

DEPTFORD CHALLENGE TRUST LIMITED

England & Wales · Charity number 1070483

Details

Status Registered

Legal form Charitable company

Company number [03390541](#)

Registered 1998-07-09

Register [View on the Charity Commission register](#)

Contact

Address 14th Floor
33 Cavendish Square
London
W1G 0PW

Phone 02088508711

Website www.deptfordchallengetrust.org.uk

Activities

Objects: A) 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 OF THE SAID INHABITANTS. B) IF EFFECT CANNOT BE GIVEN TO THE OBJECTS EXPRESSED IN A) OF THIS CLAUSE, THEN TO PROMOTE SUCH CHARITABLE PURPOSES IN THE LONDON BOROUGH OF LEWISHAM ("THE LEWISHAM AREA OF BENEFIT") AS THE TRUSTEES SHALL DECIDE

Activities: Deptford Challenge Trust gives grants to organisations operating for Deptford purposes in the area defined in the Company's Memorandum of Association. Grants are not given to individuals.

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes, Arts/culture/heritage/science, Amateur Sport, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** DEPTFORD CITY CHALLENGE AREA AND THE LEWISHAM AREA OF BENEFIT
- Lewisham

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£1,350,448	£1,152,515	£1,072,905	8
2023-08-31	£1,160,051	£769,823	£874,972	9
2022-08-31	£427,182	£807,039	-	-
2021-03-31	£321,701	£334,205	-	-
2020-03-31	£338,775	£305,736	-	-

Trustees

Name	Role	Appointed
DESMOND GEORGE MALONE	Chair	
BILL ELLSON		
Cllr Rosie Parry		2022-06-27
JAMES RUSSELL MALLORY		
OBAJIMI ADEFIRANYE		2012-11-28
ROBERT JAMES FLOOK		
SHAUN MICHAEL HETHERINGTON		
STELLA MUTSA BROWN		2015-12-09

DEPTFORD CHALLENGE TRUST LIMITED

England & Wales - Charity number 1070483

Accounts

Registered number: 03390541
Charity number: 1070483

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

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DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2024**

Trustees	D Malone S Hetherington O Adefiranye S Brown B Ellson R Flook J Mallory C McCauslan Councillor R Parry
Company registered number	03390541
Charity registered number	1070483
Registered office	14th Floor 33 Cavendish Square London W1G 0PW
Company secretary	J Evans
Independent auditors	Sumer Auditco Limited Statutory Auditors 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 YEAR ENDED 31 AUGUST 2024

The Trustees present their annual report together with the audited financial statements of the Company for the 1 September 2023 to 31 August 2024. 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 objectives 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)'.

DEPTFORD CHALLENGE TRUST LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

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, and DCT's agreement with London Borough of Lewisham, ended in September 2021, after which the Trust entered into a lease for the property directly with London Borough of Lewisham, at a peppercorn rent, for the purpose of letting as private student accommodation. The level of rent reflected the intended beneficiaries of the income from the property. A specialist property manager was appointed to manage the student lettings and the building on a day-to-day basis. Income, after costs, from the letting of the student accommodation at Dean House is used for the charitable purposes of the Trust.

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.

DEPTFORD CHALLENGE TRUST LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Achievements and performance (continued)

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 fully reviewed 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 and capital funding and increase the number of multi-year core grants.

In 2023, the Trust commissioned LCF to undertake new research to ascertain whether the grant scheme was still meeting the current needs for organisations needing funding within the DCT area. The research concluded that the priorities of the Open Programme were still relevant, but the Trustees agreed a new recommended priority, to fund organisations which provide assistance to individuals in poverty or crisis. The research also recommended that more emphasis be given to help with core funding, including the introduction of £15k-£20k multi-year grants to organisations which are critical locally and have previously received grants over multiple years.

The Trustees also agreed to this recommendation, with the caveat that no multi-year grants were offered until such time that the repairs were completed at Dean House and sufficient reserves are built up. During the year major works were undertaken at Dean House to bring the building up to the required standards, which included the replacement of fire doors, the external redecoration of the buildings and the replacement of the windows. These were funded by the reserves built up due to the suspension in grant giving in previous years and also from revenue allocated during the financial year.

The Trustees were delighted to be able to restart their grant giving during the financial year, having missed two years. They receive more applications than they are able to fund and employ 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 received 82 applications and awarded 16 grants, totalling £250k.

Each year, the Trustees normally organise an event at which a prominent Guest of Honour announces the awards of grants for the year in question. It is attended by representatives of many third sector organisations and provides a platform for such organisations, an opportunity for the exchange of ideas and experience and is a celebration of the local voluntary sector. No such event had been held in 2022 and 2023 due to the suspension in grant-giving, but the Trustees were delighted to hold this event again in July 2024.

DEPTFORD CHALLENGE TRUST LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Achievements and performance (continued)

d. Future developments

The Trust will continue to maintain Dean House student accommodation and will consider improvements to the accommodation. They will also consider whether they are able to increase the grant pot for future rounds, given that most of the repairs to Dean House have now been undertaken.

The London Borough of Lewisham had approached the Trust to seek an agreement whereby they would transfer Section 106 funds, relating to the development of Marine Wharf West, to the Trust to invest those funds and make grants for the benefit the residents within a designated area. An agreement was signed after the end of the Trust's financial year, in October, and funds of £211,664.20 were received. These have been invested in a ring-fenced account, until there is sufficient income to start making grants in accordance with the agreement.

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.

b. Reserves policy

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

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. 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
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

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 concern 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

During the period that ended 31 August 2024 income of £923,186 (2023: £827,447) was raised from the letting of the Dean House. The increase was due to the rental growth in the Purpose-Built Student Accommodation market over the year.

Income from donations of £400,000 (2023: £330,000) represents the adjustment to open market value in regard to the peppercorn rent for Dean House. A corresponding entry has been made to raising funds.

Property operational costs of £835,340 (2023: £747,673) arose for the 2023/24 academic year which meant that Dean House generated a net operating profit of £486,481 (2023: £409,774) for the year.

During the period ended 31 August 2024, £250,000 of grants were distributed. (2023: there were no grants made due to the level of repairs to Dean House).

Structure, governance and management

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.

DEPTFORD CHALLENGE TRUST LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Structure, governance and management (continued)

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 Ellson
Mr R Flook
Mr D Flynn (deceased June 2024)
Mr S Hetherington (Vice Chair)
Mr J Mallory
Mr D Malone (Chair)
Ms C Mccauslan (appointed February 2025)
Councillor R Parry

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.

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.

DEPTFORD CHALLENGE TRUST LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

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 . 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:

Des Malone

D Malone
Chairman
Date: 8 May
2025

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEPTFORD CHALLENGE TRUST LIMITED

Opinion

We have audited the financial statements of Deptford Challenge Trust Limited (the 'charitable company') for the year ended 31 August 2024 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 August 2024 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 Charities Act 2011.

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 United Kingdom, including the Financial Reporting Council'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.

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEPTFORD CHALLENGE TRUST LIMITED
(CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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.

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEPTFORD CHALLENGE TRUST LIMITED
(CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 an Auditors' report 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:

In order to identify and assess the risks of material misstatements, including fraud and non-compliance with laws and regulations that could be expected to have a material impact on the financial statements, we have considered:

- the results of our enquiries of management and those charged with governance of their assessment of the risks of fraud and irregularities;
- the nature of the company, including its management structure and control systems (including the opportunity for management to override such controls);
- management's incentives and opportunities for fraudulent manipulation of the financial statements including the company's remuneration and bonus policies and performance targets; and
- the industry and environment in which it operates.

We also considered UK tax and pension legislation and laws and regulations relating to employment and the preparation and presentation of the financial statements such as the Companies Act 2006.

Based on this understanding we identified the following matters as being of significance to the entity:

- laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Company Law and Charities SORP;
- the timing of the recognition of rental income;
- grants payable being in accordance with the Charity's governing document;
- management bias in selecting accounting policies and determining estimates;
- recoverability of debtors; and
- inappropriate journal entries.

We communicated the outcomes of these discussions and enquiries, as well as consideration as to where and how fraud may occur in the entity, to all engagement team members.

DEPTFORD CHALLENGE TRUST LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEPTFORD CHALLENGE TRUST LIMITED
(CONTINUED)

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised:

- enquiries of trustees as to whether the entity complies with such laws and regulations and discussion with the same regarding any known or suspected instances of non-compliance;
- enquiries with the same concerning any actual or potential litigation or claims;
- inspection of relevant legal correspondence;
- assessment of matters reported to management and the result of the subsequent investigation;
- obtaining an understanding of the policies and controls over the recognition of rental income and testing their implementation during the year;
- agreeing grants payable to supporting documentation;
- challenging assumptions made by management in their specific accounting policies and estimates, in particular in relation to the carrying value of tangible fixed assets and calculation of the rental benefit in kind;
- assessing the recovery of debtors in the period since the balance sheet date and challenging assumptions made by management regarding the recovery of balances which remain outstanding;
- reviewing the financial statements for compliance with the relevant disclosure requirements;
- performing analytical procedures to identify any unusual or unexpected relationships or unexpected movements in account balances which may be indicative of fraud;
- evaluating the underlying business reasons for any unusual transactions; and
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or crediting revenue or cash.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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 Auditors' report.

DEPTFORD CHALLENGE TRUST LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEPTFORD CHALLENGE TRUST LIMITED
(CONTINUED)

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Sumer Auditco

Sumer Auditco Limited

Statutory Auditors
14th Floor
33 Cavendish Square
London
W1G 0PW

Date: 8 May 2025

Sumer Auditco Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

DEPTFORD CHALLENGE TRUST LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2024**

	Note	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:				
Donations	3	400,000	400,000	330,000
Rent receivable		923,186	923,186	827,447
Investments	4	27,262	27,262	2,604
Total income		1,350,448	1,350,448	1,160,051
Expenditure on:				
Raising funds	5	835,340	835,340	747,673
Charitable activities	6	317,175	317,175	22,150
Total expenditure		1,152,515	1,152,515	769,823
Net movement in funds		197,933	197,933	390,228
Reconciliation of funds:				
Total funds brought forward		874,972	874,972	484,744
Net movement in funds		197,933	197,933	390,228
Total funds carried forward		1,072,905	1,072,905	874,972

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

The notes on pages 17 to 27 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	10	734,501	550,053
		<u>734,501</u>	<u>550,053</u>
Current assets			
Debtors	11	818,504	559,373
Cash at bank and in hand		349,069	281,484
		<u>1,167,573</u>	<u>840,857</u>
Creditors: amounts falling due within one year	12	(829,169)	(515,938)
Net current assets		<u>338,404</u>	<u>324,919</u>
Total net assets		<u><u>1,072,905</u></u>	<u><u>874,972</u></u>
Charity funds			
Unrestricted funds	13	1,072,905	874,972
Total funds		<u><u>1,072,905</u></u>	<u><u>874,972</u></u>

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

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006. However, an audit is required in accordance with section 144 of the Charities Act 2011.

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

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 *Robert Flook*
Trustee
Date: 8 May 2025

The notes on pages 17 to 27 form part of these financial statements.

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024

	2024 £	2023 £
Cash flows from operating activities		
Net cash used in operating activities	330,279	274,673
	<hr/>	<hr/>
Cash flows from investing activities		
Interest received	27,262	-
Purchase of tangible fixed assets	(289,956)	(81,218)
Proceeds from sale of investments	-	22
	<hr/>	<hr/>
Net cash used in investing activities	(262,694)	(81,196)
	<hr/>	<hr/>
Cash flows from financing activities		
	<hr/>	<hr/>
Net cash provided by financing activities	-	-
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	67,585	193,477
Cash and cash equivalents at the beginning of the year	281,484	88,007
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	349,069	281,484
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 17 to 27 form part of these financial statements

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

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 year 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 year 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 YEAR ENDED 31 AUGUST 2024

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 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.

2.7 Cash at bank and in hand

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

2.8 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 YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.9 Financial instruments

The Company has elected to apply the provisions of Section 11 “Basic Financial Instruments” of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Balance sheet when the Company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instruments any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

3. Donations

Included in donations is £400,000 (2023: £330,000) which is the Trust's estimate of a benefit in kind for rent from the London Borough of Lewisham. An equivalent charge is recognised within rent payable in raising funds.

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

4. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Interest receivable	27,262	27,262	2,604

5. Raising funds

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Marketing costs	37,680	37,680	40,956
Property Staffing costs	79,710	79,710	68,754
Cleaning	9,586	9,586	12,008
Property repairs	37,778	37,778	19,670
Waste disposal	4,423	4,423	4,192
Office costs	19,148	19,148	17,722
Internet costs	15,703	15,703	15,578
Property insurance	8,455	8,455	7,267
Utilities	67,852	67,852	90,511
Management fees	44,144	44,144	40,536
Other costs	1,831	1,831	207
Rent payable	400,000	400,000	330,000
Legal fees	3,522	3,522	12,425
Depreciation	105,508	105,508	87,847
	835,340	835,340	747,673

Raising funds are costs directly attributable to Dean house which is the property generating the rental income to enable the Trust to meet its charitable objectives.

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

6. Charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Grant funding	250,000	250,000	-
Management fees (LCF)	45,000	45,000	-
Awards ceremony	2,736	2,736	-
Support costs	19,439	19,439	22,150
Total 2024	317,175	317,175	22,150

Analysis of Grants Payable

	2024 £	2023 £
BelEve UK	30,000	-
Construction Youth Trust	12,500	-
Creekside Education Trust	29,525	-
DCS Empowerment CIC	18,800	-
Deptford Lionesses	7,860	-
Entelechy Arts Ltd	15,000	-
Free to Be Kids	7,000	-
Heart n Soul	7,900	-
Irie! Dance Theatre	6,826	-
Lewisham Education Arts Network (LEAN)	14,000	-
Lewisham Refugee & Migrant Network	29,439	-
New Cross & Deptford Free Film Festival	1,645	-
Therapy 4 Healing	16,090	-
Toucan Employment	15,875	-
Young Enterprise London	7,540	-
Youth First CIO	30,000	-
	250,000	-

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

Analysis of support costs

Analysis of Support Costs

	Activities 2024 £	Total funds 2024 £	Total funds 2023 £
Auditors remuneration	6,250	6,250	6,250
Consultancy	1,650	1,650	610
Accountancy fees	1,250	1,250	1,430
Administration support	7,289	7,289	6,763
Insurance	655	655	440
Bank charges	467	467	(75)
Loan interest payable	-	-	6,311
Other Costs	513	513	421
Investment management fees	1,365	1,365	289
Total 2024	<u>19,439</u>	<u>19,439</u>	<u>22,150</u>

7. Auditors' remuneration

	2024 £	2023 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>6,250</u>	<u>6,250</u>

8. Employees

The average number of employees, including the Trustees, during the year was 8 (2023:9).

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

10. Tangible fixed assets

	Short-term leasehold property £
Cost	
At 1 September 2023	685,334
Additions	289,956
At 31 August 2024	975,290
Depreciation	
At 1 September 2023	135,281
Charge for the year	105,508
At 31 August 2024	240,789
Net book value	
At 31 August 2024	734,501
At 31 August 2023	550,053

11. Debtors

	2024 £	2023 £
Due within one year		
Trade debtors	122,438	87,036
Other debtors	685,879	467,822
Prepayments and accrued income	10,187	4,515
	818,504	559,373

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

12. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Other creditors	73,370	35,260
Accruals and deferred income	755,799	480,678
	<u>829,169</u>	<u>515,938</u>
	<u><u>829,169</u></u>	<u><u>515,938</u></u>

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

13. Statement of funds

Statement of funds - current year

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2024 £
Unrestricted funds					
Designated funds					
Designated funds	550,053	-	(105,508)	289,956	734,501
General funds					
General funds	324,919	1,350,448	(1,047,007)	(289,956)	338,404
Total Unrestricted funds	874,972	1,350,448	(1,152,515)	-	1,072,905

Statement of funds - prior year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2023 £
Unrestricted funds					
Designated funds					
Designated funds	556,682	-	(87,847)	81,218	550,053
General funds					
General funds	(71,938)	1,160,051	(681,976)	(81,218)	324,919
Total Unrestricted funds	484,744	1,160,051	(769,823)	-	874,972

The Designated fund consists of a property fund reserve, relating to the short term leasehold held for the benefit of the Charity. All other assets and liabilities relate to the undesignated fund.

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

14. Reconciliation of net movement in funds to net cash flow from operating activities

	2024	2023
	£	£
Net income for the period (as per Statement of Financial Activities)	197,933	390,228
Adjustments for:		
Depreciation charges	105,508	87,847
Dividends, interests and rents from investments	(27,262)	-
Increase in debtors	(259,131)	(179,077)
Increase/(decrease) in creditors	313,231	(24,325)
Net cash provided by operating activities	330,279	274,673

15. Analysis of cash and cash equivalents

	2024	2023
	£	£
Cash at bank	349,069	281,484
Total cash and cash equivalents	349,069	281,484

16. Analysis of changes in net debt

	At 1 September 2023	Cash flows	At 31 August 2024
	£	£	£
Cash at bank	281,484	67,585	349,069
	281,484	67,585	349,069

17. Related party transactions

The Company has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Company at 31 August 2024.

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

18. Capital commitments

At the year end, the Charity has committed to capital expenditure of £182,529 (2023: £224,214).

DEPTFORD CHALLENGE TRUST LIMITED

England & Wales - Charity number 1070483

Accounts



Registered number: 03390541
Charity number: 1070483

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

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DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2023**

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 auditors	Sumer Auditco Limited 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
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the audited financial statements of the Company for the 1 September 2022 to 31 August 2023. 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 objectives 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, and DCT's agreement with London Borough of Lewisham, ended in September 2021, after which the Trust entered into a lease for the property directly with London Borough of Lewisham, at a peppercorn rent, for the purpose of letting as private student accommodation. The level of rent reflected the intended beneficiaries of the income from the property. A specialist property manager was appointed to manage the student lettings and the building on a day-to-day basis.

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Achievements and performance (continued)

Income, after costs, from the letting of the student accommodation at Dean House is used for the charitable purposes of the Trust.

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 fully reviewed 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 and capital funding and increase the number of multi-year core grants.

During the financial year, the Trust commissioned LCF to undertake new research to ascertain whether the grant scheme was still meeting the current needs for organisations needing funding within the DCT area. The research concluded that the priorities of the Open Programme were still relevant, but the Trustees agreed a new recommended priority, to fund organisations which provide assistance to individuals in poverty or crisis. The research also recommended that more emphasis be given to help with core funding, including the introduction of £15k-£20k multi-year grants to organisations which are critical locally and have previously received grants over multiple years.

The Trustees also agreed to this recommendation, with the caveat that no multi-year grants are offered until such time that the repairs are completed at Dean House and sufficient reserves are built up.

Due to the ongoing repairs at Dean House, there were no funds available to undertake a grant round during the year. However, after the year end, the Trustees were able to commit to a grant round for 2024. Applications have already been received for this grant round, for which 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.

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Achievements and performance (continued)

d. Future developments

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

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.

b. Reserves policy

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

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)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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 concern 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

During the period that ended 31 August 2023 income of £827,447 (2022: £291,594) was raised from the letting of the Dean House. The increase was due to the whole building being lettable for the whole of the year.

Income from donations of £330,000 (2022: £132,000) 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.

Property operational costs of £747,673 (2022: £540,044) arose for the 2022/23 academic year which meant that Dean House generated a net operating profit of £409,774 (2022: £116,450 loss) for the year.

During the period ended 31 August 2023, no grants were distributed, due to the level of repairs required on Dean House. (2022: £216,953 to 13 applicants).

The Trust's debtors include the Rental debtors for Dean House and the cash held by the Property Manager on behalf of the Trust. Creditors include Rents and cash received in advance for the next academic year, as well as operational creditors managed by the Property Manager.

Structure, governance and management

a. Constitution

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

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

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 Ellson
Mr R Flook
Mr D Flynn
Mr S Hetherington (Vice Chair)
Mr J Mallory
Mr D Malone (Chair)
Councillor R Parry

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)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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 . 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: 7/5/2024

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEPTFORD CHALLENGE TRUST LIMITED

Opinion

We have audited the financial statements of Deptford Challenge Trust Limited (the 'charitable company') for the year ended 31 August 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 August 2023 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 Charities Act 2011.

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 United Kingdom, including the Financial Reporting Council'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.

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEPTFORD CHALLENGE TRUST LIMITED
(CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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.

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEPTFORD CHALLENGE TRUST LIMITED
(CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 an Auditors' report 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:

In order to identify and assess the risks of material misstatements, including fraud and non-compliance with laws and regulations that could be expected to have a material impact on the financial statements, we have considered:

- the results of our enquiries of management and those charged with governance of their assessment of the risks of fraud and irregularities;
- the nature of the company, including its management structure and control systems (including the opportunity for management to override such controls);
- management's incentives and opportunities for fraudulent manipulation of the financial statements including the company's remuneration and bonus policies and performance targets; and
- the industry and environment in which it operates.

We also considered UK tax and pension legislation and laws and regulations relating to employment and the preparation and presentation of the financial statements such as the Companies Act 2006.

Based on this understanding we identified the following matters as being of significance to the entity:

- laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Company Law and Charities SORP;
- the timing of the recognition of rental income;
- grants payable being in accordance with the Charity's governing document;
- management bias in selecting accounting policies and determining estimates;
- recoverability of debtors; and
- inappropriate journal entries.

We communicated the outcomes of these discussions and enquiries, as well as consideration as to where and how fraud may occur in the entity, to all engagement team members.

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEPTFORD CHALLENGE TRUST LIMITED
(CONTINUED)

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised:

- enquiries of trustees as to whether the entity complies with such laws and regulations and discussion with the same regarding any known or suspected instances of non-compliance;
- enquiries with the same concerning any actual or potential litigation or claims;
- inspection of relevant legal correspondence;
- assessment of matters reported to management and the result of the subsequent investigation;
- obtaining an understanding of the policies and controls over the recognition of rental income and testing their implementation during the year;
- agreeing grants payable to supporting documentation;
- challenging assumptions made by management in their specific accounting policies and estimates, in particular in relation to the carrying value of tangible fixed assets and calculation of the rental benefit in kind;
- assessing the recovery of debtors in the period since the balance sheet date and challenging assumptions made by management regarding the recovery of balances which remain outstanding;
- reviewing the financial statements for compliance with the relevant disclosure requirements;
- performing analytical procedures to identify any unusual or unexpected relationships or unexpected movements in account balances which may be indicative of fraud;
- evaluating the underlying business reasons for any unusual transactions; and
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or crediting revenue or cash.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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 Auditors' report.

Other matters

In the prior year, the Charity was not subject to audit and so the comparative figures are unaudited.

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEPTFORD CHALLENGE TRUST LIMITED
(CONTINUED)

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Sumer Auditco Limited

Statutory Auditors
14th Floor
33 Cavendish Square
London
W1G 0PW

Date:

Sumer Auditco Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:				
Donations		330,000	330,000	132,000
Rent receivable		827,447	827,447	291,594
Investments	4	2,604	2,604	3,588
Total income		<u>1,160,051</u>	<u>1,160,051</u>	<u>427,182</u>
Expenditure on:				
Raising funds	5	747,673	747,673	540,044
Charitable activities	6	22,150	22,150	266,995
Total expenditure		<u>769,823</u>	<u>769,823</u>	<u>807,039</u>
Net income/(expenditure) before net gains on investments		390,228	390,228	(379,857)
Net gains on investments		-	-	43,075
Net movement in funds		<u>390,228</u>	<u>390,228</u>	<u>(336,782)</u>
Reconciliation of funds:				
Total funds brought forward		484,744	484,744	821,526
Net movement in funds		390,228	390,228	(336,782)
Total funds carried forward		<u><u>874,972</u></u>	<u><u>874,972</u></u>	<u><u>484,744</u></u>

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

The notes on pages 15 to 24 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	10	550,053	556,682
Investments	11	-	22
		550,053	556,704
Current assets			
Debtors	12	559,373	380,296
Cash at bank and in hand		281,484	88,007
		840,857	468,303
Creditors: amounts falling due within one year	13	(515,938)	(540,263)
Net current assets / liabilities		324,919	(71,960)
Total net assets		874,972	484,744
Charity funds			
Unrestricted funds	14	874,972	484,744
Total funds		874,972	484,744

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

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006. However, an audit is required in accordance with section 144 of the Charities Act 2011.

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

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: 7 MAY 2024



The notes on pages 15 to 24 form part of these financial statements.

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 year 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 year 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 YEAR ENDED 31 AUGUST 2023

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 YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.10 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Balance sheet when the Company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instruments any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

3. Donations

Included in donations is £330,000 (2022: £132,000) which is the Trust's estimate of a benefit in kind for rent from the London Borough of Lewisham. An equivalent charge is recognised within rent payable in raising funds.

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from managed investments	-	-	2,712
Bank interest receivable	2,604	2,604	876
	<u>2,604</u>	<u>2,604</u>	<u>3,588</u>

5. Raising funds

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment management fees	-	-	4,275
Marketing costs	40,956	40,956	41,593
Property Staffing costs	68,754	68,754	52,373
Cleaning	12,008	12,008	2,165
Property repairs	19,670	19,670	53,123
Waste disposal	4,192	4,192	1,622
Office costs	17,722	17,722	36,334
Internet costs	15,578	15,578	7,161
Property insurance	7,267	7,267	5,023
Utilities	90,511	90,511	58,754
Management fees	40,536	40,536	36,000
Pest control	-	-	4,519
Other costs	207	207	776
Rent payable	330,000	330,000	132,000
Legal fees	12,425	12,425	56,892
Depreciation	87,847	87,847	47,434
	<u>747,673</u>	<u>747,673</u>	<u>540,044</u>

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. Raising funds (continued)

Raising funds are costs directly attributable to Dean house which is the property generating the rental income to enable the Trust to meet its charitable objectives.

6. Charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Grant funding	-	-	216,953
Management fees (LCF)	-	-	31,241
Awards ceremony	-	-	3,108
Support costs	22,150	22,150	15,693
Total 2023	22,150	22,150	266,995

Analysis of Grants Payable

	2023 £	2022 £
170 Community Advice Project	-	14,316
BelEve UK	-	20,000
Bench Outreach	-	20,000
Creekside Education Trust	-	18,000
Deptford Lionesses	-	8,155
Free to Be Kids	-	6,000
New Cross & Deptford Families First	-	11,440
Paradigm Project	-	21,500
Peak Barista Academy CIC	-	6,350
Thames Reach	-	18,335
The Deptford Ragged Trust	-	20,000
Toucan Employment	-	27,857
Youth First	-	25,000
	-	216,953

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

5. Analysis of expenditure by activities (continued)

Analysis of Support Costs

	Activities 2023 £	Total funds 2023 £	Total funds 2022 £
Independent examination	-	-	3,600
Auditors remuneration	6,000	6,000	-
Consultancy	610	610	1,130
Computer Costs	-	-	757
Accountancy fees	1,680	1,680	-
Administration support	6,763	6,763	8,793
Insurance	440	440	421
Bank charges	(75)	(75)	135
Loan interest payable	6,311	6,311	589
Other Costs	421	421	268
Total 2023	22,150	22,150	15,693

7. Auditors' remuneration

	2023 £	2022 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	6,000	-

8. Employees

The average number of employees, including the Trustees, during the year was 9 (2022:9).

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Tangible fixed assets

	Short-term leasehold property £
Cost	
At 1 September 2022	604,116
Additions	81,218
At 31 August 2023	<u>685,334</u>
Depreciation	
At 1 September 2022	47,434
Charge for the year	87,847
At 31 August 2023	<u>135,281</u>
Net book value	
At 31 August 2023	<u>550,053</u>
At 31 August 2022	<u>556,682</u>

11. Fixed asset investments

	Listed investments £
At 1 September 2022	22
Disposals	(22)
At 31 August 2023	<u>-</u>
Net book value	
At 31 August 2022	<u>22</u>

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

12. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	87,036	131,447
Other debtors	467,822	241,768
Prepayments and accrued income	4,515	7,081
	<u>559,373</u>	<u>380,296</u>

13. Creditors: Amounts falling due within one year

	2023 £	2022 £
Other creditors	35,260	194,911
Accruals and deferred income	480,678	345,352
	<u>515,938</u>	<u>540,263</u>

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

14. Statement of funds

Statement of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2023 £
Unrestricted funds					
Designated funds					
Designated funds	556,682	-	(87,847)	81,218	550,053
General funds					
General funds	(71,938)	1,160,051	(681,976)	(81,218)	324,919
Total Unrestricted funds	484,744	1,160,051	(769,823)	-	874,972

Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Designated funds						
Designated funds	-	-	(47,434)	604,116	-	556,682
General funds						
General funds	821,526	427,182	(759,605)	(604,116)	43,075	(71,938)
Total Unrestricted funds	821,526	427,182	(807,039)	-	43,075	484,744

The Designated fund consists of a property fund reserve, relating to the short term leasehold held for the benefit of the Charity. All other assets and liabilities relate to the undesignated fund.

DEPTFORD CHALLENGE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

15. Related party transactions

D Flynn, Trustee, is the Chief Executive of Bench Outreach which received a grant of £Nil (2022: £20,000) from Deptford Challenge Trust Limited during the period.

Included in other creditors at the balance sheet date is an amount of £Nil (2022: £32,000) owed to CH4 Accounts Limited, a company in which R Flook is a Director.

16. Capital commitments

At the year end, the Charity has committed to capital expenditure of £224,214 (2022: £23,207).

DEPTFORD CHALLENGE TRUST LIMITED

England & Wales - Charity number 1070483

Accounts

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)

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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 Pumfrey 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
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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2022

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
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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2022

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 depleted 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2022

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2022

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

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.

DEPTFORD CHALLENGE TRUST LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2022

Structure, governance and management (continued)

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 Ellson
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.

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.

DEPTFORD CHALLENGE TRUST LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2022

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:

Des Malone

D Malone
Chairman
Date: 31/5/2023 | 09:43 BST

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: 31/5/2023 | 09:43 BST

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

DEPTFORD CHALLENGE TRUST LIMITED
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**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		427,182	427,182	321,701
Expenditure on:				
Raising funds	4	540,044	540,044	2,594
Charitable activities	5	266,995	266,995	331,611
Total expenditure		807,039	807,039	334,205
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		(336,782)	(336,782)	93,907
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		484,744	484,744	821,526

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

The notes on pages 13 to 22 form part of these financial statements.

DEPTFORD CHALLENGE TRUST LIMITED
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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
		556,704	484,133
Current assets			
Debtors	11	380,296	9,201
Cash at bank and in hand		88,007	339,842
		468,303	349,043
Creditors: amounts falling due within one year	12	(540,263)	(11,650)
		(71,960)	337,393
Net current liabilities / assets			
		484,744	821,526
Total net assets		484,744	821,526
Charity funds			
Unrestricted funds		484,744	821,526
Total funds		484,744	821,526

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:

Robert Flook

R Flook

Trustee

Date: 31/5/2023 | 09:43 BST

The notes on pages 13 to 22 form part of these financial statements.

DEPTFORD CHALLENGE TRUST LIMITED
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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
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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
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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
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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
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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
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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	-
	216,953	280,561

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 2022 £	Total funds 2022 £	Total funds 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
At 31 August 2022	<u>604,116</u>
Depreciation	
Charge for the period	47,434
At 31 August 2022	<u>47,434</u>
Net book value	
At 31 August 2022	<u><u>556,682</u></u>
At 31 March 2021	<u><u>-</u></u>

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
	22
At 31 August 2022	22
Net book value	
At 31 August 2022	22
At 31 March 2021	484,133

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
	380,296	9,201

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).

DEPTFORD CHALLENGE TRUST LIMITED

England & Wales - Charity number 1070483

Accounts

DEPTFORD CHALLENGE TRUST LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

ALISON WARD ACCOUNTANTS
CHARTERED CERTIFIED ACCOUNTANTS

28 HILLS ROAD
BUCKHURST HILL
ESSEX IG9 5RS

DEPTFORD CHALLENGE TRUST LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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**DEPTFORD CHALLENGE TRUST LIMITED
MANAGEMENT BOARD REPORT - STATUTORY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2021**

MANAGEMENT BOARD

Councillor Obajimi Adefiranye
Ms Stella Brown
Mr Bill Ellson
Mr Robert Flook
Mr Declan Flynn
Mr Shaun Hetherington (Vice Chair)
Councillor James Mallory
Mr Desmond Malone (Chair)

SECRETARY

Linda Clayton

GRANT ADMINISTRATORS

The London Community Foundation (LCF)
Unit 7 Piano House
9 Brighton Terrace
London SW9 8DJ

REGISTERED OFFICE

28 Hills Road
Buckhurst Hill
Essex IG9 5RS

COMPANY NUMBER

3390541

CHARITY NUMBER

1070483

BANKERS

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JQ

INVESTMENT MANAGER

Smith & Williamson
25 Moorgate
London EC2R 6AY

INDEPENDENT EXAMINER

Alison Ward Accountants
Chartered Certified Accountants
28 Hills Road
Buckhurst Hill
Essex IG9 5RS

**DEPTFORD CHALLENGE TRUST LIMITED
MANAGEMENT BOARD REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The Management Board (who are also the Directors and Trustees) present their report and the independently examined financial statements of the charitable company for the year ended 31 March 2021. The financial statement has been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)) as amended by Update Bulletin 1 issued in February 2016 and the Charities Act 2011. The statutory information is shown on Pages 1 and 2.

STATUS AND GOVERNING DOCUMENT

Deptford Challenge Trust Limited (the Trust) 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.

ORGANISATION

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.

RECRUITMENT AND APPOINTMENT 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.

TRUSTEE INDUCTION AND TRAINING

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.

OBJECTIVES AND ACTIVITIES

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.

Income Stream

During the period, the Trust's funding source arose from the income stream from the Dean House building constructed as student accommodation and leased to Goldsmiths College. 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.

However, Goldsmith's lease on Dean House ended in September 2021, as did the agreement between the Trust and the London Borough of Lewisham. The biggest risk faced by the Trust has been for some years that no new tenants are found for Dean House and/or the agreement with London Borough of Lewisham is not renewed: this would mean the income stream of the Trust ceases. Also, London Borough of Lewisham has indicated that it may demolish Dean House in the coming years and redevelop the site but had no immediate plans in this regard.

Therefore, the Trustees began negotiations with the London Borough of Lewisham and 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. 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. The Trustees, with the assistance of Savills, also approached some specialist property managers who were capable of letting and managing the building and agreed on one that would best meet the needs of the Trust. The Trust has appointed this manager who is overseeing refurbishment works on the building, sourcing tenants for the rooms and managing the property on a day to day basis.

A significant amount of refurbishment work was required, along with expenditure on furniture and fittings, to bring the property into an appropriate condition for letting. To fund this, the Trust liquidated its investments and used the funds to complete the works and purchases. The Trust expects to recover this cost over the coming years from a dilapidation claim against the former tenant and the net rental income from the property.

Some of the works completed by the Trust were works that the former tenant should have completed before returning the property to London Borough of Lewisham. The Trust had not envisaged having to carry out these works. This meant that the Trust did not have sufficient cashflow to complete all the required works and expenditure in one go, so it is phasing the works as its cashflow allows.

London Borough of Lewisham is pursuing the former tenant for the cost of these works the former tenant is liable for. The Trust is assisting London Borough of Lewisham with its claim so as to recover the costs it did not expect to have expended. In the meantime, the Trust is exposed to the risk that the settled amount of the claim is not in line with the Trust's expectations. The Trust assessed this risk against the loss of income and the additional costs of waiting for a claim to be settled and concluded that completing the works as soon as possible was in the Trust's long term interest.

The building has not been fully let due to the short time between the end of the old lease and the start of the new academic term and the state of the property upon receipt from the previous tenant. The Trust continues to try to let the rooms, however, the rental income for the first year is likely to be materially lower than the Trust initially expected. That being said, London Borough of Lewisham have made a claim against the former tenant for loss of income, and this would bring the income into line with expectations.

The Trust consulted with the London Borough of Lewisham, who were satisfied that the proposal and execution was a practical and reasonable way forward for the use of the building.

Challenges under the Covid-19 pandemic

There were other challenges during the year relating to the Covid-19 pandemic. However, the Trustees successfully adapted to online meetings and continued the governance of the Trust effectively. The Trustees were concerned about the impact of Covid affecting the ability of the grant holders to be able to deliver their programmes successfully but also the bigger picture of the risk of local charities and community organisations closing due to the pandemic. They therefore took a flexible approach about extending deadlines for projects and by also agreeing to re-allocate some of the grant funding to other areas in an organisation on a case-by-case basis.

Each year, the Trustees normally organise an annual event at which a prominent Guest of Honour announces 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. Unfortunately, this had to be cancelled due to the Covid-19 pandemic and the award certificates were sent out by post instead.

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.

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 year due to the uncertainty over the renewal of the lease and agreement with London Borough of Lewisham.

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.

During the year the Trust distributed the £20,000 donation that it had received in the prior year from Lendlease in accordance with the restrictions attached to the donation.

RISK MANAGEMENT

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

(a) loss of income due to a void or rent-free period in the rental of the property. The risk is being addressed by communicating with the London Borough of Lewisham, seeking alternative tenants or uses for the property and coordinating the implementation of any changes.

(b) 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

(c) 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 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.

Subsequent to the period end, the Trustees consider the following additional risks to be material to the Trust.

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

(e) the dilapidations settlement is lower than expected, reducing the cash available to the Trust. The risk is being addressed by providing London Borough of Lewisham with information relating to the works so that the claim is backed-up by strong evidence. The Trustees are also managing the cashflow to ensure the Trust does not over-commit itself.

FINANCIAL REVIEW

During the year ended 31 March 2021, £260,561 was distributed. All of this was distributed through the Open programme to 18 applicants (2020 - £247,895 to 15 applicants). No grants were distributed through the Core Grants during the year (2020 - £40,000 to 2 applicants). 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 6 to the accounts. These organisations are commendable examples from the voluntary sector bodies operating for the good of a range of Deptford people.

As at 31 March 2021, the value of the Trust's investments was £484,133 (2020: £374,247). This represents an increase in market value of £106,411 in the year and against cost of £411,087.

The Trust spent £2,750 (2020 - £8,012) on the 'World of Possibilities' project and this was funded from the Richard MacVicar legacy.

RESERVES POLICY

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

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

Subsequent to the period end, the Trust has initiated a review of this policy to account for the change in circumstances.

INVESTMENT 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 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.

FUTURE DEVELOPMENTS

The Trust will continue with the next phase of the refurbishment programme for Dean House when sufficient funds are received from the current student lettings or costs are recovered from Goldsmiths. The Trustees will consider if they need to pause grant giving in the next financial year to enable the refurbishments to be completed: the income to the Trust in future years should then be in excess of that of previous years when this is complete.

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.

MANAGEMENT BOARD

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.

Councillor Obajimi Adefiranye
Mr Matthew Brooks (resigned March 2021)
Ms Stella Brown
Mr Bill Ellson
Mr Robert Flook
Mr Declan Flynn
Mr Shaun Hetherington (Vice Chair)
Councillor James Mallory
Mr Desmond Malone (Chair)

SMALL COMPANY EXEMPTIONS

This report has been prepared and delivered in accordance with the provisions in Part 15 of Companies Act 2006 applicable to companies subject to the small companies' regime.

This report was approved by the board on 10 November 2021 and signed on their behalf.



Mr Desmond Malone (Chairman)

**INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF DEPTFORD CHALLENGE TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2021**

I report on the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2021.

Responsibilities and basis of report

As the charity's trustees of the Company (and also 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 your charity's accounts as 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 ACCA, 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.



Alison Ward FCCA

10 November 2021

Alison Ward Accountants
28 Hills Road
Buckhurst Hill
Essex IG9 5RS

DEPTFORD CHALLENGE TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES (including the Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2021

	Unrestricted Note	Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Income:							
Donations and legacies		314,015	-	314,015	311,562	20,000	331,562
Income from investments	3	7,686	-	7,686	7,213	-	7,213
Total income		<u>321,701</u>	<u>-</u>	<u>321,701</u>	<u>318,775</u>	<u>20,000</u>	<u>338,775</u>
Expenditure on:							
Raising funds	4	2,594	-	2,594	2,211	-	2,211
Charitable activities	5 & 6	311,611	20,000	331,611	303,525	-	303,525
Total expenditure		<u>314,205</u>	<u>20,000</u>	<u>334,205</u>	<u>305,736</u>	<u>-</u>	<u>305,736</u>
Net income before investment gains		7,496	(20,000)	(12,504)	13,039	20,000	33,039
Unrealised gain/(loss) on investments	9	106,411	-	106,411	(38,312)	-	(38,312)
Net income/(expenditure)		113,907	(20,000)	93,907	(25,273)	20,000	(5,273)
Reconciliation of Funds							
Total funds brought forward		707,619	20,000	727,619	732,892	-	732,892
Total funds carried forward		<u>£ 821,526</u>	<u>£ -</u>	<u>£ 821,526</u>	<u>£ 707,619</u>	<u>£ 20,000</u>	<u>£ 727,619</u>

The company made no recognised gains and losses other than those reported in the income and expenditure account.

The notes on pages 13 to 19 form part of these financial statements

DEPTFORD CHALLENGE TRUST LIMITED
BALANCE SHEET
AS AT 31 MARCH 2021

Company No. 3390541

	Note	2021 £	2020 £
CURRENT ASSETS			
Debtors	8	9,202	3,071
Investments	9	484,133	374,247
Cash at bank and in hand		339,841	353,733
		<hr/>	<hr/>
		833,176	731,051
CREDITORS: Amounts falling due within one year	10	(11,650)	(3,432)
		<hr/>	<hr/>
NET ASSETS		£ 821,526	£ 727,619
		<hr/>	<hr/>
FINANCED BY:			
Unrestricted funds		821,526	707,619
Restricted funds		-	20,000
		<hr/>	<hr/>
		£ 821,526	£ 727,619
		<hr/>	<hr/>

In approving these financial statements as trustees directors of the charitable company we hereby confirm that:

For the year ending 31 March 2021 the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the board of trustees/directors on 10 November 2021



Robert Flook (Treasurer)

The notes on pages 13 to 19 form part of these financial statements

1. ACCOUNTING POLICIES

1a. Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)) as amended by Update Bulletin 1 issued in February 2016 and the Charities Act 2011.

Deptford Challenge Trust Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1b. Preparation of the accounts on a going concern basis

The trustees have reviewed the Trust's financial position and are of the view that the Trust is secure for at least for the next 12 to 18 months and that on this basis the Trust is a going concern. The lease which provides the Trust's income is due to expire in September 2021, and the tenant has advised that they do not wish to renew the lease. The Trust is currently aiding the search for a new tenant. Should a new tenant not be found, then the Trust's income, and its work within the Deptford Community, would be severely curtailed.

1c. Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

1d. Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

1e. Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally on notification of the interest paid or payable by the Bank.

1. ACCOUNTING POLICIES (CONTINUED)

1f. Funds

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations or grants which the donor has specified are to be used solely for particular purposes/areas of the charity's work or for specific projects undertaken by the charity.

1g. Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds is the investment management charges.
- Expenditure on charitable activities includes the costs of making grants and the associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1h. Debtors

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

1i. Cash at bank and in hand

Cash at bank and cash 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.

1. ACCOUNTING POLICIES (CONTINUED)

1j. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1k. Financial instruments

The charity 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.

1l. Taxation

The charitable company is exempt from taxation under sections 466 to 493 of the Corporation Tax Act 2010.

1m. Funds held by The London Community Foundation

The Trust delegates the distribution of grants to The London Community Foundation (LCF). LCF receives funds from the Trust in advance of distribution and operates a bank account in the name of the Trust to hold these funds. Funds held in this bank account, including the interest earned thereon, belong to the Trust until such time as the funds are distributed to the grant recipients. The undistributed balance therefore belongs to the Trust and is included in the balance sheet as a debtor.

2. OPERATING (DEFICIT)/SURPLUS

	2021	2020
	£	£
(Deficit)/Surplus is stated after charging:		
Independent examiner's fees	1,080	990

DEPTFORD CHALLENGE TRUST LIMITED
 NOTES TO THE ACCOUNTS (CONTINUED)
 FOR THE YEAR ENDED 31 MARCH 2021

3. INCOME FROM INVESTMENTS

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Bank interest receivable	1,856	-	1,856	2,042
Income from managed investments	5,830	-	5,830	5,171
	<u>£ 7,686</u>	<u>£ -</u>	<u>£ 7,686</u>	<u>£ 7,213</u>

4. RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Investment management charges	2,594	-	2,594	2,211
	<u>£ 2,594</u>	<u>£ -</u>	<u>£ 2,594</u>	<u>£ 2,211</u>

5 CHARITABLE ACTIVITIES

	Unrestricted Notes funds £	Restricted funds £	Total 2021 £	Total 2020 £
Grants payable	6 260,561	20,000	280,561	247,895
Grant returned/written off	-	-	-	(1,519)
Management fees (LCF)	40,182	-	40,182	37,032
Awards ceremony	289	-	289	2,518
World of Possibility Project	2,930	-	2,930	7,412
Consultancy fees	-	-	-	2,525
Website	-	-	-	437
Governance costs	7,649	-	7,649	7,225
	<u>£ 311,611</u>	<u>£ 20,000</u>	<u>£ 331,611</u>	<u>£ 303,525</u>

DEPTFORD CHALLENGE TRUST LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

6. GRANTS PAYABLE

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
The 999 Club and Lady Florence Trust	-	-	-	20,000
2000 Community Action Centre	14,721	5,279	20,000	-
Active Living Support CIC	-	-	-	4,780
Afghanistan and Central Asian Association	28,812	-	28,812	-
Africa Advocacy Foundation	28,074	-	28,074	-
Artmongers Action	12,342	-	12,342	-
AHOY Centre	-	-	-	10,000
BelEve UK	20,000	-	20,000	-
Bench Outreach	22,082	7,918	30,000	30,000
CASH (Community Assets for Society and Housing)	10,000	-	10,000	5,000
Chocolate Films Workshops (Previously Chocolate Films)	-	-	-	10,790
Create Arts Ltd	9,845	-	9,845	-
Creekside Education Trust	15,577	-	15,577	20,000
Deptford Free Cinema	2,550	-	2,550	-
Deptford Folk	2,944	1,056	4,000	-
Deptford Methodist Mission Disabled People's Contact	-	-	-	27,951
Entelechy Arts	23,993	-	23,993	-
Evelyn Parents Forum	4,985	1,788	6,773	-
Frameless Arts C.I.C	-	-	-	2,425
GDND Community	-	-	-	5,000
Goldsmiths, University of London	11,041	3,959	15,000	-
Heart n Soul	-	-	-	15,000
Lewisham Cyclists	-	-	-	3,960
Migration Museum Project	10,000	-	10,000	-
Reprezent Radio	-	-	-	14,626
Ripe Enterprises	-	-	-	15,000
Sommerville Youth & Play Provision	-	-	-	16,108
South East London Community Energy	16,595	-	16,595	7,320
The Deptford Ragged Trust	7,000	-	7,000	5,000
Vietnamese Women & Families Association (WWF)	-	-	-	14,880
Voluntary Services Lewisham (Formerly the Voluntary Care Centre)	-	-	-	20,055
Young Futures	20,000	-	20,000	-
	<u>£ 260,561</u>	<u>£ 20,000</u>	<u>£ 280,561</u>	<u>£ 247,895</u>

In 2020 grants of £7,800 were paid from restricted funds.

DEPTFORD CHALLENGE TRUST LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

7. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Bank charges	110	-	110	166
Insurance	228	-	228	195
Company secretarial fees and expenses	6,037	-	6,037	5,782
Independent examination	1,080	-	1,080	990
Companies House filing fee	13	-	13	13
Other costs	181	-	181	79
	<u>£ 7,649</u>	<u>£ -</u>	<u>£ 7,649</u>	<u>£ 7,225</u>

8. DEBTORS

	2021 £	2020 £
Funds held by LCF	8,240	1,496
Prepayments	151	124
Accrued income	811	1,451
	<u>£ 9,202</u>	<u>£ 3,071</u>

9. CURRENT ASSET INVESTMENTS

	2021 £	2020 £
Market value at the start of the year	374,247	372,447
Investments acquired	-	36,653
Dividends and interest reinvested net of investment management fees	3,236	3,459
Change in market value	106,650	(38,312)
Market value at the year end	<u>£ 484,133</u>	<u>£ 374,247</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other creditors	8,298	480
Accruals	3,352	2,952
	<hr/>	<hr/>
	£ 11,650	£ 3,432
	<hr/> <hr/>	<hr/> <hr/>

11. TRUSTEES EXPENSES

The trustees neither received nor waived any emoluments during the year (2020 - £Nil)
Trustees did not claim for out of pocket expenses during the year. (2020 - £Nil)

12. RELATED PARTIES

Trustees are not involved in the decision to award grants to charities with which they have any links. The charity maintains a regularly updated record of trustees' interests.

Declan Flynn is the Chief Executive of Bench Outreach which received £30,000 from Deptford Challenge Trust Limited during the during the year (2020 - £30,000).

There were no amounts outstanding to or from Bench Outreach at 31 March 2021. (31 March 2020 - None)

Deptford Challenge Trust Limited continues to receive in kind support from Bench Outreach through the provision of part time administration support for the workshops. It has not been possible to quantify this support.

13. CAPITAL COMMITMENTS

At the year end no capital commitments had been made. However, subsequent to the year end the Charity has committed to capital expenditure of £388,734

DEPTFORD CHALLENGE TRUST LIMITED

England & Wales - Charity number 1070483

Accounts

DEPTFORD CHALLENGE TRUST LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

ALISON WARD ACCOUNTANTS
CHARTERED CERTIFIED ACCOUNTANTS

28 HILLS ROAD
BUCKHURST HILL
ESSEX IG9 5RS

DEPTFORD CHALLENGE TRUST LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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**DEPTFORD CHALLENGE TRUST LIMITED
MANAGEMENT BOARD REPORT - STATUTORY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2020**

MANAGEMENT BOARD

Councillor Obajimi Adefiranye
Mr Matthew Brooks
Ms Stella Brown
Mr Bill Ellson
Mr Robert Flook
Mr Declan Flynn
Mr Shaun Hetherington (Vice Chair)
Councillor James Mallory
Mr Desmond Malone (Chair)

SECRETARY

Linda Clayton

GRANT ADMINISTRATORS

The London Community Foundation (LCF)
Unit 7 Piano House
9 Brighton Terrace
London SW9 8DJ

REGISTERED OFFICE

28 Hills Road
Buckhurst Hill
Essex IG9 5RS

COMPANY NUMBER

3390541

CHARITY NUMBER

1070483

**DEPTFORD CHALLENGE TRUST LIMITED
MANAGEMENT BOARD REPORT - STATUTORY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2020**

BANKERS

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JQ

INVESTMENT MANAGER

Smith & Williamson
25 Moorgate
London, EC2R 6AY

INDEPENDENT EXAMINER

Alison Ward Accountants
Chartered Certified Accountants
28 Hills Road
Buckhurst Hill
Essex IG9 5RS

**DEPTFORD CHALLENGE TRUST LIMITED
MANAGEMENT BOARD REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

The Management Board (who are also the Directors and Trustees) present their report and the independently examined financial statements of the charitable company for the year ended 31 March 2020. The financial statement has been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)) as amended by Update Bulletin 1 issued in February 2016 and the Charities Act 2011. The statutory information is shown on Pages 1 and 2.

STATUS AND GOVERNING DOCUMENT

Deptford Challenge Trust Limited (the Trust) 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.

ORGANISATION

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.

RECRUITMENT AND APPOINTMENT 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.

TRUSTEE INDUCTION AND TRAINING

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.

**DEPTFORD CHALLENGE TRUST LIMITED
MANAGEMENT BOARD REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

OBJECTIVES AND ACTIVITIES

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.

The Trust's source of funding arises from the income stream from the Dean House building constructed as student accommodation and leased to Goldsmiths College. 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.

Each year, the Trustees organise an event at which a prominent Guest of Honour announces 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.

The Trustees have a duty to make the best use of the funds at the Charity'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.

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 Charity. The schemes were amended in 2017, after independent research commissioned by the Charity, into 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. This will take effect from 2020.

**DEPTFORD CHALLENGE TRUST LIMITED
MANAGEMENT BOARD REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

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.

During the year the Charity continued its funding of the 'World of Possibilities' project, led by Kathryn Riley, Professor of Urban Education at UCL. World of Possibilities aims to build new partnerships and develop creative solutions to common challenges within the voluntary and charity sectors in the Deptford community. Alongside workshops, and a website of resources and information, a Leadership Programme, aimed at everyone working in a charity or not-for-profit organisation in and around Deptford either as a volunteer or in a paid capacity, was launched to develop the next generation of leaders in Deptford. This will finish at the beginning of the next financial year when the project will become self-sustaining. The project was funded from the Richard MacVicar legacy, bequeathed to the Trust in 2017.

RISK MANAGEMENT

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

(a) loss of income due to a void or rent-free period in the rental of the property. The risk is being addressed by communicating with the London Borough of Lewisham, seeking alternative tenants or uses for the property and coordinating the implementation of any changes. See Future Developments below.

(b) misuse of funds under the Charity'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 Charity, 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

(c) loss of funds due to failure or liquidation of any agency holding funds which are the property of the Charity; 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 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.

**DEPTFORD CHALLENGE TRUST LIMITED
MANAGEMENT BOARD REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

FINANCIAL REVIEW

During the year ended 31 March 2020, £247,895 was distributed. Of this £207,895 was distributed through the Open programme to seventeen applicants (2019 - £213,304 to 14 applicants) and £40,000 through the Core Grants programme to two applicants (2019 - £40,000 to 2 applicants). 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 4 to the accounts. These organisations are commendable examples from the voluntary sector bodies operating for the good of a range of Deptford people.

As at 31 March 2020 the value of the Trust's investments was £374,247 (2019: £372,447). This represents a drop in market value of £38,312 in the year and a loss against cost of £33,365. The principle cause for the fall was the Coronavirus pandemic with many countries, including the UK, in a lock down as at 31 March 2020. Subsequent to the year end the investments have risen and subsequently passed their pre-pandemic value.

The Trust spent £8,012 (2019 - £8,972) on the 'World of Possibilities' project and this was funded from the Richard MacVicar legacy.

RESERVES POLICY

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

The Trust's historic reserves would have enabled it to continue its programme for one year following the unlikely event of the cessation of its income.

The target level of reserves is £25,000. This will cover a year's running costs and some contingency.

Historically the Trust's reserves would have enabled it to continue its programme for one year following the event of the cessation of its income. Following the implementation of the current policy, the balance of the reserves held were allocated to the Investment Reserve along with a catch up payment from London Borough of Lewisham.

**DEPTFORD CHALLENGE TRUST LIMITED
MANAGEMENT BOARD REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

INVESTMENT POLICY

It is the policy of the Trust to manage its reserves in a way which 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 financial institution or institutions of established reputation.

The Trustees review DCT's investment policy annually. Currently DCT's investment managers are 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.

FUTURE DEVELOPMENTS

The Trust's source of funding arises from the income stream from the Dean House building constructed as student accommodation and leased to Goldsmiths College. Rent is collected by the London Borough of Lewisham and passed on to the Trust, which distributes the funds through grants for charitable purposes in Deptford. In September 2021 the lease for Dean House is up for renewal and Goldsmiths College has advised that they do not wish to renew the lease when it expires. As such, the Trustees are working with the London Borough of Lewisham to obtain a new tenant for the Dean House building so that the Trust can continue its work within the Deptford community.

**DEPTFORD CHALLENGE TRUST LIMITED
MANAGEMENT BOARD REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

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.

MANAGEMENT BOARD

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.

Councillor Obajimi Adefiranye
Mr Matthew Brooks
Ms Stella Brown
Mr Bill Ellson
Mr Robert Flook
Mr Declan Flynn (Appointed December 2019)
Ms Patricia Forrest (Resigned July 2020)
Mr Shaun Hetherington (Vice Chair)
Councillor James Mallory
Mr Desmond Malone (Chair)

SMALL COMPANY EXEMPTIONS

This report has been prepared and delivered in accordance with the provisions in Part 15 of Companies Act 2006 applicable to companies subject to the small companies' regime.

This report was approved by the board on 25 September 2020 and signed on their behalf.


Mr Desmond Malone (Chairman)

**INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF DEPTFORD CHALLENGE TRUST LIMITED
FOR THE YEAR ENDED 31 MARCH 2020**

I report on the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2020.

Responsibilities and basis of report

As the charity's trustees of the Company (and also 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 your charity's accounts as 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 ACCA, 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.



Alison Ward FCCA

25 September 2020

Alison Ward Accountants
28 Hills Road
Buckhurst Hill
Essex IG9 5RS

DEPTFORD CHALLENGE TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES (including the Income and Expenditure
Account)
FOR THE YEAR ENDED 31 MARCH 2020

	Note	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Income:					
Donations and legacies		311,562	20,000	331,562	460,272
Income from investments	3	7,213	-	7,213	3,267
Total income		<u>318,775</u>	<u>20,000</u>	<u>338,775</u>	<u>463,539</u>
Expenditure on:					
Raising funds	4	2,211	-	2,211	-
Charitable activities	5 & 6	303,525	-	303,525	269,444
Total expenditure		<u>305,736</u>	<u>-</u>	<u>305,736</u>	<u>269,444</u>
Net income before investment gains		13,039	20,000	33,039	194,095
Unrealised (loss)/gain on investments	9	(38,312)	-	(38,312)	4,947
Net income		<u>(25,273)</u>	<u>20,000</u>	<u>(5,273)</u>	<u>199,042</u>
Reconciliation of Funds					
Total funds brought forward		732,892	-	732,892	533,850
Total funds carried forward		<u>£ 707,619</u>	<u>£ 20,000</u>	<u>£ 727,619</u>	<u>£ 732,892</u>

The company made no recognised gains and losses other than those reported in the income and expenditure account.

The notes on pages 12 to 18 form part of these financial statements

DEPTFORD CHALLENGE TRUST LIMITED
BALANCE SHEET
AS AT 31 MARCH 2020

Company No. 3390541

	Note	2020 £	2019 £
CURRENT ASSETS			
Debtors	8	3,071	42,096
Investments	9	374,247	372,447
Cash at bank and in hand		353,733	326,319
		<hr/> 731,051	<hr/> 740,862
CREDITORS: Amounts falling due within one year	10	(3,432)	(7,970)
		<hr/>	<hr/>
NET ASSETS		£ 727,619	£ 732,892
		<hr/> <hr/>	<hr/> <hr/>
FINANCED BY:			
Unrestricted funds		707,619	732,892
Restricted funds		20,000	-
		<hr/>	<hr/>
		£ 727,619	£ 732,892
		<hr/> <hr/>	<hr/> <hr/>

In approving these financial statements as trustees directors of the charitable company we hereby confirm that:


For the year ending 31 March 2020 the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the board of trustees/directors on 25 September 2020



Robert Flook (Treasurer)

The notes on pages 12 to 18 form part of these financial statements

**DEPTFORD CHALLENGE TRUST LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. ACCOUNTING POLICIES

1a. Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)) as amended by Update Bulletin 1 issued in February 2016 and the Charities Act 2011.

Deptford Challenge Trust Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1b. Preparation of the accounts on a going concern basis

The trustees have reviewed the Trust's financial position and are of the view that the Trust is secure for at least for the next 12 to 18 months and that on this basis the Trust is a going concern. The lease which provides the Trust's income is due to expire in September 2021, and the tenant has advised that they do not wish to renew the lease. The Trust is currently aiding the search for a new tenant. Should a new tenant not be found, then the Trust's income, and its work within the Deptford Community, would be severely curtailed.

1c. Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

1d. Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

1e. Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally on notification of the interest paid or payable by the Bank.

**DEPTFORD CHALLENGE TRUST LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

1. ACCOUNTING POLICIES (CONTINUED)

1f. Funds

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations or grants which the donor has specified are to be used solely for particular purposes/areas of the charity's work or for specific projects undertaken by the charity.

1g. Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds is the investment management charges.
- Expenditure on charitable activities includes the costs of making grants and the associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1h. Debtors

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

1i. Cash at bank and in hand

Cash at bank and cash 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.

**DEPTFORD CHALLENGE TRUST LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

1. ACCOUNTING POLICIES (CONTINUED)

1j. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1k. Financial instruments

The charity 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.

1l. Taxation

The charitable company is exempt from taxation under sections 466 to 493 of the Corporation Tax Act 2010.

1m. Funds held by The London Community Foundation

The Trust delegates the distribution of grants to The London Community Foundation (LCF). LCF receives funds from the Trust in advance of distribution and operates a bank account in the name of the Trust to hold these funds. Funds held in this bank account, including the interest earned thereon, belong to the Trust until such time as the funds are distributed to the grant recipients. The undistributed balance therefore belongs to the Trust and is included in the balance sheet as a debtor.

2. OPERATING SURPLUS

	2020	2019
	£	£
Surplus is stated after charging:		
Independent examiner's fees	990	990

DEPTFORD CHALLENGE TRUST LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

3. INCOME FROM INVESTMENTS

	Unrestricted Funds £	Restricted Funds £	2020 Total £	2019 Total £
Bank interest receivable	2,042	-	2,042	3,267
Income from managed investments	5,171	-	5,171	-
	<u>£ 7,213</u>	<u>£ -</u>	<u>£ 7,213</u>	<u>£ 3,267</u>

4. RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	2020 Total £	2019 Total £
Investment management charges	2,211	-	2,211	-
	<u>£ 2,211</u>	<u>£ -</u>	<u>£ 2,211</u>	<u>£ -</u>

5 CHARITABLE ACTIVITIES

	Unrestricted Notes funds £	Restricted funds £	Total 2020 £	Total 2019 £
Grants payable	6 247,895	-	247,895	221,104
Grant returned/written off	(1,519)	-	(1,519)	(2,695)
Management fees (LCF)	37,032	-	37,032	30,600
Grant making costs	-	-	-	300
Awards ceremony	2,518	-	2,518	1,968
World of Possibility Project	7,412	-	7,412	8,972
Consultancy fees	2,525	-	2,525	2,000
Website	437	-	437	-
Governance costs	7,225	-	7,225	7,195
	<u>£ 303,525</u>	<u>£ -</u>	<u>£ 303,525</u>	<u>£ 269,444</u>

DEPTFORD CHALLENGE TRUST LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

6. GRANTS PAYABLE

	Unrestricted Funds £	Restricted Funds £	2020 Total £	2019 Total £
The 999 Club and Lady Florence Trust	20,000	-	20,000	20,000
Active Living Support CIC	4,780	-	4,780	-
Afghanistan and Central Asian Association	-	-	-	26,357
AHOY Centre	10,000	-	10,000	-
Bench Outreach	30,000	-	30,000	29,000
Bright Beginnings	-	-	-	4,940
CASH (Community Assets for Society and Housing)	5,000	-	5,000	-
Chocolate Films Workshops (Previously Chocolate Films)	10,790	-	10,790	4,993
Creekside Education Trust	20,000	-	20,000	20,000
Deptford Folk	-	-	-	12,620
Deptford Methodist Mission Disabled People's Contact	27,951	-	27,951	15,000
Entelechy Arts	-	-	-	20,590
Frameless Arts C.I.C	2,425	-	2,425	-
GDND Community	5,000	-	5,000	-
Heart n Soul	15,000	-	15,000	-
Lewisham Cyclists	3,960	-	3,960	-
Noah's Ark Childrens Venture	-	-	-	5,000
Reprezent Radio	14,626	-	14,626	-
Ripe Enterprises	15,000	-	15,000	-
Sommerville Youth & Play Provision	16,108	-	16,108	-
South East London Community Energy	7,320	-	7,320	-
The Bike Project	-	-	-	15,000
The Deptford Ragged Trust	5,000	-	5,000	-
Extant	-	-	-	7,905
IRIE! Dance Theatre	-	-	-	25,000
Evelyn Parents Forum	-	-	-	4,499
FoodSkills Training CIC	-	-	-	5,200
Teatro Vivo	-	-	-	5,000
Vietnamese Women & Families Association (WWF)	14,880	-	14,880	-
Voluntary Services Lewisham (Formerly the Voluntary Care Centre)	20,055	-	20,055	-
	<u>£ 247,895</u>	<u>£ -</u>	<u>£ 247,895</u>	<u>£ 221,104</u>

In 2019 grants of £7,800 were paid from restricted funds.

DEPTFORD CHALLENGE TRUST LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

7. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Bank charges	166	-	166	203
Insurance	195	-	195	219
Company secretarial fees and expenses	5,782	-	5,782	5,698
Independent examination	990	-	990	990
Companies House filing fee	13	-	13	13
Other costs	79	-	79	72
	<u>£ 7,225</u>	<u>£ -</u>	<u>£ 7,225</u>	<u>£ 7,195</u>

8. DEBTORS

	2020 £	2019 £
Funds held by LCF	1,496	32,390
Prepayments	124	106
Accrued income	1,451	9,600
	<u>£ 3,071</u>	<u>£ 42,096</u>

9. CURRENT ASSET INVESTMENTS

	2020 £	2019 £
Market value at the start of the year	372,447	-
Investments acquired	40,112	367,500
Change in market value	(38,312)	4,947
	<u>£ 374,247</u>	<u>£ 372,447</u>

**DEPTFORD CHALLENGE TRUST LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Grants payable	-	3,790
Other creditors including taxation and social security	480	-
Accruals	2,952	4,180
	<u>£ 3,432</u>	<u>£ 7,970</u>

11. TRUSTEES EXPENSES

The trustees neither received nor waived any emoluments during the year (2019 - £Nil)
Trustees did not claim for out of pocket expenses during the year. (2019 - £Nil)

12. RELATED PARTIES

Trustees are not involved in the decision to award grants to charities with which they have any links. The charity maintains a regularly updated record of trustees' interests.

Stella Brown had links with Bench Outreach in the year ended 31 March 2019 when it received a grant of £29,000 from Deptford Challenge Trust Limited). This arrangement ended on 31 January 2019.

There were no amounts outstanding to or from Bench Outreach at 31 March 2020. (31 March 2019 - None)

Deptford Challenge Trust Limited continues to receive in kind support from Bench Outreach through the provision of part time administration support for the workshops. It has not been possible to quantify this support.