

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

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

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 over seeing 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

	Note	Unrestricted 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)		<u>113,907</u>	<u>(20,000)</u>	<u>93,907</u>	<u>(25,273)</u>	<u>20,000</u>	<u>(5,273)</u>
Reconciliation of Funds							
Total funds brought forward		<u>707,619</u>	<u>20,000</u>	<u>727,619</u>	<u>732,892</u>	<u>-</u>	<u>732,892</u>
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
		833,176	731,051
CREDITORS: Amounts falling due within one year	10	(11,650)	(3,432)
NET ASSETS		£ 821,526	£ 727,619
FINANCED BY:			
Unrestricted funds		821,526	707,619
Restricted funds		-	20,000
		£ 821,526	£ 727,619

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

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

	Notes	Unrestricted 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	-
	£ 260,561	£ 20,000	£ 280,561	£ 247,895

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

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/>

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 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