

**COVENT GARDEN DRAGON HALL TRUST
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)
INDEX TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD FROM 1 NOVEMBER 2004 TO 31 MARCH 2006**

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Company Number: 3456508



**COVENT GARDEN DRAGON HALL TRUST
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)
REPORT OF THE DIRECTORS (TRUSTEES)
FOR THE PERIOD FROM 1 NOVEMBER 2004 TO 31 MARCH 2006**

The Directors (Trustees) present their report, together with the financial statements of the company, for the period from 1 November 2004 to 31 March 2006

INCORPORATION AND SHARE CAPITAL

The company was incorporated on 8 June 2001 as a charitable company limited by guarantee and not having a share capital. Its members are such persons admitted to membership by the Trustees. At present the Trustees are the only members of the company.

The company is a registered charity - number 1087268.

REVIEW OF THE ACTIVITIES

The objects for which the charitable company was established are to:
Develop Dragon Hall as an income generating community activity and information resource for the area of Covent Garden, Holborn and Bloomsbury, offering a venue, including rooms and facilities, for the use and benefit of local residents, businesses, community groups and organisations.

Offer a wide range of social, educational and recreational activities and events, developed and delivered in partnership with service users, to facilitate the needs and interests of diverse communities, with a particular focus on those at risk from social exclusion and isolation (i.e. children and young people, older people, BME and disability groups).

Enable partnership working in the area to develop around the hub of the venue and establish a consultative mechanism that will enable resources to be pooled, avoid overlap and duplication of services, identify gaps in provision and develop responses to these.

We now have a 25 year lease of the premises from London Borough of Camden.

The accounting date has been changed to 31 March to assist with funding applications.

Lettings income for the year of £131,242 as shown on page 4 is made up of approximately 60% from community activities/organisations and 40% from commercial organisations.

INVESTMENT POLICY

The charity's policy is to reinvest money in its projects and to gain benefit on its money through interest in Charity bank account.

RESERVES POLICY

The Trustees have agreed that reserves be maintained at a level which ensures that the charity's core activities could continue during a period of unforeseen difficulties or in the case of the charity closing to cover necessary staffing and administrative costs. The reserve that is needed is estimated to be £46,000. Current free general fund reserves (ie excluding tangible fixed assets) are approximately £40,000 higher than the required level because current funding streams are due to cease in 2007 and the operation of the charity needs to be on-going whilst new sources of income that complement the objectives of the charity are identified and secured.

COVENT GARDEN DRAGON HALL TRUST
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)
REPORT OF THE DIRECTORS (TRUSTEES) (continued)
FOR THE PERIOD FROM 1 NOVEMBER 2004 TO 31 MARCH 2006

RISK ASSESSMENT

The risk management strategy includes an annual review of the risks related to governance, operation, finance and litigation and establishment and implementation of procedures to mitigate and minimise impacts. Particular focus has been on safety of users with installation of CCTV system; a revised child protection policy and training for staff on child protection; CRB checks on all staff and regular volunteers and appropriate licences and insurance of events.

DIRECTORS (ALSO TRUSTEES)

The directors who served during the period are as follows:-

J Monahan

J Weir (resigned 16 March 2005)

M Stewart

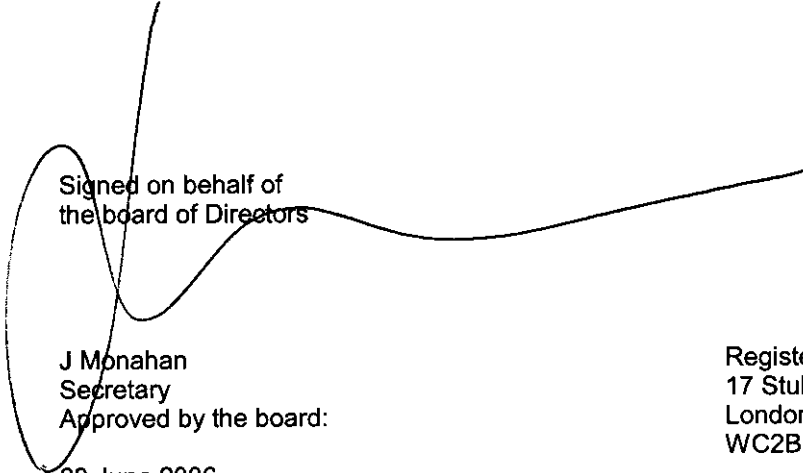
S Vincent (appointed 19 January 2005).

S Goumain (appointed 11 May 2005)

C Boulton (appointed 11 May 2005)

N Ali (appointed 11 May 2005)

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.



Signed on behalf of
the board of Directors

J Monahan
Secretary

Approved by the board:

29 June 2006

Registered office:
17 Stukeley Street
London
WC2B 5LT

**COVENT GARDEN DRAGON HALL TRUST
A CHARITABLE COMPANY LIMITED BY GUARANTEE)
REPORTING ACCOUNTANTS' REPORT
FOR THE PERIOD FROM 1 NOVEMBER 2004 TO 31 MARCH 2006**

Accountants' report to the members on the unaudited accounts of Covent Garden Dragon Hall Trust

We report on the accounts for the period ended 31 March 2006 set out on pages 4 to 8.

This report is made solely to the company's members, as a body, in accordance with section 249(c) of the Companies Act 1985. Our work has been undertaken so that we might state to the company's members those matters we are required to state to them in our 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 company and the company's members as a body, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and reporting accountant

As described on page 5, the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.


Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the company under s221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in s249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year, specified in s249A(4) of the Act as modified by s249A(5) and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in s249B(1).


C D Nash Limited
Chartered Accountants
Date:7./8./06....

1st Floor
15A Hill Avenue
Amersham Bucks
HP6 5BD

COVENT GARDEN DRAGON HALL TRUST
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD FROM 1 NOVEMBER 2004 TO 31 MARCH 2006

FOR THE PERIOD FROM 1 NOVEMBER 2004 TO 31 MARCH 2005				
		General funds £	1.11.04 to 31.3.06 Restricted funds £	Year to 31.10.04 Total £
INCOMING RESOURCES:	Notes			
Grants received: London Borough of Camden				
Neighbourhood Renewal Fund		42,500		21,555
New Initiative Fund		18,750		-
For: capital improvements, setting up costs and core funding				24,700
CCTV	8		3,000	250
fitting out of the property, including kitchen	8			2,000
Gala Opening Event	8		2,000	-
Other grants received:				
Sure Start (under 4 parent and toddlers)		17,218		-
Equipment (Sure Start)	8		5,500	-
Disability in Camden	8		1,000	-
Bridge House Trust (for sporting activities and equipment)	8		5,000	-
Local Network Fund (equipment etc for Youth Club)	8		4,485	-
Donations		475		20
Operating activities in furtherance of the charity's objects:				
Lettings income		131,242		23,955
Community Projects		1,706		-
Bank interest received		3,539		741
TOTAL INCOMING RESOURCES		215,430	20,985	73,221
RESOURCES EXPENDED:				
Direct charitable expenditure:				
Staff costs	2	79,523		13,787
Recruitment		2,744		2,059
Training		933		309
Purchase of miscellaneous equipment and running costs for parent and toddler group		915	5,500	-
Gala Opening Event		1,542	2,000	-
Rates		4,600		-
Heat, light and power		5,555		764
Cleaning, caretaking and security		14,322		1,428
Insurance		1,370		685
Repairs and maintenance		7,132		357
Telephone and postage		3,094		757
Printing and stationery		3,183		1,393
Community Projects		4,357	5,000	1,074
Advertising		892		150
Sundries		7,191		1,635
Licences and fees		1,533		-
Travel		444		-
		139,330	12,500	24,398
Management and administration:				
Telephone and postage		344		84
Printing and stationery		346		155
Accountancy		1,739		940
Depreciation:				
Leasehold improvements	4 & 8	2,747	2,159	2,557
Furniture, fixtures and fittings	4	4,181		1,078
Computer equipment	4 & 8	989	1,777	374
		10,346	3,936	5,188
TOTAL RESOURCES EXPENDED		149,676	16,436	29,586
NET INCOMING RESOURCES		65,754	4,549	43,635
RETAINED FUNDS BROUGHT FORWARD		44,721	11,202	12,288
RETAINED FUNDS CARRIED FORWARD		£110,475	£15,751	£55,923

**COVENT GARDEN DRAGON HALL TRUST
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET AS AT 31 MARCH 2006**

	Notes	31.3.06 £	31.10.04 £
TANGIBLE FIXED ASSETS	4	39,420	28,074
CURRENT ASSETS			
Cash at bank		94,894	47,066
CREDITORS - amounts falling due within one year	5	8,088	19,217
NET CURRENT ASSETS		86,806	27,849
TOTAL NET ASSETS		<u>£126,226</u>	<u>£55,923</u>
Financed by:			
GENERAL FUNDS		110,475	44,721
RESTRICTED FUNDS	8	15,751	11,202
		<u>£126,226</u>	<u>£55,923</u>

The directors have taken advantage of the exemption conferred by section 249A(1) not to have these financial statements audited and confirm that no notice has been deposited under Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for ensuring that:

- (i) The company keeps accounting records which comply with section 221 of the Companies Act 1985 and
- (ii) The accounts give a true and fair view of the state of affairs of the company as at 31 March 2006 and of its surplus for the period then ended in accordance with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Signed on behalf of the
board of directors

M Stewart
Director

Approved by the board:
29 June 2006

COVENT GARDEN DRAGON HALL TRUST
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL ACTIVITIES
FOR THE PERIOD FROM 1 NOVEMBER 2004 TO 31 MARCH 2006

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, in accordance with the charities SORP (Statement of Recommended Practice) and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

(b) Allocation of expenses

The directors assess that 90% of telephone and postage, printing and stationery costs are attributable to direct charitable expenditure, leaving 10% of such costs relating to management and administration, together with all accountancy and depreciation costs. The directors consider that all other costs are direct charitable expenditure.

(c) Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold improvements	10% on cost
Furniture, fixtures and fittings	20% on cost
Computer equipment	33% on cost

(d) Funds

Restricted funds represent grants receivable which are restricted to a particular purpose in accordance with the terms attributable to the grant being given.

An explanation and analysis of each restricted fund is given in Note 8 below.

All other grants receivable and other income are general funds available for the objects of the charity, without restriction.

2 STAFF COSTS

	1.11.04 to 31.3.06 £	Year to 31.10.04 £
Salaries, including temporary staff	73,920	12,299
Social security costs	5,603	1,488
	<u>£79,523</u>	<u>£13,787</u>
	=====	=====

Average number of employees during the period: 1.7 (2004: 0.6)

No employees were paid more than £50,000 in either 2003/04 or 2004/06.

Trustees have not been remunerated during the period. Expenses are reimbursed to certain trustees for reasonable administrative and other costs incurred on behalf of the charity.

3 SHARE CAPITAL

The company is limited by guarantee and has no share capital.

COVENT GARDEN DRAGON HALL TRUST
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL ACTIVITIES (CONTINUED)
FOR THE PERIOD FROM 1 NOVEMBER 2004 TO 31 MARCH 2006

4 TANGIBLE FIXED ASSETS

	Leasehold improvements	Furniture fixtures and fittings	Computer equipment	Total
Cost:	£	£	£	£
As at 1.11.04	25,571	5,389	1,123	32,083
Additions	9,062	9,364	4,773	23,199
	-----	-----	-----	-----
As at 31.03.06	34,633	14,753	5,896	55,282
Depreciation:				
As at 1.11.2004	2,557	1,078	374	4,009
Charge for the period	4,906	4,181	2,766	11,853
	-----	-----	-----	-----
As at 31.03.06	7,463	5,259	3,140	15,862
Net book value:				
As at 31.3.06	£27,170	£9,494	£2,756	£39,420
	=====	=====	=====	=====
As at 1.11.04	£23,014	£4,311	£749	£28,074
	=====	=====	=====	=====

5 CREDITORS - amounts falling due within one year

	31.3.06	31.10.04
	£	£
Grants received in advance	3,750	7,000
Lettings income received in advance	1,612	10,656
Other creditors	2,726	1,561
	-----	-----
	£8,088	£19,217
	=====	=====

6 CONTINGENT LIABILITY

There have been no electricity payments in the year. This matter has been in dispute but should shortly be resolved. The cost for the period cannot be accurately estimated and is, therefore, not recorded in the accounts, although reserve funds have been set aside in anticipation of the cost.

7 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General funds	Restricted funds	Total
	£	£	£
Fund balances at 31.3.06 are represented by:			
Tangible fixed assets	25,352	14,068	39,420
Current assets - cash at bank	93,211	1,683	94,894
Creditors - amounts falling due within one year	(8,088)		(8,088)
	-----	-----	-----
	£110,475	£15,751	£126,226
	=====	=====	=====

COVENT GARDEN DRAGON HALL TRUST
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL ACTIVITIES (CONTINUED)
FOR THE PERIOD FROM 1 NOVEMBER 2004 TO 31 MARCH 2006

8 RESTRICTED FUNDS

Movement on restricted funds during the period was as follow:-

	Note	Balance 1.11.04 £	Incoming funds £	Funds used £	Balance 31.3.06 £
London Borough of Camden grants for:					
Fitting out of property, including kitchen	(a)	10,952		(1,699)	9,253
CCTV	(b)	250	3,000	(460)	2,790
Gala Opening Event	(c)		2,000	(2,000)	-
Equipment (Sure Start)	(d)		5,500	(5,500)	-
Disability in Camden	(e)		1,000		1,000
Bridge House Trust (for sporting activities and equipment)	(f)		5,000	(5,000)	-
Local Network Fund (equipment etc for Youth Club)	(g)		4,485	(1,777)	2,708
		<u>£11,202</u>	<u>£20,985</u>	<u>(£16,436)</u>	<u>£15,751</u>
		=====	=====	=====	=====

(a) Fitting out of property, including kitchen

During the period the balance of the grant of £1,521 was spent, the cost being shown as part of leasehold improvements (see Note 4). The balance at 31.3.06 is the remaining book value of the leasehold improvements.

(b) CCTV

A further grant was received for the CCTV and all grants were spent during the period, the cost being shown as part of leasehold improvements (see Note 4). The balance at 31.3.06 is the remaining book value of the leasehold improvements.

(c) Gala Opening Event

The gala opening evening was held on 18 November 2004 to celebrate the opening of Dragon Hall and thank many of the people who were involved in its inception. The grant of £2,000 covered entertainment and refreshment.

(d) Equipment (Sure Start)

Following consultation with parents in the area, the charity entered a service agreement with Sure Start to provide an under 4's drop-in service and this grant was for start up costs to cover purchase of equipment, cabinets, water urn and other set up costs.

(e) Disability in Camden

The £1,000 grant was received for an induction loop, but was not spent during the period and is, therefore, carried forward to next year.

(f) Bridge House Trust (for sporting activities and equipment)

This grant was for sporting equipment and coaching for 8 to 14 year olds during the holiday periods. There was a slight underspend at the end of the project of £247 and the Bridge House Trust approved this money being put towards the netting in the main hall which protects the ceiling in the main hall and allows ball games to be played.

(g) Local Network Fund (equipment etc for Youth Club)

During the period £3,802 of the grant was spent, the cost being shown as part of computer equipment (see note 4). The balance at 31.3.06 is the remaining book value of the computer equipment of £2,025 and £683 unspent grant which is carried forward to next year to cover training.