

REGISTERED COMPANY NUMBER: 01799707 (England and Wales)  
REGISTERED CHARITY NUMBER: 289235

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019  
FOR**

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

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

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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	Page
Report of the Trustees	1 to 5
Report of the Independent Auditors	6 to 7
Statement of Financial Activities	8
Balance Sheet	9
Notes to the Financial Statements	10 to 16

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

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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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 2019. 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 during the year are:-

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

YMCA George Williams College, a registered charity. The main objective of this charity is to provide youth and community training and qualifications.

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

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

ii) CGL, 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.

**STRATEGIC REPORT**

**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 2019 amounted to £74,655 (2018 £19,925). These funds represent surplus/deficit on the day to day activities of the charity.

The Restricted funds at 31st March 2019 amounted to £3,762,976 (2018 £3,674,225). The restricted funds represent the net book value of the freehold land and buildings, less the related loans.

The property revaluation reserve Restricted funds at 31st March 2019 amounted to £601,607 (2018 £601,607). 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

*Going concern*

The trustees have considered the going concern position of the company and are satisfied that the company has sufficient reserves to continue to operate for the immediate future with the help of the London Borough of Tower Hamlets

**Summary of activities for the year**

The total income receivable by the Charity in the year amounted to £221,680 (2018 £206,975). The total expenditure for the year amounted to £78,199 (2018 £99,379). The Net Income for the year amounted to £143,481 (2018 £107,596)

The Charity has reduced its overall debt by £88,751 to £617,417 at the year end.

**Principal risks and uncertainties**

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

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**STRATEGIC REPORT**

**Principal risks and uncertainties**

The Davenant Centre is dependent on rental income from the two Community Centres which are let out to other Charities. The economic climate for the past few years has been difficult for Charities generally who survive on donations from the public or grants from other public bodies. If the Tenants are unable to pay the rent on time or go into administration or liquidation, The Davenant Centre in turn is unable to make payments for its Loan commitments and repairs to its buildings as and when they arise.

The two community centre buildings are over 100 years old and may from time to time require major repairs and refurbishments and the trustees consider that the funds held at the bank are required to meet these commitments.

**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 trustees are of the opinion that this amount represents a fair value at the Balance Sheet date.

**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**

Mr A C Scott who was appointed to the Board in the previous financial year end, unexpectedly passed away in October 2019. The trustees express their condolences to his family. The Board of trustees will ensure that any new appointments will have an appropriate mix of business skills.

**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 £585,939 at 31st March 2019 (2018 £577,319). Interest is payable and the facility is secured by a second charge over the charity's properties. The Charity has not made any repayments of this facility for a number of years by agreement with LBTH.

**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

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

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Trustees**

Mrs J R Odunoye  
J A Pulford MBE  
G K Collins  
Ms A L Hurrell  
A C Scott - deceased 12.10.19

**Company Secretary**

M Ebbs

**Senior Statutory Auditor**

Rameshchandra Arjan

**Auditors**

Ashfords Partnership LLP (Statutory Auditors)  
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.

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

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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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 outgoings 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 outgoings, 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.

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.

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, to end of June 2018. From July 2018, CGL have occupied the premises on a license. By mutual agreement, the Bangladeshi Drugs Project who occupied 179-181 Whitechapel Road, terminated their lease in March 2018, due to their financial inability to pay the rent and the premises have now been let out to YMCA George Williams College, initially on a license from 1st May 2018 and a 5 year lease from 1st August 2018. The Davenant Centre has therefore been able to continue to maintain its liquidity over this period and reduced its debt by £88,751. 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 the London Borough of Tower Hamlets in relation to the outstanding debt owed to them at the year-end of £585,939 (2018 £577,319). The Natwest Bank loan was fully repaid in September 2019. The directors are confident that the company will continue to have adequate banking facilities for the foreseeable future.

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

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**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.


**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 (Statutory Auditors), will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on .....21.....12.....19..... and signed on the board's behalf by:

  
.....  
J A Pulford MBE - Trustee



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

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**Opinion**

We have audited the financial statements of Davenant Centre (THE) (A company limited by guarantee) (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

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

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

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

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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



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

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**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.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Our responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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

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

Date: ..... 21/12/19 .....

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

**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	Unrestricted funds £	Restricted funds £	31.3.19 Total funds £	31.3.18 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Investment Income	2	193,458	-	193,458	171,561
Other income		28,222	-	28,222	35,414
<b>Total</b>		221,680	-	221,680	206,975
<b>EXPENDITURE ON</b>					
Raising funds	3	67,950	10,249	78,199	99,379
<b>NET INCOME/(EXPENDITURE)</b>		153,730	(10,249)	143,481	107,596
<b>Transfers between funds</b>	12	(99,000)	99,000	-	-
<b>Net movement in funds</b>		54,730	88,751	143,481	107,596
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		19,925	4,275,832	4,295,757	4,188,161
<b>TOTAL FUNDS CARRIED FORWARD</b>		74,655	4,364,583	4,439,238	4,295,757

The notes form part of these financial statements

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

**BALANCE SHEET**  
**AT 31 MARCH 2019**

	Notes	Unrestricted funds £	Restricted funds £	31.3.19 Total funds £	31.3.18 Total funds £
<b>FIXED ASSETS</b>					
Investment property	6	-	4,982,000	4,982,000	4,982,000
<b>CURRENT ASSETS</b>					
Debtors	7	81,655	-	81,655	46,042
Cash in hand		105,604	-	105,604	25,715
		187,259	-	187,259	71,757
<b>CREDITORS</b>					
Amounts falling due within one year	8	(112,604)	(522,417)	(635,021)	(639,146)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		74,655	(522,417)	(447,762)	(567,389)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		74,655	4,459,583	4,534,238	4,414,611
<b>CREDITORS</b>					
Amounts falling due after more than one year	9	-	(95,000)	(95,000)	(118,854)
<b>NET ASSETS</b>		74,655	4,364,583	4,439,238	4,295,757
<b>FUNDS</b>	12				
Unrestricted funds				74,655	19,925
Restricted funds				4,364,583	4,275,832
<b>TOTAL FUNDS</b>				4,439,238	4,295,757

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

The financial statements were approved by the Board of Trustees on .....21-12-19..... and were signed on its behalf by:

  
J A Pulford MBE -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 2019**

**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.

**2. INVESTMENT INCOME**

	31.3.19	31.3.18
	£	£
Rents receivable	185,679	161,162
Insurance reimbursement due	7,779	10,399
	<u>193,458</u>	<u>171,561</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**3. RAISING FUNDS**

**Investment management costs**

	31.3.19	31.3.18
	£	£
Insurance	10,821	10,694
Sundries	137	129
Management fees	23,451	14,783
Property repairs	9,975	36,025
Bad debt	-	4,080
Bank Charges	(1,091)	357
Light & heat	14,117	11,869
Cleaning	1,143	2,343
Water rates	1,301	2,851
Irrecoverable VAT	-	984
Postage and stationary	72	40
Bank interest	1,629	2,993
Interest - LBTH overdraft	8,620	7,000
Accountancy fees	3,000	2,600
Auditors' remuneration	2,500	2,500
Legal & professional fees	1,826	-
Finance charges	698	131
	<u>78,199</u>	<u>99,379</u>

**4. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2019 nor for the year ended 31 March 2018.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2019 nor for the year ended 31 March 2018.

**5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Investment income	171,561	-	171,561
Other income	35,414	-	35,414
<b>Total</b>	<u>206,975</u>	<u>-</u>	<u>206,975</u>
<b>EXPENDITURE ON</b>			
Raising funds	89,385	9,994	99,379
<b>Total</b>	<u>89,385</u>	<u>9,994</u>	<u>99,379</u>
<b>NET INCOME/(EXPENDITURE)</b>	<u>117,590</u>	<u>(9,994)</u>	<u>107,596</u>
<b>Transfers between funds</b>	<u>(90,750)</u>	<u>90,750</u>	<u>-</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted funds £	Restricted funds £	Total funds £
<b>Net movement in funds</b>	26,840	80,756	107,596
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	(6,915)	4,195,076	4,188,161
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>19,925</u>	<u>4,275,832</u>	<u>4,295,757</u>

**6. INVESTMENT PROPERTY**

	£
<b>MARKET VALUE</b>	
At 1 April 2018 and 31 March 2019	<u>4,982,000</u>
<b>NET BOOK VALUE</b>	
At 31 March 2019	<u>4,982,000</u>
At 31 March 2018	<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.

**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.19 £	31.3.18 £
Amount due from tenants	75,227	42,675
Prepayments	6,428	3,367
	<u>81,655</u>	<u>46,042</u>

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.19 £	31.3.18 £
Bank loans and overdrafts (see note 10)	31,478	104,995
Other loans (see note 10)	490,939	482,319
VAT	6,138	3,769
Rent deposit and interest	65,879	3,027
Accruals	17,154	34,292
Rent received in advance	23,433	10,744
	<u>635,021</u>	<u>639,146</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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

	31.3.19	31.3.18
	£	£
Bank loans (see note 10)	-	23,854
Other loans (see note 10)	95,000	95,000
	<u>95,000</u>	<u>118,854</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:

	31.3.19	31.3.18
	£	£
Amounts falling due within one year on demand:		
Bank loans	31,478	104,995
LBTH overdraft facility	490,939	482,319
	<u>522,417</u>	<u>587,314</u>
Amounts falling between one and two years:		
LBTH overdraft facility	<u>95,000</u>	<u>95,000</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	<u>-</u>	<u>23,854</u>

**11. SECURED DEBTS**

The following secured debts are included within creditors:

	31.3.19	31.3.18
	£	£
Bank loans	31,478	128,849
LBTH Overdraft facility	585,939	577,319
	<u>617,417</u>	<u>706,168</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 2019**

**12. MOVEMENT IN FUNDS**

	At 1.4.18 £	Net movement in funds £	Transfers between funds £	At 31.3.19 £
<b>Unrestricted funds</b>				
General fund	19,925	153,730	(99,000)	74,655
<b>Restricted funds</b>				
General fund	3,674,225	(10,249)	99,000	3,762,976
Property revaluation reserve.	601,607	-	-	601,607
	4,275,832	(10,249)	99,000	4,364,583
<b>TOTAL FUNDS</b>	<u>4,295,757</u>	<u>143,481</u>	<u>-</u>	<u>4,439,238</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	221,680	(67,950)	153,730
<b>Restricted funds</b>			
General fund	-	(10,249)	(10,249)
<b>TOTAL FUNDS</b>	<u>221,680</u>	<u>(78,199)</u>	<u>143,481</u>

**Comparatives for movement in funds**

	At 1.4.17 £	Net movement in funds £	Transfers between funds £	At 31.3.18 £
<b>Unrestricted Funds</b>				
General fund	(6,915)	117,590	(90,750)	19,925
<b>Restricted Funds</b>				
General fund	3,593,469	(9,994)	90,750	3,674,225
Property revaluation reserve.	601,607	-	-	601,607
	4,195,076	(9,994)	90,750	4,275,832
<b>TOTAL FUNDS</b>	<u>4,188,161</u>	<u>107,596</u>	<u>-</u>	<u>4,295,757</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**12. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	206,975	(89,385)	117,590
<b>Restricted funds</b>			
General fund	-	(9,994)	(9,994)
<b>TOTAL FUNDS</b>	<u>206,975</u>	<u>(99,379)</u>	<u>107,596</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.17 £	Net movement in funds £	Transfers between funds £	At 31.3.19 £
<b>Unrestricted funds</b>				
General fund	(6,915)	271,320	(189,750)	74,655
<b>Restricted funds</b>				
General fund	3,593,469	(20,243)	189,750	3,762,976
Property revaluation reserve.	601,607	-	-	601,607
	<u>4,195,076</u>	<u>(20,243)</u>	<u>189,750</u>	<u>4,364,583</u>
<b>TOTAL FUNDS</b>	<u>4,188,161</u>	<u>251,077</u>	<u>-</u>	<u>4,439,238</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	428,655	(157,335)	271,320
<b>Restricted funds</b>			
General fund	-	(20,243)	(20,243)
<b>TOTAL FUNDS</b>	<u>428,655</u>	<u>(177,578)</u>	<u>251,077</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**12. MOVEMENT IN FUNDS - continued**

**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.

**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**

The Trustees consider The London Borough of Tower Hamlets to be a related party by virtue of the fact that it has advanced interest bearing overdraft facilities with no predefined schedule for repayment of these facilities. The total amount outstanding at the year end amounted to £585,939 (2018 £577,319).