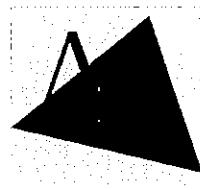


REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
FOR
DAVENANT CENTRE (THE)
(A COMPANY LIMITED BY GUARANTEE)



ASHFORDS
Partnership LLP

Chartered Certified Accountants
Registered Auditors

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

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	Page
Report of the Trustees	1 to 6
Report of the Independent Auditors	7 to 10
Statement of Financial Activities	11
Balance Sheet	12
Notes to the Financial Statements	13 to 19
Detailed Statement of Financial Activities	20

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

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

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 2021. 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 2019).

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

- i) YMCA George Williams College, a registered charity. The main objective of this charity is to provide youth and community training and qualifications.
- ii) Through Unity , a registered charity. The main objectives of this charity is to provide support for families who have lost loved ones due to crime.

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 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 2021 amounted to £325,527 (2020 £142,673). These funds represent surplus/deficit on the day to day activities of the charity.

The Restricted funds at 31st March 2021 amounted to £3,777,881 (2020 £3,785,592). 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 2021 amounted to £1,619,607 (2020 £1,619,607). 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

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

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

STRATEGIC REPORT

Financial review

Summary of activities for the year

The total income receivable by the Charity in the year amounted to £261,140 (2020 £239,447). The total expenditure for the year amounted to £83,997 (2020 £148,813). The Net Income for the year amounted to £177,143 (2020 £90,634)

The Charity's overall debt increased by £5712 to £600,512 at the year end. The increase in debt results from the interest payable on London Borough of Tower Hamlets facilities which has remained unpaid for many years

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. In addition, since March 2020, Covid-19 has affected many charities financially and consequently their continued operation.

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 September 2019 at an open market value of £6,000,000. 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 the trustees of the Davenant Centre.

Recruitment and appointment of new trustees

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 £600,512 at 31st March 2021 (2020 £594,800). 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

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

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

Registered office

114-116 Goodmayes Road
Ilford
Essex
IG3 9UZ

Trustees

Mrs J R Odunoye
J A Pulford MBE
G K Collins
Ms A L Hurrell (resigned 24.6.20)

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

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

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

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.

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.

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

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

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 had £364,294 at the Bank at the year end (2020 £228,262). 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 £600,512 (2020 £594,800). The directors are confident that the company will continue to have adequate banking facilities for the foreseeable future.

During the year the Covid-19 pandemic which started in March 2020 has disrupted many organisations and apart from minimal reduction in rent to tenants, the trustees are pleased to report that the Charity has managed to receive full income in the period.

Following the current accounting year end, the trustees have decided to sell the building at 179-181 Whitechapel Road, subject to receiving the approval of the Charity Commission. The trustees have reached this decision after considering various issues with finding appropriate tenants and the time taken to manage the buildings as well as the continued investment required to maintain the buildings which are over 100 years old.

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.

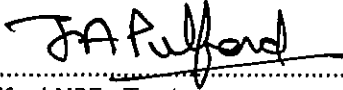
AUDITORS

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

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

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on ~~7 October 2021~~..... 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)**

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 2021 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 2021 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

**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

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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to these risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis of our opinion.

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

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the charities activities, control environment and business performance;
- the results of our enquiries of management about their own identification and assessments of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of an instances of non compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any indicators of fraud.

In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on the provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, such as Companies Act 2006.

In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or avoid a material penalty.

Audit response to risk identified

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate material misstatement due to fraud;
- In addressing the risk of fraud through management override of controls, the testing of appropriateness of journal entries and other adjustments and evaluating the business rationale of any significant transactions that are unusual or outside of the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risk to all the engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

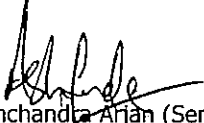
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulations. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our Report of the Independent Auditors.

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

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: 7/10/2021

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

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
INCOME AND ENDOWMENTS FROM					
Investment income	2	199,824	-	199,824	217,683
Other income		<u>61,316</u>	<u>-</u>	<u>61,316</u>	<u>21,764</u>
Total		261,140	-	261,140	239,447
EXPENDITURE ON					
Raising funds	3	78,286	5,711	83,997	148,813
Net gains on investments		<u>-</u>	<u>-</u>	<u>-</u>	<u>1,018,000</u>
NET INCOME/(EXPENDITURE)		182,854	(5,711)	177,143	1,108,634
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>142,673</u>	<u>5,405,199</u>	<u>5,547,872</u>	<u>4,439,238</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>325,527</u></u>	<u><u>5,399,488</u></u>	<u><u>5,725,015</u></u>	<u><u>5,547,872</u></u>

The notes form part of these financial statements

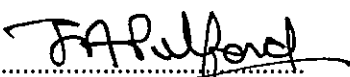
DAVENANT CENTRE (THE)
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
FIXED ASSETS					
Investment property	7	-	6,000,000	6,000,000	6,000,000
CURRENT ASSETS					
Debtors	8	44,479	-	44,479	16,734
Cash in hand		<u>364,294</u>	-	<u>364,294</u>	<u>228,262</u>
		408,773	-	408,773	244,996
CREDITORS					
Amounts falling due within one year	9	(83,246)	(600,512)	(683,758)	(697,124)
NET CURRENT ASSETS					
		<u>325,527</u>	<u>(600,512)</u>	<u>(274,985)</u>	<u>(452,128)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>325,527</u>	5,399,488	5,725,015	5,547,872
NET ASSETS					
		<u>325,527</u>	<u>5,399,488</u>	<u>5,725,015</u>	<u>5,547,872</u>
FUNDS					
Unrestricted funds	12			325,527	142,673
Restricted funds				<u>5,399,488</u>	<u>5,405,199</u>
TOTAL FUNDS					
				<u>5,725,015</u>	<u>5,547,872</u>

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 and authorised for issue on 7 October 2021 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 2021

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 2019)', 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 fair value is recognised in the Statement of Financial Activities.

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

	31.3.21	31.3.20
	£	£
Rents receivable	<u>199,824</u>	<u>217,683</u>

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

3. RAISING FUNDS

Investment management costs

	31.3.21	31.3.20
	£	£
Insurance	13,483	11,993
Sundries	-	125
Management fees	19,793	25,939
Property repairs	14,871	71,828
Bank Charges	113	124
Light & heat	17,689	16,172
Cleaning	2,766	2,016
Water rates	233	679
Irrecoverable VAT	2,548	1,933
Postage and stationary	25	-
Computer expenses	384	384
Bank interest	-	128
Interest - LBTH overdraft	5,712	8,862
Accountancy fees	3,500	3,400
Auditors' remuneration	2,500	2,500
Legal & professional fees	380	2,700
Finance charges	-	30
	<u>83,997</u>	<u>148,813</u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

5. STAFF COSTS

The average number of employees for this year is 0 (2020-0).

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Investment income	217,683	-	217,683
Other income	<u>21,764</u>	<u>-</u>	<u>21,764</u>
Total	239,447	-	239,447
EXPENDITURE ON			
Raising funds	139,823	8,990	148,813
Net gains on investments	<u>-</u>	<u>1,018,000</u>	<u>1,018,000</u>
NET INCOME	99,624	1,009,010	1,108,634
Transfers between funds	<u>(31,606)</u>	<u>31,606</u>	<u>-</u>

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Net movement in funds	68,018	1,040,616	1,108,634
RECONCILIATION OF FUNDS			
Total funds brought forward	74,655	4,364,583	4,439,238
TOTAL FUNDS CARRIED FORWARD	<u>142,673</u>	<u>5,405,199</u>	<u>5,547,872</u>

7. INVESTMENT PROPERTY

FAIR VALUE

At 1 April 2020
and 31 March 2021

£
6,000,000

NET BOOK VALUE

At 31 March 2021

6,000,000

At 31 March 2020

6,000,000

The two properties at 179-181 and 183-185 Whitechapel Road, London, E1 1DN were revalued by Dobbin & Sullivan, Chartered Surveyors during September 2019 at £6,000,000. The Trustees are of the opinion that this value represents a fair value at the Balance Sheet date.

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21 £	31.3.20 £
Amount due from tenants	32,683	8,320
Prepayments	<u>11,796</u>	<u>8,414</u>
	<u>44,479</u>	<u>16,734</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21 £	31.3.20 £
Other loans (see note 10)	600,512	594,800
VAT	1,890	3,764
Rent deposit	31,840	59,820
Accruals	20,555	15,662
Rent/Service charge received in advance	<u>28,961</u>	<u>23,078</u>
	<u>683,758</u>	<u>697,124</u>

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

10. LOANS

An analysis of the maturity of loans is given below:

	31.3.21	31.3.20
	£	£
Amounts falling due within one year on demand:		
LBTH loan facility	<u>600,512</u>	<u>594,800</u>

11. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.21	31.3.20
	£	£
LBTH loan facility	<u>600,512</u>	<u>594,800</u>

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

12. MOVEMENT IN FUNDS

	At 1.4.20	Net movement in funds	At 31.3.21
	£	£	£
Unrestricted funds			
General fund	142,673	182,854	325,527
Restricted funds			
General fund			
Property revaluation reserve.	3,785,592	(5,711)	3,779,881
	<u>1,619,607</u>	<u>-</u>	<u>1,619,607</u>
	<u>5,405,199</u>	<u>(5,711)</u>	<u>5,399,488</u>
TOTAL FUNDS	<u>5,547,872</u>	<u>177,143</u>	<u>5,725,015</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	261,140	(78,286)	182,854
Restricted funds			
General fund	-	(5,711)	(5,711)
	<u>-</u>	<u>(5,711)</u>	<u>(5,711)</u>
TOTAL FUNDS	<u>261,140</u>	<u>(83,997)</u>	<u>177,143</u>

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

12. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
Unrestricted funds				
General fund	74,655	99,624	(31,606)	142,673
Restricted funds				
General fund				
Property revaluation reserve.	3,762,976 <u>601,607</u>	(8,990) <u>1,018,000</u>	31,606 <u>-</u>	3,785,592 <u>1,619,607</u>
	<u>4,364,583</u>	<u>1,009,010</u>	<u>31,606</u>	<u>5,405,199</u>
TOTAL FUNDS	<u>4,439,238</u>	<u>1,108,634</u>	<u>-</u>	<u>5,547,872</u>

Comparative 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	239,447	(139,823)	-	99,624
Restricted funds				
General fund				
Property revaluation reserve.	-	(8,990)	-	(8,990)
	<u>-</u>	<u>-</u>	<u>1,018,000</u>	<u>1,018,000</u>
	<u>-</u>	<u>(8,990)</u>	<u>1,018,000</u>	<u>1,009,010</u>
TOTAL FUNDS	<u>239,447</u>	<u>(148,813)</u>	<u>1,018,000</u>	<u>1,108,634</u>

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

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General fund	74,655	282,478	(31,606)	325,527
Restricted funds				
General fund				
Property revaluation reserve.	3,762,976 <u>601,607</u>	(14,701) <u>1,018,000</u>	31,606 <u>-</u>	3,779,881 <u>1,619,607</u>
	<u>4,364,583</u>	<u>1,003,299</u>	<u>31,606</u>	<u>5,399,488</u>
TOTAL FUNDS	<u>4,439,238</u>	<u>1,285,777</u>	<u>-</u>	<u>5,725,015</u>

11

1-

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

12. MOVEMENT IN FUNDS - continued

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 £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	500,587	(218,109)	-	282,478
Restricted funds				
General fund				
	-	(14,701)	-	(14,701)
Property revaluation reserve.	<u>-</u>	<u>-</u>	<u>1,018,000</u>	<u>1,018,000</u>
	<u>-</u>	<u>(14,701)</u>	<u>1,018,000</u>	<u>1,003,299</u>
TOTAL FUNDS	<u>500,587</u>	<u>(232,810)</u>	<u>1,018,000</u>	<u>1,285,777</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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

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 loan facilities with no predefined schedule for repayment of these facilities. The total amount outstanding at the year end amounted to £600,512 (2020 £594,800).

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

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021

	31.3.21	31.3.20
	£	£
INCOME AND ENDOWMENTS		
Investment income		
Rents receivable	199,824	217,683
Other income		
Insurance reimbursed	10,215	10,945
Service charges	27,626	12,566
Utilities recharged	17,333	(1,747)
Bad Debt Recovered	6,142	-
	<u>61,316</u>	<u>21,764</u>
Total incoming resources	261,140	239,447
EXPENDITURE		
Investment management costs		
Insurance	13,483	11,993
Sundries	-	125
Management fees	19,793	25,939
Property repairs	14,871	71,828
Bank Charges	113	124
Light & heat	17,689	16,172
Cleaning	2,766	2,016
Water rates	233	679
Irrecoverable VAT	2,548	1,933
Postage and stationary	25	-
Computer expenses	384	384
Bank interest	-	128
Interest - LBTH overdraft	5,712	8,862
Accountancy fees	3,500	3,400
Auditors' remuneration	2,500	2,500
Legal & professional fees	380	2,700
Finance charges	-	30
	<u>83,997</u>	<u>148,813</u>
Total resources expended	<u>83,997</u>	<u>148,813</u>
Net income	<u>177,143</u>	<u>90,634</u>

This page does not form part of the statutory financial statements