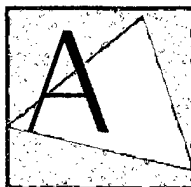


REGISTERED COMPANY NUMBER: 01799707 (England and Wales)  
REGISTERED CHARITY NUMBER: 289235

DIY  
Col's House

**REPORT OF THE TRUSTEES AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**  
**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 2015**

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

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2015**

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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 2015. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

**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  
Mrs J R Odunoye  
Miss S Begum

**Company Secretary**

C Holme

**Senior Statutory Auditor**

Rameshchandra Arjan

**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 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 Nat West Bank.

However by 2005 the project was suffering from severe funding shortage resulting from costs overrun as a consequence of a number of factors including the discovery of ancient burial remains and increase 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.

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

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2015**

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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 Nat West 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 Nat West 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 have been 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 Charities 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.

## **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 committee is made up of the the Trustees of the Davenant Centre. The day to day administration of the Trust is carried out by the Operating Trustee.

### **Recruitment and appointment of new trustees**

During the year no trustees resigned from the Board and none were appointed to the Board. The Board of Trustees will take into account that any new appointments will have an appropriate mix of business skills.

The Trustees have tried to recruit new Trustees but in view of the financial circumstances of the Charity, have not been able to find suitable applicants for the post.

### **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.

### **Organisational structure**

The Trustees are responsible for the overall management of the Charity. The Trustees have appointed a consultant to manage the two properties owned by the Charity and provide administrative and financial services to the charity. Due to the nature of the Charity's activities, the Trustee meet to review the Charity's activities as and when required and on informal basis. The Charity has no employees.

### **Related parties**

The London Borough of Tower Hamlets has provided financial support through an overdraft facility to the Charity. These facilities amounted to £555,644 at 31st March 2015 (2014 £547,882). Interest is payable on this facility and is secured by a second charge over the Charities properties. Mr C Holmes and Mrs J R Odunoye are Trustees of the Charity as well as senior officers at the London Borough of Tower Hamlets.

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

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2015**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The Charities principal activity during the year continued to be that of working towards 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 are occupied on Leases by:-

a) 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) Jagonari Womens Educational Resource Centre Ltd, a registered Charity. The main objective of this charity is to provide Adult learning, Health and wellbeing and provision of other services for women in London and Tower Hamlets. In addition it provides children paygroup services and crèche facility for women accessing services at the centre. On 29th September 2015, this Charity went into liquidation and vacated the premises. The Rainbow Centre, a registered charity providing children playgroup services have taken occupation of a part of the premises from 2nd October 2015 under a lease.

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

The Trustees confirm that they have paid due regard to the guidance contained in the Charity Commission's general guidance on benefit when reviewing the Trust's aims and objectives for the year.

**FINANCIAL REVIEW**

**Reserves policy**

The Unrestricted funds at 31st March 2015 amounted to £66,273 (2014 £87,936). These funds represent surplus/deficit on the day to day activities of the charity.

The Restricted funds at 31st March 2015 amounted to £3,459,591 (2014 £1,231,215). The restricted funds represents the net book value of the freehold land and buildings less the related loans.

The property revaluation reserve at 31st March 2015 amounted to £563,745 following the revaluation of the properties at fair value in the year.

**Principal funding sources**

The Davenant Centres main source of funding during the period is from rental income derived from the letting of its two properties to other charities.

**Summary of activities for the year**

The total income receivable by the Charity in the year amounted to £146,422 (2014 £145,268). The total expenditure for the year amounted to £92,074 before exceptional item as per Note 16 to the accounts (2014 £184,202). The Net Income for the year amounted to £2,770,458 after writing back the depreciation on Freehold properties amounting to £2,152,365 and the revaluation reserve of £563,745 following the revaluation of the properties in the year (2014 Net Deficit £38,934)

The Charity has reduced its overall debt by £82,773 to £958,664 at the year end.

**RECLASSIFICATION AND REVALUATION OF FREEHOLD PROPERTY**

The Trustees have taken the decision to reclassify the Freehold properties as Investment properties as opposed to Tangible Fixed Assets as the properties are let out to other Charities as noted above.

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 revalued the asset accordingly.

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

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**GOING CONCERN**

The Company is closely associated with the London Borough of Tower Hamlets (LBTH) and Mr C Holme and Mrs J R Odunoye are senior employees of LBTH.

The company continues to receive financial support through an overdraft facility from the LBTH and the amount outstanding as at 31 March 2015 amounted to £555,644 (2014 £547,882). The current economic conditions create uncertainty particularly over the availability of LBTH finance in the foreseeable future. The company's forecasts and projections, taking account of reasonably possible changes in income generating performance, show that the company should be able to operate within the level of its current facility. The company has held discussion with LBTH management officials about its future borrowing needs and no matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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

Approved by order of the board of trustees on ..... 18/12/15 ..... and signed on its behalf by:

  
.....  
C Holme - Secretary

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

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We have audited the financial statements of Davenant Centre (IHE) (A company limited by guarantee) for the year ended 31 March 2015 on pages seven to fifteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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.

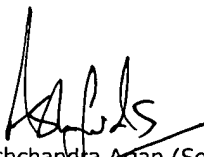
**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**DAVENANT CENTRE (THE)**  
**(A COMPANY LIMITED BY GUARANTEE)**

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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 prepare the financial statements in accordance with the small companies regime and 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: 18/12/2015



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

**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 MARCH 2015**

		Unrestricted funds	Restricted funds	31.3.15 Total funds	31.3.14 Total funds
	Notes	£	£	£	£
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Activities for generating funds	2	145,222	-	145,222	145,268
Other incoming resources		1,200	-	1,200	-
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds</b>					
Direct Cost	3	67,047	(2,136,138)	(2,069,091)	175,045
Governance costs	4	8,800	-	8,800	9,157
<b>Total resources expended</b>		<b>75,847</b>	<b>(2,136,138)</b>	<b>(2,060,291)</b>	<b>184,202</b>
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>					
		70,575	2,136,138	2,206,713	(38,934)
Gross transfers between funds	13	(92,238)	92,238	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		(21,663)	2,228,376	2,206,713	(38,934)
<b>Other recognised gains/losses</b>					
Gains/losses on investment assets		-	563,745	563,745	-
<b>Net movement in funds</b>		<b>(21,663)</b>	<b>2,792,121</b>	<b>2,770,458</b>	<b>(38,934)</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		87,936	1,231,215	1,319,151	1,358,085
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>66,273</b>	<b>4,023,336</b>	<b>4,089,609</b>	<b>1,319,151</b>

The notes form part of these financial statements

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

**BALANCE SHEET**  
**AT 31 MARCH 2015**

	Not es	Unrestricted funds £	Restricted funds £	31.3.15 Total funds £	31.3.14 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	7	-	-	-	2,272,652
Investment property	8	-	4,982,000	4,982,000	-
		-	4,982,000	4,982,000	2,272,652
<b>CURRENT ASSETS</b>					
Debtors	9	26,004	-	26,004	124,200
Cash at bank and in hand		52,260	-	52,260	79,781
		78,264	-	78,264	203,981
<b>CREDITORS</b>					
Amounts falling due within one year	10	(11,991)	(552,591)	(564,582)	(658,796)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		66,273	(552,591)	(486,318)	(454,815)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		66,273	4,429,409	4,495,682	1,817,837
<b>CREDITORS</b>					
Amounts falling due after more than one year	11	-	(406,073)	(406,073)	(498,686)
<b>NET ASSETS</b>		66,273	4,023,336	4,089,609	1,319,151
<b>FUNDS</b>	13				
Unrestricted funds				66,273	87,936
Restricted funds				4,023,336	1,231,215
<b>TOTAL FUNDS</b>				4,089,609	1,319,151

The notes form part of these financial statements

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

**BALANCE SHEET - CONTINUED**  
**AT 31 MARCH 2015**

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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 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on ..... *18/12/15* ..... and were signed on its behalf by:

..... *C. Holme* .....  
C Holme -Trustee

..... *J R Odunoye* .....  
Mrs J R Odunoye -Trustee

The notes form part of these financial statements

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## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2015**

### Accounting convention

### Incoming resources

### Resources expended

### Tangible fixed assets

Land and buildings - 2% on cost

### Investment property

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.

## 2. ACTIVITIES FOR GENERATING FUNDS

	31.3.15	31.3.14
	£	£
Rent receivable	135,833	135,833
Insurance reimbursed	<u>9,389</u>	<u>9,435</u>
	145,222	145,268

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**3. DIRECT COST**

	31.3.15	31.3.14
	£	£
Insurance	9,389	9,435
Sundries	103	41
Management fees	10,901	4,433
Irrecoverable VAT	149	570
Bank Charges	383	422
Bad Debts write off	46,121	-
Provision for doubtful debts	-	52,405
Depreciation – Freehold property	-	89,655
Interest payable and similar charges	16,228	18,084
Exceptional item (Note 16)	<u>(2,152,365)</u>	<u>-</u>
	<u>(2,069,091)</u>	<u>175,045</u>

**4. GOVERNANCE COSTS**

	31.3.15	31.3.14
	£	£
Accountancy	6,600	4,520
Legal & professional fees	-	2,037
Auditors' remuneration	<u>2,200</u>	<u>2,600</u>
	<u>8,800</u>	<u>9,157</u>

**5. NET INCOMING/(OUTGOING) RESOURCES**

Net resources are stated after charging/(crediting):

	31.3.15	31.3.14
	£	£
Auditors' remuneration	2,200	2,600
Depreciation - owned assets	<u>-</u>	<u>89,655</u>

**6. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2015 nor for the year ended 31 March 2014.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2015 nor for the year ended 31 March 2014.

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**7. TANGIBLE FIXED ASSETS**

	Land and buildings £
<b>COST</b>	
At 1 April 2014	4,425,017
Reclassification – Transfer to Investment property	<u>(4,425,017)</u>
At 31 March 2015	-
<b>DEPRECIATION</b>	
At 1 April 2014	2,152,365
Charge written back	<u>(2,152,365)</u>
At 31 March 2015	-
<b>NET BOOK VALUE</b>	
At 31 March 2015	<u>-</u>
At 31 March 2014	<u><u>2,272,652</u></u>

Included in land and building is freehold land that costs £27,000 which is not being depreciated.

**8. INVESTMENT PROPERTY**

	£
<b>MARKET VALUE</b>	
Revaluation	563,745
Capital goods scheme net adjustment	(6,762)
Reclassification – Transfer from Tangible fixed assets	<u>4,425,017</u>
At 31 March 2015	<u>4,982,000</u>
<b>NET BOOK VALUE</b>	
At 31 March 2015	<u>4,982,000</u>
At 31 March 2014	<u>-</u>

The Charity's two freehold properties which had previously been classified as Tangible Assets have been reclassified as Investment properties in the year as the properties are let out to other charities.

The two properties 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 and have revalued the properties accordingly.

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2015**

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

	31.3.15	31.3.14
	£	£
Amount due from tenants	17,560	116,922
VAT	3,643	2,410
Prepayments	<u>4,801</u>	<u>4,868</u>
	<u>26,004</u>	<u>124,200</u>

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

	31.3.15	31.3.14
	£	£
Bank loans and overdrafts	91,947	89,869
LBTH overdraft facility	460,644	452,882
Trade creditors	-	5,320
Rent deposit and interest	-	5,432
Provision for doubtful debts	-	52,405
Accruals	9,036	16,301
Rent received in advance	<u>2,955</u>	<u>36,587</u>
	<u>564,582</u>	<u>658,796</u>

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

	31.3.15	31.3.14
	£	£
Bank loans more 5 yr by instal	311,073	403,686
LBTH overdraft facility	<u>95,000</u>	<u>95,000</u>
	<u>406,073</u>	<u>498,686</u>

Amounts falling due in more than five years:

Repayable by instalments:

Bank loans more 5 yr by instal	<u>311,073</u>	<u>403,686</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.

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**12. SECURED DEBTS**

The following secured debts are included within creditors:

	31.3.15 £	31.3.14 £
Bank loans	403,020	493,555
LBTH Overdraft facility	<u>555,644</u>	<u>547,882</u>
	<u>958,664</u>	<u>1,041,437</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.

**13. MOVEMENT IN FUNDS**

	At 1.4.14 £	Net movement in funds £	Transfers between funds £	At 31.3.15 £
<b>Unrestricted funds</b>				
General fund	87,936	70,575	(92,238)	66,273
<b>Restricted funds</b>				
General fund	1,231,215	2,136,138	92,238	3,459,591
Property revaluation reserve.	<u>-</u>	<u>563,745</u>	<u>-</u>	<u>563,745</u>
	<u>1,231,215</u>	<u>2,699,883</u>	<u>92,238</u>	<u>4,023,336</u>
<b>TOTAL FUNDS</b>	<u>1,319,151</u>	<u>2,770,458</u>	<u>-</u>	<u>4,089,609</u>

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

	Incoming resources £	Resources expended £	Property revaluation reserve £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	146,422	(75,847)	-	70,575
<b>Restricted funds</b>				
General fund	-	2,136,138	-	2,136,138
Property revaluation reserve.	<u>-</u>	<u>-</u>	<u>563,745</u>	<u>563,745</u>
	<u>-</u>	<u>2,136,138</u>	<u>563,745</u>	<u>2,699,883</u>
<b>TOTAL FUNDS</b>	<u>146,422</u>	<u>2,060,291</u>	<u>563,745</u>	<u>2,770,458</u>



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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2015**

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**13. 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.

**14. 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.

**15. 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 as further noted in the report of the Trustees on page 2 of the accounts.

**16. EXCEPTIONAL ITEM**

As a result of the revaluation and reclassification of the Charities 2 properties as Investment properties, Depreciation on buildings amounting to £2,152,365 provided in previous years accounts has been written back in the year.

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

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 MARCH 2015**

	31.3.15 £	31.3.14 £
<b>INCOMING RESOURCES</b>		
<b>Activities for generating funds</b>		
Rent receivable	135,833	135,833
Insurance reimbursed	<u>9,389</u>	<u>9,435</u>
	145,222	145,268
<b>Other incoming resources</b>		
Insurance claim	<u>1,200</u>	<u>-</u>
<b>Total incoming resources</b>	146,422	145,268
<b>RESOURCES EXPENDED</b>		
<b>Direct Cost</b>		
Insurance	9,389	9,435
Sundries	103	41
Management fees	10,901	4,433
Irrecoverable VAT	149	570
Bank Charges	383	422
Bad Debts write off	46,121	-
Provision for doubtful debts	-	52,405
Freehold property depreciation	-	89,655
Bank interest	8,465	10,059
Interest - LBTH overdraft	7,763	8,025
Exceptional item (Note 16)	<u>(2,152,365)</u>	<u>-</u>
	(2,069,091)	175,045
<b>Governance costs</b>		
Accountancy	6,600	4,520
Legal & professional fees	-	2,037
Auditors' remuneration	<u>2,200</u>	<u>2,600</u>
	<u>8,800</u>	<u>9,157</u>
<b>Total resources expended</b>	(2,060,291)	184,202
<b>Net income/(expenditure)</b>	<u><u>2,206,713</u></u>	<u><u>(38,934)</u></u>

This page does not form part of the statutory financial statements