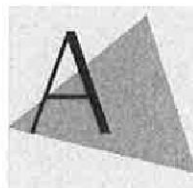


**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
FOR**

**DAVENANT CENTRE (THE)
(A COMPANY LIMITED BY GUARANTEE)**



ASHFORDS
Partnership LLP

Chartered Certified Accountants
Registered Auditors

DAVENANT CENTRE (THE)
(A COMPANY LIMITED BY GUARANTEE)

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FOR THE YEAR ENDED 31 MARCH 2017

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DAVENANT CENTRE (THE)
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's principal activity during the year continued to be that of the provision of two community centres for the educational and social benefits of the inhabitants of the London Borough of Tower Hamlets.

The two Community Centres location and the charities occupying them are:-

a) 179-181 Whitechapel Road, London, E1 1DN

Bangladeshi Drugs Project, a registered charity. The main objective of this Charity is to provide counselling, treatment for drug addiction and drug education services to the Bangladeshi community in London and the Tower Hamlets.

b) 183-185 Whitechapel Road, London, E1 1DN

i) The Rainbow Centre, a registered charity providing children's playgroup services.

ii) Lifeline project, a registered charity providing a range of treatment services for drug and alcohol related misuse.

The trustees consider that The Davenant Centre charity is achieving its objectives through the above three charities, who occupy the properties owned by the charity.

The trustees confirm that they have given due consideration to the Charity Commission's published guidance on Public Benefit requirement under the Charities Act 2011.

FINANCIAL REVIEW

Principal funding sources

The Davenant Centre's main source of funding during the period was from rental income derived from the letting of its two properties to other charities.

Reserves policy

The Unrestricted funds at 31st March 2017 amounted to deficit £6,915 (2016 surplus £38,812). These funds represent surplus/deficit on the day to day activities of the charity.

The Restricted funds at 31st March 2017 amounted to £3,593,469 (2016 £3,517,012). The restricted funds represents the net book value of the freehold land and buildings, less the related loans.

The property revaluation reserve Restricted funds at 31st March 2017 amounted to £601,607 (2016 £590,659). These funds can only be used for any accounting adjustments in the fair value of the Freehold properties.

The Restricted funds cannot be used for the day to day activities of the charity.

Funds in deficit

As at the Balance Sheet date the unrestricted funds were in deficit by £6,915 as a result of the Lifeline project tenant going into administration during June 2017 and provision of £9,878 as a bad debt. The project has been taken over by another charity, which is paying an increased rent. The trustees are confident that the Centre's operations are trading viably in the remainder of 2017/18 and that the deficit will be recovered.

Summary of activities for the year

The total income receivable by the Charity in the year amounted to £149,352 (2016 £134,903). The total expenditure for the year amounted to £118,622 (2016 £104,943). The Net Income for the year amounted to £30,730 (2016 £29,960)

The Charity has reduced its overall debt by £87,406 to £786,924 at the year end.

REVALUATION OF FREEHOLD PROPERTY

The properties were professionally valued by Dobbin & Sullivan, Chartered Surveyors during November 2015 at an open market value of £4,982,000. The trustee's are of the opinion that this amount represents a fair value at the Balance Sheet date and have re-valued the asset accordingly.

DAVENANT CENTRE (THE)
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The company is registered as a charitable company limited by guarantee as set up in the Memorandum of Association on 13 March 1984. The management of the company is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. The Board of directors is made up of the trustees of the Davenant Centre.

Recruitment and appointment of new trustees

During the year Mr C Holmes resigned as a trustee and Ms. A L Hurrell was appointed to the Board. The Board of trustees will ensure that any new appointments will have an appropriate mix of business skills.

Following the year end, Mr A C Scott was appointed as a trustee on 26th June 2017.

Organisational structure

The trustees are responsible for the overall management of the charity. The trustees have continued to use the same experienced consultant, who was appointed during the corporate restructuring in July 2009, to manage the two properties owned by the charity and provide administrative, financial and company secretarial services. He works closely with the Chairman, who is an experienced trustee with a business background. The trustees meet regularly to review the activities and financial performance. They also meet on informal basis as the need arises. The charity has no employees.

Induction and training of new trustees

New trustees are made aware of their responsibilities. This includes an introduction to the objectives, scope and policies of the charity.

Related parties

The London Borough of Tower Hamlets has provided financial support through an overdraft facility to the charity. This facility amounted to £570,318 at 31st March 2017 (2016 £563,407. Interest is payable and is secured by a second charge over the charity's properties. Mr C Holmes who has now resigned and Mrs J R Odunoye are trustees of the charity and were senior officers at the London Borough of Tower Hamlets. Mrs J R Odunoye is now a senior officer of another London borough.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

01799707 (England and Wales)

Registered Charity number

289235

Registered office

114-116 Goodmayes Road
Ilford
Essex
IG3 9UZ

Trustees

C Holme	- resigned 22.9.16
Mrs J R Odunoye	
J A Pulford MBE	
G K Collins	
Ms A L Hurrell	- appointed 31.8.16
A C Scott	- appointed 26.6.17

Company Secretary

M Ebbs

Senior Statutory Auditor

Rameshchandra Arjan

DAVENANT CENTRE (THE)
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Ashfords Partnership LLP
114 - 116 Goodmayes Road
Ilford
Essex
IG3 9UZ

Bankers

National Westminster Bank PLC
Mile End Branch
Albion Yard
331/335 Whitechapel Road
London
E1 1AU

BACKGROUND INFORMATION OF THE CHARITY

The Davenant Centre is a former GLC- owned building that was transferred by Grant Aid, along with the neighbouring Jaganori Centre to the trustees of the Centre in 1984 by the formation of a Company Limited by guarantee. The two properties are located at 179-181 and 183-185 Whitechapel Road, London E1.

In 2004, The Charity embarked on a major capital project to transform the 179-181 building (a former Victorian school) into a modern education and youth centre with the help of funding secured from a number of sources including loan facilities from NatWest Bank.

However by 2005 the project was suffering from severe funding shortage resulting from cost overruns as a consequence of a number of factors including the discovery of ancient burial remains and increases in building material costs.

During 2006, The Davenant Centre encountered significant internal management problems, culminating in lengthy litigation proceedings between a number of former trustee and the management committee (new trustees) resulting in payment delays to the builders, additional legal costs and interest payments on contractual liabilities.

A court order was subsequently approved in February 2007 setting out various conditions including the creation of a steering committee consisting of no more than 4 people to carry out the function of the management committee to deal with all matters arising from and relating to the financial affairs and day to day business of the Centre.

During 2007 and 2008, The Davenant Centre had serious financial problems resulting from delays in completion of the Centre and the consequent loss of revenue from rental income of the Centre. This led to the Centre defaulting on loan repayments to the Bank and the renegotiation of the facilities.

In the early part of 2009, London Borough of Tower Hamlets considered that there would be a very high risk that a high profile community asset which has benefited from significant public investment, would be lost and advanced further funding facilities in subordination to the NatWest loan facilities, subject to a number of conditions.

As part of the financial restructuring, the Davenant Centre was taken into administration in July 2009. The NatWest Bank loan terms were further renegotiated and the London Borough of Tower Hamlets advanced additional funding facilities to the Centre. Two senior officers of the London Borough of Tower Hamlets were appointed to the Board of trustees to ensure correct governance of the organisation. As trustees, they were required to take a disinterested view in the affairs of The Davenant Centre independently from their responsibilities as Council officers.

From this point, the Davenant Centre embarked upon a business recovery process aimed at ensuring that the Centre was able to pay all outgoing from its income and that the two buildings in its portfolio remain available for community use. The trustees have also ensured that the Charity's debt repayments are met on time and have focused on reducing the total debt of the charity.

As part of this recovery process, in a bid to reduce the outgoing, the trustees decided to change its business model from letting of serviced offices at the Centre to a grant of leases to single occupiers for each of the two properties. The two buildings were let out to two separate charities whose aims and objectives correlated to those of the Davenant Centre.

During the financial year 2016-17, The Davenant Centre's priority has been to attract alternative income generating uses for 183-185 Whitechapel Road, following the insolvency and subsequent closure of former tenant, Jagonari Women's Education Resource Centre (JWERC) at the end of August 2015.

DAVENANT CENTRE (THE)
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

At the beginning of September 2015, The Davenant Centre granted a lease for the occupation of the rear nursery premises and ground floor offices to Rainbow House, a provider of important local childcare services. Efforts continued to bring the remainder of 183-185 Whitechapel Road, comprising the first, second and third floors, into revenue earning use. This included viewings by a number of community organisations and a feasibility study undertaken in conjunction with the London Borough of Tower Hamlets for converting the space for use as an enterprise workspace centre. This would have been dependent on grant funding from the Council's Whitechapel Regeneration team. The proposed grant was not subsequently forthcoming and the search for alternative tenants continued.

In November 2016, The Davenant Centre entered into a lease agreement with Lifeline, a charity which had been awarded a drugs recovery contract by the London Borough of Tower Hamlets, to occupy the three upper floors of 183-185 Whitechapel Road. Because the building had been left in a somewhat rundown condition by JWERC, an extensive amount of landlord's works were necessary to bring the building back into viable use.

Building improvements, including replacement of the boiler, upgrading of the street entrances and related security systems were funded from The Davenant Centre's own reserves. In addition, the agreement to lease with Lifeline required them to forward fund £20,000 towards a further phase of landlord's works necessary to make the building fit for occupancy. They were to pay a builder directly for these works and, in return, The Davenant Centre would make a rent concession of £5,000 per quarter for four quarters up until the end of December 2017.

In late March 2017, just prior to the end of the financial year, there were indications that Lifeline was having financial difficulties. Their quarterly rent due on 25th March 2017 was not paid. Though a partial rent payment was received in arrears for April, no rent was received for the following month. It subsequently came to light that the £20,000 payment was not made to the builder, who now required recompense directly from The Davenant Centre. Up to this point rent concessions to Lifeline amounted to £6,666.67 and with the loss of rent for May at £4,500, The Davenant Centre was left with shortfall of £11,166.

The Davenant Centre received notification on 2nd June 2017 that Lifeline had been placed into receivership and of the appointment of an administrator for Lifeline, to whom a claim for the unpaid funds was submitted. Subsequently the London Borough of Tower Hamlets appointed CGL, a large national charity delivering similar drug recovery services to Lifeline, to take over the project. Under this arrangement, CGL decided to continue delivery of the drugs recovery services from The Davenant Centre's building at 183-185 Whitechapel Road. CGL has since been occupying the premises under a license agreed with the receivers of Lifeline, who have continued to pay the full monthly rent specified in Lifeline's lease, one month in arrears since the beginning of June 2017. Heads of terms for a lease of up to five years have been agreed with CGL which is due to be signed. In the meantime, the other two tenants have continued to maintain their rent payments. The Davenant Centre has therefore been able to continue to maintain its liquidity over this period, reduced its debt by some £66,000 and settled the majority of the debt to the builder. The company's cash position has continued to be closely and regularly monitored and a number of options for increasing revenues and building reserves are under consideration.

The company holds regular discussions with NatWest Bank and the London Borough of Tower Hamlets. The directors are confident that the company will continue to have adequate banking facilities for the foreseeable future.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Davenant Centre (THE) (A company limited by guarantee) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DAVENANT CENTRE (THE)
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

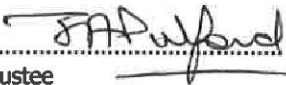
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Ashfords Partnership LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 22 December 2017 and signed on its behalf by:


.....
Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DAVENANT CENTRE (THE)
(A COMPANY LIMITED BY GUARANTEE)

We have audited the financial statements of Davenant Centre (THE) (A company limited by guarantee) for the year ended 31 March 2017 on pages eight to fifteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page four, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Funds in deficit

As indicated on the Trustees Report, at the Balance Sheet date the Unrestricted Funds were in deficit by £6,915.

Opinion on other matter prescribed by the Companies Act 2006

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DAVENANT CENTRE (THE)
(A COMPANY LIMITED BY GUARANTEE)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.



Rameshchandra Arjan (Senior Statutory Auditor)
for and on behalf of Ashfords Partnership LLP
114 - 116 Goodmayes Road
Ilford
Essex
IG3 9UZ

Date:

22nd December 2017

DAVENANT CENTRE (THE)
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted funds £	Restricted funds £	31.3.17 Total funds £	31.3.16 Total funds £
INCOME AND ENDOWMENTS FROM					
Investment income	2	134,660	-	134,660	131,900
Other income		14,692	-	14,692	3,003
Total		149,352	-	149,352	134,903
EXPENDITURE ON					
Raising funds	3	87,827	30,795	118,622	104,943
Total		87,827	30,795	118,622	104,943
Net gains/(losses) on investments		-	10,948	10,948	26,914
NET INCOME/(EXPENDITURE)		61,525	(19,847)	41,678	56,874
Transfers between funds	12	(107,252)	107,252	-	-
Net movement in funds		(45,727)	87,405	41,678	56,874
RECONCILIATION OF FUNDS					
Total funds brought forward		38,812	4,107,671	4,146,483	4,089,609
TOTAL FUNDS CARRIED FORWARD		(6,915)	4,195,076	4,188,161	4,146,483

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

DAVENANT CENTRE (THE)
(A COMPANY LIMITED BY GUARANTEE)

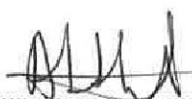
BALANCE SHEET
AT 31 MARCH 2017

	Notes	Unrestricted funds £	Restricted funds £	31.3.17 Total funds £	31.3.16 Total funds £
FIXED ASSETS					
Investment property	6	-	4,982,000	4,982,000	4,982,000
CURRENT ASSETS					
Debtors	7	43,348	-	43,348	32,054
Cash in hand		16,253	-	16,253	61,636
		<u>59,601</u>	<u>-</u>	<u>59,601</u>	<u>93,690</u>
CREDITORS					
Amounts falling due within one year	8	(66,516)	(568,877)	(635,393)	(616,843)
NET CURRENT ASSETS/(LIABILITIES)		<u>(6,915)</u>	<u>(568,877)</u>	<u>(575,792)</u>	<u>(523,153)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(6,915)	4,413,123	4,406,208	4,458,847
CREDITORS					
Amounts falling due after more than one year	9	-	(218,047)	(218,047)	(312,364)
NET ASSETS/(LIABILITIES)		<u>(6,915)</u>	<u>4,195,076</u>	<u>4,188,161</u>	<u>4,146,483</u>
FUNDS	12				
Unrestricted funds				(6,915)	38,812
Restricted funds				4,195,076	4,107,671
TOTAL FUNDS				<u>4,188,161</u>	<u>4,146,483</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 22 December 2017 and were signed on its behalf by:


Trustee


Trustee

The notes form part of these financial statements

DAVENANT CENTRE (THE)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

The Trustees consider that no Depreciation provision is required on the Investment properties.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

General funds are unrestricted funds which are available for the use at the discretion of the Trustees in furtherance of the activities of the charity and have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the charity for particular purposes. The cost of raising and administering such fund are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Going concern

The accounts have been prepared on a going concern basis on the assumption that the company will continue to receive adequate financial support from the London Borough of Tower Hamlets and Natwest Bank.

2. INVESTMENT INCOME

	31.3.17	31.3.16
	£	£
Rents received	126,242	125,224
Insurance reimbursed	8,418	6,671
Deposit account interest	-	5
	<u>134,660</u>	<u>131,900</u>

DAVENANT CENTRE (THE)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017

3. RAISING FUNDS

Investment management costs

	31.3.17	31.3.16
	£	£
Insurance	9,729	9,463
Sundries	186	40
Management fees	29,640	26,965
Property repairs	41,303	6,614
Bad debt	9,878	32,500
Bank Charges	334	358
Light & heat	5,810	1,263
Cleaning	1,264	-
Water rates	1,044	-
Postage and stationary	204	-
Advertising	635	-
Bank interest	4,683	6,902
Interest - LBTH overdraft	6,912	7,763
Accountancy fees	2,500	2,600
Auditors' remuneration	2,600	2,500
Legal & professional fees	1,900	7,975
	<u>118,622</u>	<u>104,943</u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2017 nor for the year ended 31 March 2016.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2017 nor for the year ended 31 March 2016.

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Investment income	131,900	-	131,900
Other income	3,003	-	3,003
Total	<u>134,903</u>	<u>-</u>	<u>134,903</u>
EXPENDITURE ON			
Raising funds	90,278	14,665	104,943
Total	<u>90,278</u>	<u>14,665</u>	<u>104,943</u>
Net gains/(losses) on investments	<u>-</u>	<u>26,914</u>	<u>26,914</u>
NET INCOME/(EXPENDITURE)	44,625	12,249	56,874
Transfers between funds	<u>(72,086)</u>	<u>72,086</u>	<u>-</u>
Net movement in funds	<u>(27,461)</u>	<u>84,335</u>	<u>56,874</u>

DAVENANT CENTRE (THE)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	66,273	4,023,336	4,089,609
TOTAL FUNDS CARRIED FORWARD	<u>38,812</u>	<u>4,107,671</u>	<u>4,146,483</u>

6. INVESTMENT PROPERTY

	£
MARKET VALUE	
At 1 April 2016 and 31 March 2017	4,982,000
Revaluation	10,948
Capital goods scheme net adjustment	<u>(10,948)</u>
At 31 March 2017	<u>4,982,000</u>
NET BOOK VALUE	
At 31 March 2017	<u>4,982,000</u>
At 31 March 2016	<u>4,982,000</u>

The two properties at 179-181 and 183-185 Whitechapel Road, London, E1 1DN were revalued by Dobbin & Sullivan, Chartered Surveyors during November 2015 at £4,982,000. The Trustees are of the opinion that this value represents a fair value at the Balance Sheet date.

During the year, the Charity received a credit of £10,948 from the VAT office in relation to the Capital goods scheme. The Trustees have accordingly adjusted the revaluation reserve by this amount to arrive at the overall open market value of the properties.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.17 £	31.3.16 £
Amount due from tenants	32,873	27,131
VAT	3,198	-
Prepayments	7,277	4,923
	<u>43,348</u>	<u>32,054</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.17 £	31.3.16 £
Bank loans and overdrafts (see note 10)	93,559	93,559
Other loans (see note 10)	475,318	468,407
VAT	-	4,413
Rent deposit and interest	3,027	3,027
Accruals	21,066	18,721
Rent received in advance	42,423	28,716
	<u>635,393</u>	<u>616,843</u>

DAVENANT CENTRE (THE)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.17 £	31.3.16 £
Bank loans (see note 10)	123,047	217,364
Other loans (see note 10)	95,000	95,000
	<u>218,047</u>	<u>312,364</u>

The Bank loan is repayable in monthly installments and is due for final repayment by 30th September 2019.

The London Borough of Tower Hamlets overdraft is repayable on demand.

10. LOANS

An analysis of the maturity of loans is given below:

	31.3.17 £	31.3.16 £
Amounts falling due within one year on demand:		
Bank loans	93,559	93,559
LBTH overdraft facility	475,318	468,407
	<u>568,877</u>	<u>561,966</u>

Amounts falling between one and two years:
LBTH overdraft facility

<u>95,000</u>	<u>95,000</u>
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Amounts falling due in more than five years:

Repayable by instalments:

Bank loans more 5 yr by instal

<u>123,047</u>	<u>217,364</u>
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11. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.17 £	31.3.16 £
Bank loans	216,606	310,923
LBTH Overdraft facility	570,318	563,407
	<u>786,924</u>	<u>874,330</u>

The bank loan is secured by a first charge on the charity's freehold property.

The London Borough of Tower Hamlets overdraft facility is secured by a subsequent charge on the charity's freehold property.

DAVENANT CENTRE (THE)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017

12. MOVEMENT IN FUNDS

	At 1.4.16 £	Net movement in funds £	Transfers between funds £	At 31.3.17 £
Unrestricted funds				
General fund	38,812	61,525	(107,252)	(6,915)
Restricted funds				
General fund	3,517,012	(30,795)	107,252	3,593,469
Property revaluation reserve.	590,659	10,948	-	601,607
	4,107,671	(19,847)	107,252	4,195,076
TOTAL FUNDS	<u>4,146,483</u>	<u>41,678</u>	<u>-</u>	<u>4,188,161</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	149,352	(87,827)	-	61,525
Restricted funds				
General fund	-	(30,795)	-	(30,795)
Property revaluation reserve.	-	-	10,948	10,948
	-	(30,795)	10,948	(19,847)
TOTAL FUNDS	<u>149,352</u>	<u>(118,622)</u>	<u>10,948</u>	<u>41,678</u>

Purposes of unrestricted funds

Unrestricted funds represents the Surplus/deficit on the day to day activities of the charity.

Purposes of restricted funds

The general restricted funds represents the net book value of the freehold land and building less the related loans.

The Property revaluation reserve represents the increase/decrease in the book value of the freehold properties at fair value. The properties will be revalued every three years and any adjustments to this value will be accounted for through this reserve.

Transfers between funds

The transfer between funds represents the Bank loan repayments and other transactions from unrestricted funds for restricted purposes.

DAVENANT CENTRE (THE)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017

13. CONTINGENT LIABILITIES

The land and building were purchased by use of grant aid exceeding £1.6 million. The initial and by far the most substantial grants was from Greater London Council (GLC). A condition of the grant aid was that GLC and successors in title have a mortgage charge secured on the property to the extent of the grant aid (£1,093,470). This charge was for thirty years from 6 June 1984 to 5th June 2014 and has now expired. As the GLC has been abolished, it is unclear who the successors in title are and the legal charge remains in place at the Land Registry. The mortgage is a charge, contingent on any breaches of the conditions of grant aid and would normally be payable.

On 22nd July 2005, the Big Lottery Fund have advanced £250,000 to the charity as a grant for youth service project and contribution towards the cost of refurbishment of the centre. The grant is for a period of 20 years to 22nd July 2025. A part of the grant is repayable if the charity is unable to deliver certain outputs and outcomes. The grant is secured by a charge over the charity's freehold property.

14. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2017.

DAVENANT CENTRE (THE)
(A COMPANY LIMITED BY GUARANTEE)

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2017

	31.3.17 £	31.3.16 £
INCOME AND ENDOWMENTS		
Investment income		
Rents received	126,242	125,224
Insurance reimbursed	8,418	6,671
Deposit account interest	-	5
	<u>134,660</u>	<u>131,900</u>
Other income		
Insurance claim	-	3,003
Service charges	12,675	-
Utilities recharged	2,017	-
	<u>14,692</u>	<u>3,003</u>
Total incoming resources	<u>149,352</u>	<u>134,903</u>
EXPENDITURE		
Investment management costs		
Insurance	9,729	9,463
Sundries	186	40
Management fees	29,640	26,965
Property repairs	41,303	6,614
Bad debt	9,878	32,500
Bank Charges	334	358
Light & heat	5,810	1,263
Cleaning	1,264	-
Water rates	1,044	-
Postage and stationary	204	-
Advertising	635	-
Bank interest	4,683	6,902
Interest - LBTH overdraft	6,912	7,763
Accountancy fees	2,500	2,600
Auditors' remuneration	2,600	2,500
Legal & professional fees	1,900	7,975
	<u>118,622</u>	<u>104,943</u>
Total resources expended	<u>118,622</u>	<u>104,943</u>
Net income	<u><u>30,730</u></u>	<u><u>29,960</u></u>

This page does not form part of the statutory financial statements