

DEPTFORD CHALLENGE TRUST LIMITED

(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2022

DEPTFORD CHALLENGE TRUST LIMITED

(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Company, its Trustees and advisers	1
Trustees' report	2 - 7
Independent examiner's report	8
Statement of financial activities	9
Balance sheet	10 - 11
Notes to the financial statements	12 - 21

DEPTFORD CHALLENGE TRUST LIMITED

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2022**

Trustees	D Malone S Hetherington O Adefiranye S Brown B Ellson R Flook D Flynn J Mallory Councillor R Parry
Company registered number	03390541
Charity registered number	1070483
Registered office	14th Floor 33 Cavendish Square London W1G 0PW
Company secretary	L Clayton
Independent Examiner	David Purnfrey FCA Simmons Gainsford LLP Chartered Accountants 14th Floor 33 Cavendish Square London W1G 0PW
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Mailling Kent ME19 4JQ
Investment Manager	Evelyn Partners 25 Moorgate London EC2R 6AY

DEPTFORD CHALLENGE TRUST LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE PERIOD ENDED 31 AUGUST 2022

The Trustees present their annual report together with the financial statements of the Company for the period 1 April 2021 to 31 August 2022. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Status and Governing Document

Deptford Challenge Trust Limited (the Trust or DCT) is a charitable company limited by guarantee, incorporated on 23 June 1997 and registered as a charity on 9 July 1998. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed by its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1 towards its liabilities, if anything at all.

Objectives and activities

a. Policies and objectives

The Trust's objects and its principal activities are to promote the benefit of the inhabitants of the Deptford City Challenge area in a common effort to advance education training and social welfare with the object of improving the conditions of life of the said inhabitants. The Trustees carry out these objects by providing grants to organisations undertaking projects that meet the criteria set out within its grant schemes. The Trustees have taken account of the guidance contained in the Charity Commission's general guidance on public benefit in carrying out these objectives and in planning future grant funding rounds.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Achievements and performance

a. Income Stream

Until September 2021, the Trust's funding source arose from the income stream from the Dean House building constructed as student accommodation. The building is the result of an investment by Deptford City Challenge Limited, which, in May 1999, transferred its interest to the London Borough of Lewisham by an agreement which recognised the use, for charitable purposes in Deptford, of future funds arising from rentals. On the same date, the Trust entered into an agreement with the London Borough of Lewisham relating to the use of the funds.

The lease on Dean House ended in September 2021. Therefore, the Trustees proactively began seeking new tenants for Dean House. After much research, they identified that the building's most transferrable and profitable use was to let it as private student accommodation. In September 2021 the Trust agreed to a lease for the property from London Borough of Lewisham at a peppercorn rent to reflect the intended beneficiaries of income from the property and, after seeking advice from Savills, appointed a specialist property manager, capable of letting and managing the building on a day-to-day basis.

DEPTFORD CHALLENGE TRUST LIMITED

(A company limited by guarantee)

Achievements and performance (continued)

The income level for the year reflects the level of repair work required.

b. Public benefit

The Trustees have a duty to make the best use of the funds at the Trust's disposal by ensuring that the work of the organisations which submit applications is of value and public benefit to the people of Deptford and that such organisations are able to make good use of the funding.

c. Grant schemes

The Trustees review the grant schemes each year to ensure they best meet the needs of the inhabitants of the area of benefit in accordance with the objects of the Trust. The schemes were last amended in 2017, after independent research commissioned by the Trust into the funding of the voluntary and community sector informed a new Open Programme, covering all grants from £1,000 to £30,000. The criteria and priority themes of education and skills; community cohesion and social inclusion; health and wellbeing; strengthening the DCT area were set as guidelines. In addition, they introduced a new Core Grant programme of up to £20,000 per year, for a maximum of three years, for up to two organisations. Funds would be unrestricted for the use of core activities rather than for specific projects or roles so that the organisation would be able to concentrate on developing its charitable aims.

Further research was commissioned in 2019, following a significant drop in the number of applications compared to previous years. The research concluded that organisations have a need for core grants and multi-year funding to give them more stability and continuity and do not always have sufficient time to dedicate to completing the application process each year. Trustees therefore agreed to widen the grant scheme to include core funding, capital funding and increase the number of multi-year core grants, which took effect in 2020, although they decided to not issue any more multi-year core grants during the financial period due to the works needed at Dean House.

The overall quality of the applications remains high both from applicants already known to the Trust and from well-qualified new applicants. The Trust receives more applications than it is able to fund, and employs The London Community Foundation (LCF) to independently assess each application and make written recommendations to the Board. The Trustees then consider each application with reference to LCF's recommendations, the Trust's funding policy and their own local knowledge. The Trustees make it known that any organisation which is unsuccessful on one occasion should not feel discouraged from applying in a later round. LCF also monitors the projects, provides feedback to the Trustees, and works with the organisations to address any issues during the project that may cause them not to meet their project outcomes.

The Trustees were pleased to be able to hold its first annual celebration event since the pandemic in September 2021, at which a prominent Guest of Honour, this year Councillor Joan Millbank, announced the awards of grants for the year in question. It is attended by representatives of many third-sector organisations and provides both a platform for such organisations and an opportunity for the exchange of ideas and experience. There was no event in 2022 as no grants had been awarded.

d. Future developments

The Trust will continue the repair programme for the Dean House student accommodation in the next financial year and restart the grant-giving programmes when the cashflow allows.

DEPTFORD CHALLENGE TRUST LIMITED

(A company limited by guarantee)

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

Trustees review DCT's reserves policy and reserves levels annually as part of the planning process.

At the start of the period, the target level of free reserves was £25,000. This would cover a year's running costs and some contingency. In addition, the Trust held reserves of £484,133 in investments. These were held pending the end of the original lease on Dean House to support the transition from the original lease to the new arrangement. Also at the start of the period, the Trust held reserves of £314,015, which represents income received in September 2020 for distribution in the May 2021 grant round.

During the period, the Trust utilised its reserves held to support the transition from the original lease to the new arrangement on repairs at Dean House. Once the repair works are complete this reserve will be replenished to cover the future expected repair costs.

Now that Dean House is let, the Trust maintains an operational reserve to ensure that operating expenses can be met. The level of this reserve is monitored on a regular basis as it fluctuates over the financial year. The Trust targets 3 months of operating expenses for this.

c. Investments policy

It is the policy of the Trust to manage its reserves in a way that generates a return on its reserves without unduly risking the capital invested. This has led the Trust to hold its:

- Unrestricted Funds reserves in interest-bearing accounts with a financial institution or institutions of established reputation or within the limits of FSCS Guarantee scheme.

- Investment Reserve in a balanced investment portfolio with a 5 year + time horizon and managed by a financial institution or institutions of established reputation.

The Trustees review DCT's investment policy annually. Currently, DCT's investment managers are Evelyn Partners Investment Management LLP (formally known as Smith & Williamson Investment Management LLP). Given DCT's resources, it has not created its own investment policy and has opted to use one based upon the Church of England Ethical Investing Policies to ensure its investments do not harm the communities it is trying to help. Over time DCT's policy may diverge from the Church of England Ethical Investing Policies should the Trustees identify areas where these conflict with the Trust's open and inclusive values. This policy is reviewed annually and is consistent with Trustees responsibilities under the Charities Act.

DEPTFORD CHALLENGE TRUST LIMITED

(A company limited by guarantee)

Financial review (continued)

d. Principal risks and uncertainties

The Trustees have considered the risks faced by the Trust. They consider the main risks to be:

(a) misuse of funds under the Trust's immediate control: the risk of such misuse is reduced by the requirement that all proposed payments and transfers of funds, being the property of the Trust, must be supported by transfer instructions implementing approvals by the Board or by invoices from providers of goods and services. In either case, instructions for transfers and payments must be signed by two authorised signatories; and

(b) loss of funds due to failure or liquidation of any agency holding funds which are the property of the Trust; This is of particular moment to DCT, being a distributing charity, which relies on an agent to distribute funds of which the release has been authorised by the Board. Here, the particular risk of loss is alleviated by a provision in the agreement with the agent having the responsibility for the distribution of funds, having the effect that the funds remain the property of DCT until such time as they are passed to recipients in accordance with instructions of its Trustees.

(c) an incident at the property causes injury or death to an individual. The risk has been addressed by appointing a reputable property manager with suitable experience of running such buildings.

e. Financial Review

The Trustees agreed to change the financial year from 31 March to 31 August to correlate with the financial year of the student-letting period for Dean House. The accounts, therefore, cover a 17-month period.

During the period that ended 31 August 2022 income of £291,594 was raised from the letting of the Dean House. This is reflective of the repairs required to the building.

Income from donations of £132,000 (2021: 314,015) represents the adjustment to open market value in regards

to the peppercorn rent for Dean House. A corresponding entry has been made to raising funds. In the previous

year, income from donations represented the the ending of the previous lease in September 2021.

Property operational costs of £540,044 arose for the 2021/22 academic year which meant that Dean House generated a net operating loss of £116,450 for the year.

During the period ended 31 August 2022, £216,953 was distributed. All of this was distributed through the Open programme to 13 applicants (2021: £260,561 to 18 applicants).

No grants were distributed through the Core Grants during the year. Core grants are distributed annually for up to 3 years, subject to certain criteria being met at each anniversary.

The names of the grant recipients and the amount allocated to them are listed in Note 5 to the accounts. These organisations are commendable examples from the voluntary sector bodies operating for the good of a range of Deptford people.

The grants were all awarded in April 2021. There would normally have been a further grant round in 2022.

In order to protect the long-term income stream for the Trust, it carried out repair works and acquired equipment in order to let out the rooms in Dean House. During the period it spent £604,116.

As at 31 August 2022, the value of the Trust's investments dropped to £22 (2021: £484,133).

The Trust's debtors have increased significantly as they now include the Rental debtors for Dean House and the cash held by the Property Manager on behalf of the Trust. The switch to the direct letting of the rooms in Dean House has also seen an increase in the Trust's creditors.

Structure, governance and management

DEPTFORD CHALLENGE TRUST LIMITED

(A company limited by guarantee)

Structure, governance and management (continued)

a. Constitution

Deptford Challenge Trust Limited is registered as a charitable company limited by guarantee and was set up by a Trust deed.

b. Methods of appointment or election of Trustees

The Management Board consists at any time of up to 14 members. The following organisations are each entitled to appoint one Board Member: Goldsmiths College, Lewisham College, South East London Chamber of Commerce and the London Borough of Lewisham. Deptford Community Forum was entitled to appoint two Board Members but has now been disbanded. Up to two Members may be appointed from local tenants and residents' associations but no appointments have been made. The Management Board may invite a business or service in the local area to nominate one person to be a Board Member and may appoint up to four additional Directors.

c. Organisational structure and decision-making policies

The Trust is managed by its Management Board whose members are also the Trustees of the charity. The London Community Foundation (LCF) continues to act as administrator and assessor of the applications and makes recommendations to the Trustees who remain entirely responsible for the allocation of the funds. To ensure accountability, LCF monitors the use of funding in order to ensure adherence to grant conditions and accountability for the use of funds, and reports to the Trustees.

Members of the Management Board, who are Directors for the purposes of company law and Trustees for the purposes of charity law, who served during the year and up to the date of this report are set out below.

Mr O Adefiranye

Ms S Brown

Mr B Ellison

Mr R Flook

Mr D Flynn

Mr S Hetherington (Vice Chair)

Mr J Mallory

Mr D Malone (Chair)

Councillor R Parry (appointed June 2022)

Management Board Responsibilities

Company and charity law requires the Management Board, as Trustees and Directors, 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 surplus or deficit of the charitable company for that period. In preparing those financial statements, the Management Board are required to:

1) select suitable accounting policies and then apply them consistently.

2) make judgements and estimates that are reasonable and prudent.

3) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business. The Management Board 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 and the Charities Act 2011. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DEPTFORD CHALLENGE TRUST LIMITED

(A company limited by guarantee)

Structure, governance and management (continued)

d. Policies adopted for the induction and training of Trustees

New Trustees are briefed on the source of income and the grant-making policies of the Trust and on the content and purposes of the Memorandum and Articles of Association of the Company. They are supplied with the Charity Commission's publication on the duties of Charity Trustees and are made aware of their responsibilities as Company Directors.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report 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 period. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small Company Provision

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

Approved by order of the members of the board of Trustees and signed on their behalf by:

D Malone
Chairman
Date: 30 May 2023

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE PERIOD ENDED 31 AUGUST 2022

Independent examiner's report to the Trustees of Deptford Challenge Trust Limited ('the Company')

I report to the charity Trustees on my examination of the accounts of the Company for the period ended 31 August 2022.

Responsibilities and basis of report

As the Trustees of the Company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed: Dated: 30 May 2023

David Pumfrey FCA
Simmons Gainsford LLP
Chartered Accountants
14th Floor
33 Cavendish Square
London
W1G 0PW

DEPTFORD CHALLENGE TRUST LIMITED

(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Donations		132,000	132,000	314,015
Rent receivable		291,594	291,594	-
Investments	3	3,588	3,588	7,686
Total income		<u>427,182</u>	<u>427,182</u>	<u>321,701</u>
Expenditure on:				
Raising funds	4	540,044	540,044	2,594
Charitable activities	5	266,995	266,995	331,611
Total expenditure		<u>807,039</u>	<u>807,039</u>	<u>334,205</u>
Net expenditure before net gains on investments		(379,857)	(379,857)	(12,504)
Net gains on investments		43,075	43,075	106,411
Net movement in funds		<u>(336,782)</u>	<u>(336,782)</u>	<u>93,907</u>
Reconciliation of funds:				
Total funds brought forward		821,526	821,526	727,619
Net movement in funds		(336,782)	(336,782)	93,907
Total funds carried forward		<u><u>484,744</u></u>	<u><u>484,744</u></u>	<u><u>821,526</u></u>

The Statement of financial activities includes all gains and losses recognised in the period.

The notes on pages 12 to 21 form part of these financial statements.

DEPTFORD CHALLENGE TRUST LIMITED**(A company limited by guarantee)****REGISTERED NUMBER: 03390541**

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	31 August 2022 £	31 March 2021 £
Fixed assets			
Tangible assets	9	556,682	-
Investments	10	22	484,133
		<hr/>	<hr/>
		556,704	484,133
Current assets			
Debtors	11	380,296	9,201
Cash at bank and in hand		88,007	339,842
		<hr/>	<hr/>
		468,303	349,043
Creditors: amounts falling due within one year	12	(540,263)	(11,650)
		<hr/>	<hr/>
Net current liabilities / assets		(71,960)	337,393
		<hr/>	<hr/>
Total net assets		<u>484,744</u>	<u>821,526</u>
Charity funds			
Unrestricted funds		484,744	821,526
		<hr/>	<hr/>
Total funds		<u>484,744</u>	<u>821,526</u>

The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the period in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

DEPTFORD CHALLENGE TRUST LIMITED

(A company limited by guarantee)

REGISTERED NUMBER: 03390541

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2022

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

R Flook

Trustee

Date: 30 May 2023

The notes on pages 12 to 21 form part of these financial statements.

DEPTFORD CHALLENGE TRUST LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2022

1. General information

Deptford Challenge Trust is a registered charity and Private Limited Company by guarantee without share capital, incorporated in England and Wales. Company registration number 03390541, Charity registration number 1070483. The address of the registered office is 14th Floor, 33 Cavendish Square, London, W1G 0PW.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Deptford Challenge Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on raising funds includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

Grants payable are charged in the period when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the period end are noted as a commitment, but not accrued as expenditure.

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2022**

2. Accounting policies (continued)

2.3 Expenditure (continued)

All expenditure is inclusive of irrecoverable VAT.

2.4 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Short-term leasehold property	-
	7 years

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.10 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

3. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from managed investments	2,712	2,712	5,830
Bank interest receivable	876	876	1,856
	<u>3,588</u>	<u>3,588</u>	<u>7,686</u>

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2022**

4. Raising funds

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment management fees	4,275	4,275	2,594
Marketing costs	41,593	41,593	-
Property repairs	53,123	53,123	-
Cleaning	2,165	2,165	-
Property insurance	5,023	5,023	-
Waste disposal	1,622	1,622	-
Office costs	36,334	36,334	-
Internet costs	7,161	7,161	-
Utilities	58,754	58,754	-
Management fees	36,000	36,000	-
Pest control	4,519	4,519	-
Legal fees	56,892	56,892	-
Deemed rent	132,000	132,000	-
Other costs	776	776	-
Depreciation	47,434	47,434	-
Property Staffing costs	52,373	52,373	-
	<u>540,044</u>	<u>540,044</u>	<u>2,594</u>

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2022

5. Charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Grant funding	216,953	216,953	280,561
Support costs	15,693	15,693	10,868
Management fees (LCF)	31,241	31,241	40,182
World of Possibility Project	-	-	2,930
Awards ceremony	3,108	3,108	289
Total 2022	<u>266,995</u>	<u>266,995</u>	<u>334,830</u>

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2022**

5. Analysis of expenditure by activities (continued)

Analysis of Grants Payable

	2022	2021
	£	£
170 Community Advice Project	14,316	-
2000 Community Action Centre	-	20,000
Afghanistan and Central Asian Association	-	28,812
Africa Advocacy Foundation	-	28,074
Artmongers Action	-	12,342
BelEve UK	20,000	20,000
Bench Outreach	20,000	30,000
Community Assets for Society and Housing	-	10,000
Create Arts Ltd	-	9,845
Creekside Education Trust	18,000	15,577
Deptford Free Cinema	-	2,550
Deptford Folk	-	4,000
Deptford Lionesses	8,155	-
Entelechy Arts	-	23,993
Evelyn Parents Forum	-	6,773
Free to Be Kids	6,000	-
Goldsmiths, University of London	-	15,000
Migration Museum Project	-	10,000
New Cross & Deptford Families First	11,440	-
Paradigm Project	21,500	-
Peak Barista Academy CIC	6,350	-
South East London Community Energy	21,500	16,595
Thames Reach	18,335	-
The Deptford Ragged Trust	20,000	7,000
Toucan Employment	27,857	-
Young Futures	-	20,000
Youth First	25,000	-
	<u>216,953</u>	<u>280,561</u>

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2022**

5. Analysis of expenditure by activities (continued)

Analysis of Support Costs

	Activities	Total funds	Total funds
	2022	2022	2021
	£	£	£
Independent examination	3,600	3,600	1,080
Company secretarial fees	8,793	8,793	6,050
Insurance	421	421	228
Computer Costs	757	757	-
Bank charges	135	135	110
Loan interest payable	589	589	-
Consultancy	1,130	1,130	-
Other Costs	268	268	181
Total 2022	<u>15,693</u>	<u>15,693</u>	<u>7,649</u>

6. Independent examiner's remuneration

	2022	2021
	£	£
Fees payable to the Company's independent examiner for the independent examination of the Company's annual accounts	<u>3,600</u>	<u>1,080</u>

7. Employees

The average number of employees, including the Trustees, during the year was 9 (2021:9).

8. Trustees' remuneration and expenses

During the period, no Trustees received any remuneration or other benefits (2021 - £NIL).

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2022

9. Tangible fixed assets

	Short-term leasehold property £
Cost or valuation	
Additions	604,116
	<hr/>
At 31 August 2022	604,116
	<hr/>
Depreciation	
Charge for the period	47,434
	<hr/>
At 31 August 2022	47,434
	<hr/>
Net book value	
At 31 August 2022	556,682
	<hr/> <hr/>
At 31 March 2021	-
	<hr/> <hr/>

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2022**

10. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2021	484,133
Additions	2,712
Disposals	(529,898)
Revaluations	43,075
At 31 August 2022	<u>22</u>
Net book value	
At 31 August 2022	<u>22</u>
At 31 March 2021	<u>484,133</u>

11. Debtors

	31 August 2022 £	31 March 2021 £
Due within one year		
Trade debtors	131,447	-
Other debtors	241,768	8,240
Prepayments and accrued income	7,081	961
	<u>380,296</u>	<u>9,201</u>

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2022**

12. Creditors: Amounts falling due within one year

	31 August 2022 £	31 March 2021 £
Loans from related parties	121,689	-
Trade creditors	41,210	-
Other creditors	32,012	8,298
Accruals and deferred income	345,352	3,352
	<u>540,263</u>	<u>11,650</u>

13. Related party transactions

D Flynn, Trustee, is the Chief Executive of Bench Outreach which received a grant of £20,000 (2021: £30,000) from Deptford Challenge Trust during the period.

Included in other loans at the balance sheet date is an amount of £32,000 (2021: £Nil) owed to CH4 Accounts Limited, a company in which R Flook is a Director.

14. Capital commitments

At the year end, the Charity has committed to capital expenditure of £23,207 (2021: £Nil).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.