newham	(67,500)	(67,500)
	<hr/>	<hr/>
Grants met by Trust	110,117	167,044
Support costs allocated to the grant programme	18,047	19,286
	<hr/>	<hr/>
Total costs incurred on the grant programme	128,164	186,330

Grants Approved In the Year ended 31st March 2010

Organisation	Purpose	Grant Expenditure 2010
Ascension Community Centre	Running Costs	16,500
Ascension Eagles Cheerleaders	Running Costs	30,000
Community Links ASTA Centre	Running Costs	15,000
Community Links - Britannia Village	Running Cost	20,000
Groundworks East London	Running Costs	16,500
Iroko Theatre Company	Running Costs	10,000
St John's Community Centre	Running Costs	30,000
West Silvertown Village Community Foundation	Running Costs	12,900
Newham Music Trust	Running Costs	11,626
East London Gymnastics Centre	Minor Grant	1,150
Leyes Road Allotment Association	Minor Grant	550
St John's Centre	Minor Grant	1,500
The Space Trust	Minor Grant	1,493
Pitstop Project	Minor Grant	1,288
St John's Centre	Minor Grant	1,300
Community Links	Minor Grant	1,360
Theatre Venture	Minor Grant	1,500
The Space Trust	Minor Grant	1,493
Cultural Sports Integration	Minor Grant	1,457
Beckton Bangladesh Association	Minor Grant	500
Dove Women's Association	Minor Grant	1,500
		<hr/>
		177,617

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)

NOTES TO THE ACCOUNTS

5. SUPPORT AND GOVERNANCE COSTS

	2010	2009
	£	£
Administration and Secretarial	47,171	66,208
Administration of Grant Programme	15,600	15,600
Depreciation	1,800	1,800
Bank Charges	0	32
	64,571	83,640

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.

	2010	2009
	£	£
Audit	5,075	4,600

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 31st March 2010.

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	Depreciation Brought Forward	Depreciation charge for year	2010 Total	2009 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	(16,200)	(1,800)	72,000	73,800
				72,003	73,803

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 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)

NOTES TO THE ACCOUNTS

8. FIXED ASSET - Investments

	2010	2009
	£	£
Quoted Investments		
Market Value 1 st April 2009	5,812,496	7,686,259
Additions - at cost	136,186	192,062
Disposals - at market value	(410,771)	(933,810)
Unrealised gains/(losses)	<u>1,077,309</u>	<u>(1,132,015)</u>
Market Value 31 st March 2010	<u>6,615,220</u>	<u>5,812,496</u>
Historical Cost as at 31 st March 2010	<u>6,522,240</u>	<u>6,566,759</u>

The Quoted Investments held are as follows:

	2010	2009
	£	£
UK Fixed Interest	633,483	581,044
UK Equities	3,279,589	2,325,570
Other Pooled Funds	1,051,214	
Cash Instruments	<u>1,650,934</u>	<u>2,905,882</u>
	<u>6,615,220</u>	<u>5,812,496</u>

9. DEBTORS

	2010	2009
	£	£
Other Debtors (net of provisions)	5,412	11,285
	<u>5,412</u>	<u>11,285</u>

10. CASH

	2010	2009
	£	£
In hand and at bank	34,881	72,963
With Fund Managers	11	504
	<u>34,892</u>	<u>73,467</u>

11. CREDITORS

	2010	2009
	£	£
Grants payable	125,717	182,644
Accruals	16,227	105,173
	<u>141,944</u>	<u>287,817</u>

ROYAL DOCKS TRUST (LONDON)

NOTES TO THE ACCOUNTS

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

FUND	Freehold Properties	Listed Investments	Net Current Assets	TOTAL
	£	£	£	£
Endowed Funds		3,973,146		3,973,146
Restricted Funds - Freehold Properties	72,003			72,003
- Special Projects		2,410,793		2,410,793
Unrestricted Funds		231,281	(101,640)	129,641
	72,003	6,615,220	(101,640)	6,585,583

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 £6,471,000 and attracts £24,969 of interest per year less £26,083 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.

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 (2009 - 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.