

Community Links Trust Limited

Report and financial statements
For the year ended 31 August 2019

Company number: 2661182
Charity number: 1018517

Community Links Trust Limited

Contents

Company no. 2661182

As at 31 August 2019

Reference and administrative details.....	1
Trustees' annual report.....	2
Independent auditors' report.....	14
Statement of financial activities (incorporating an income and expenditure account).....	17
Balance sheet.....	18
Statement of cash flows.....	19
Notes to the financial statements	20

Community Links Trust Limited

Reference and administrative details

Company no. 2661182

As at 31 August 2019

Company number 2661182

Charity number 1018517

Registered office and operational address 105 Barking Road
London
E16 4HQ

Trustees The Trustees, who are also directors under company law, and who served during the period and up to the date of this report, were as follows:
Gillian Budd
Radhika Bynon
Chris Wright
Alan Lazarus (Chair from 4 February 2019)
Javid Canteenwala (Treasurer from 4 February 2019)
Pria Rai
Babu Bhattacharjee (resigned 28 February 2019)
Stephen Wyler (Chair to 30 November 2018) (resigned 23 November 2018)
Paul Williams (appointed 23 November 2018)
Elaine Bailey (appointed 23 November 2018)
Carl Cramer (appointed 23 November 2018 and resigned 8 June 2020)

Company Secretary Arvinda Gohil (until 28 February 2019)
Nigel Richards (from 1 March 2019)

Principal Staff Arvinda Gohil (Chief Executive) (resigned 28 February 2019)
Venu Dhupa (Director)
Chi Kavindele (Director)

Bankers	The Co-operative Bank 70-80 Cornhill London EC3V 3RD	Barclays Bank Level 27, 1 Churchill Place London E14 5HP
----------------	---	---

Auditor Moore Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

Community Links Trust Limited
Trustees' annual report

For the year ended 31 August 2019

The Trustees present this annual report and audited financial statements for the year ended August 31 2019.

Reference and administrative details set out on page 1 form part of this report. The financial statements comply with current statutory requirements, the Memorandum of Association and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2015.)

Structure, Governance and Management

The organisation is a charitable company limited by guarantee, incorporated on 7 November 1991 and registered as a Charity on 12 March 1993. The company was established under a memorandum which set out the objects and powers of the charitable company and is governed under its Articles of Association. Catch22 Charity Limited is the sole member of Community Links and Chris Wright, Chief Executive of Catch22 is on the Board of Trustees of Community Links. The principal members of staff during this year were: Arvinda Gohil, Venu Dhupa and Chi Kavindele.

Through becoming part of the Catch22 group, Community Links has access to a range of support services and a strategic framework to operate within. Community Links simultaneously remains close to its community roots, retains its charity registration, appoints its lead officer/s and sets its own values and strategic direction. The principal objects of the charitable company (Community Links) as set out in its Memorandum of Association are to:

- Promote any charitable purpose for the benefit of the community;
- Provide such information, advice and assistance as is charitable, to groups and individuals for the public benefit;
- Promote, assist and co-ordinate voluntary activities for the benefit of the community (whether on the part of individuals or the organisation) in any part of England and Wales with particular reference to health, housing, safety, education, training, rehabilitation and recreation of the sections of community in need of assistance, and to provide care and facilities connected with any of those matters;
- Promote the efficient use of the resources provided voluntarily or by central or local government for the benefit of the community (or any section or section thereof) in connection with the said or similar matters; and
- Undertake or support research into the allocation and use of resources with a view to ensuring that the maximum benefit to the community is obtained therefrom.

Community Links Trust Limited
Trustees' annual report

For the year ended 31 August 2019

Board of Trustees

The Board is recruited in line with good practice within the Charities sector, currently via an application process or to maintain an appropriate balance, and by nomination by Catch22. Appointments to the Board are recommended by the Board of Trustees in the first instance and approved by the Catch22 Board. The Board endeavours to ensure that its membership covers the range and experience and skills that are required and that the backgrounds of the members of the Board reflect a balance that is appropriate to Community Links' mission, activities and location. The Catch22 Board have the right to appoint Trustees to Community Links' Board, and such Trustees are required to act in the best interests of the organisation.

During 2018/19 the Charity undertook a review of its governance and as a result:

Community Links/Catch22 appointed a new Chair. Steve Wyler left the Board and was replaced by Alan Lazarus.

Babu Battercharjee (Trustee) stood down on 28 February 2019.

The following new Trustees took up post on 23 November 2018: Elaine Bailey, Paul Williams and Carl Cramer.

The Trustees all bring appropriate knowledge and expertise. They give of their time voluntarily and receive no benefits from the Charity. Any expenses that are reclaimed from the Charity by Trustees are set out in the notes to the accounts.

The Board currently retains one standing Committee, the Resources Committee and a subsidiary Board for the Trading Company. The Resources Committee is chaired by Javid Canteenwala (Treasurer). The Board of the Trading Company, Community Links Trading Limited is chaired by Gill Budd (Trustee.) The Trading Board may co-opt members.

Day-to-day management of the Charity is delegated to Director/s and other employees who operate within defined terms of reference and delegated authorities. The CEO of the Charity left in February 2019, therefore, for a period during 2018/19, and during an organisational review in the latter part of the year, a temporary accountable officer from Catch22 was installed.

The Resources Committee recommend to the Board the salary of the Director / Accountable Officer and approve the overall salaries budget with regard to remuneration. This is based on benchmarking with similar organisations within the sector. The Resources Committee approves the cost of living increases for all staff, in line with the annual budget. The annual budget is also approved by the Community Links Board before being further approved by the Catch22 Board.

Performance against strategic and financial targets are monitored through The Resources Committee using a range of tools, including a dashboard, income generation report and monthly management accounts. These are also reviewed by Trustees, the Senior Management Team and are shared with Managers. The charity keeps a strategic risk register which is reviewed at the Resources Committee and by Trustees. Policies are reviewed and approved on a rolling basis, which ensures that key policies are reviewed no less frequently than every two years.

Investments

Community Links has one wholly-owned subsidiary company, Community Links Trading Limited. The Charity owns one ordinary £1 share representing 100% of the share capital of the company. This subsidiary carries out trading activities in order to generate funds which are then gift-aided to Community Links Trust Limited.

Community Links Trust holds 5000 ordinary £1 shares in Allia Ltd, which were purchased on 3 September 2009. Allia Ltd is a community benefit society registered with the Financial Conduct Authority. The investment was made in order to access fundraising support provided by that company.

Community Links Trust holds 21,300 class 'A' shares in Historypin Community Interest Company (formerly Shift Design Community Interest Company). These shares entitled the charity to appoint one Director to the Board of Directors of Historypin.

The Board has initiated a review of the position with both shareholdings.

Activities and performance in the delivery of public benefit

The Charities Act 2011 sets out twelve kinds of activity that are recognised as 'charitable' provided there is sufficient demonstrable public benefit deriving from them. All the Charity's beneficiaries are individuals or communities that are socially and economically disadvantaged. The Charity conducts activities in the following areas identified in the act.

The Charity's main activities are described below:

- The prevention or relief of poverty: The Charity's activities address both the causes and consequences of poverty.
- The Charity's advice work enables individuals in need to secure their rights to welfare support and legal support, housing support, and support to deal with debt and other disadvantage.
- The advice team works with families in crisis through a number of supportive interventions.
- Programmes of work under key categories of Youth, Employability, Health and Community are undertaken to support the community. For example, to reduce health inequalities, build emotional resilience and reduce hunger.
- The Charity's employment work supports those who are furthest from the labour market to move closer to the point of employment, secure employment and maintain employment.
- The Charity's work with young people focuses on the issues affecting them including the challenges of serious violence.
- Working with the 50+ population, the Charity enables training in digital technologies to enhance life experience and provide new opportunities.
- The Charity's Policy work is driven by the policies of Early Action and Encouraging Agency and this results in a number of programmes in different social settings, including schools and community centres. Early action underpins much of Community Links' work. Early action refers to any service or activity that prevents problems occurring or getting worse, tackling a problem's causes rather than its consequences. It is not limited to prevention: it is also a positive approach that enables people to fulfil their potential at every life stage by building resourceful communities that collectively overcome challenges and ultimately flourish.

For the year ended 31 August 2019

Encouraging Agency is a way of operating that involves the communities we work with, builds capacity, increases understanding in the social systems and civic systems that affect lives in the neighbourhood and crucially promotes empowerment to engage and affect these, and advocates in line with the principle 'Nothing about us, without us.'

The Charity's national research and policy work addresses the 'service design' need for better policies that prevent people being trapped in poverty and promote the case for early action in system change.

The Charity's community work is for the advancement of citizenship or community development. Through two hubs (at Rokeby and Asta) and its head-quarters at 105 Barking Road, the Charity encourages participation in civic life and wider civil society.

The work is for the relief of those in need or suffering inequality because of age, ill-health, disability, financial hardship or other disadvantage, this manifests in practical support programmes.

The advancement of health or saving of lives is primarily delivered through a wide range of community-based health activities that encourage healthy lifestyles, alongside a focused prevention programme that encourages the take up of health screening services in the most 'at risk' communities.

The youth, employability and community programmes encourage the elimination of barriers to advancements via skills development, knowledge transfer, confidence building, raising of aspirations and cultural understanding.

Trading activities that are directly aimed at producing or enabling a clear social or public benefit are conducted by the Charity's subsidiary company (Links Events Solutions.)

Overview of specific activities and achievements in 2018/19

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charities aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

The Trustees review aims and objectives each year. This report looks at the achievements within the 12 months to 31 August 2019. These achievements have been regularly reported to Trustees through the governance structures and this helps to ensure that the Charity's aims, objectives and activities remained focused on its stated purposes.

During the year, the Trustees achieved their ambitions in line with the second year of the organisations' strategy, "Ready for Everything Communities." Of particular note are the following:

- A Board Away Day and Development Day was held to agree the values; programme objectives; and key areas of policy work, as well as a new staffing structure to support further integration with Catch22.

For the year ended 31 August 2019

The following selected statistics/achievements demonstrate our impact:

- 833 young people participated in our mental health peer to peer mentoring programme.
- We called 57,911 patients living across London to encourage uptake of bowel and breast cancer screening.
- Our Create Your Future programme helped 631 black and minority ethnic women move closer to the workplace.
- Our Advice Team assisted more than 3000 people.
- We have awarded 18 community grants to local residents who deliver innovative and sustainable projects, with our last report noting over 1,900 people taking part in the programme.
- Our Help Through Crisis programme helped 85 people facing severe difficulties and 86 % of service users, surveyed, reported that they were no longer in crisis at the end of the intervention and improved their life satisfaction perception.
- Our emergency food support service allowed 843 families to access dry food packages
- The Appeals Service performed particularly well, we worked with 48 clients to help them appeal decisions about their Employment Support or Personal Independence Payment and 99% of our appeals were successful.
- The Advice Service achieved the Advice Quality Standard.
- Participants in our programmes experienced improvements in their skills, knowledge, employment, mental health, self-esteem and well-being. Participants in our health programmes reduced the risk to their health by increasing their participation in screening programmes. All of these were demonstrated by rigorous evaluation programmes and were considered statistically significant.
- We increased the number of our publications this year as compared to the previous year, we published 8 original publications. We thank the Hadley Trust for supporting 6 of these, and thank the National Lottery Community Fund, the Trust for London and the Barrow Cadbury Trust who specifically supported us with a grant to complete our Community Conversations Report. To create this we engaged with over 200 local people. After celebrating Community Links' 40 years we published "40 stories" leading us further forward by inspiring a simple question "what is our story of social change?".
- We have expanded our geographical impact and now work across 18 London Boroughs, including: Newham, Barking and Dagenham, Waltham Forest, Tower Hamlets, Wandsworth and Merton. Our work is in partnership with numerous bodies from across sectors.
- We continued to host meetings with Local Councillors, Local Govt., Officers, MPs and hosted a Royal Visit by HRH the Princess Anne.
- We continued our engagement with a range of local employers to ensure participants within our programmes gained first-hand experience of interacting with the workplace.
- We started an emergency food support service in response to evidence of need.
- We developed a new programme in partnership with Catch22 for the Home Office, our Community Advocates Programme to address knife crime and the issues surrounding serious youth violence.
- We completed three programmes; two employability programmes, our Talent Match Programme and the Department of Work and Pensions Work Programme and our More than Mentors Programme funded by the Department of Health.
- We participated in key networks in support of our Policy work including: One Newham, the London Prosperity Board, Creative People and Places and the Social Security Advisory Committee. We were also invited to be members of the Mayor of London's Good Work Commission.
- Our events programme continued to stretch our horizons and grow, 22 events were organised in 105 Barking Road the highlights being: An event with the UN Special Rapporteur on Extreme Poverty and Human Rights, Philip Alston. As he completed his work on extreme

For the year ended 31 August 2019

poverty he visited 9 cities in the UK and we hosted the session to gather testimony from London. A lecture on, 'The impact of Artificial Intelligence and Digital Technologies on our Lives', delivered by David Bent. An Employability Day and an International Women's Day event both delivered at 105 Barking Road involving a number of key partners. Community Links also delivered events away from our base, for example the Our Golden Thread art exhibition visited 2 external galleries, our exhibition All Or Nothing was part of the London Environmental Festival, and A World Mental Health Day event was delivered at Jo Richardson Community School in Barking and Dagenham which engaged over 250 young people and stakeholders.

- We introduced a new cultural strand to our activity, hosting a GLA Culture Team Exhibition, working with the V&A, touring an art exhibition created by participants on our Create Your Future Programme to two other venues and taking part in the National Open House Programme attended by 70 visitors.
- We made significant progress with our Review of Policies, including introducing a new Policy for the Recruitment and Management of Volunteers, Interns, Placements and Community Champions.

Volunteers

During 2018–19 the Charity was supported by 129 new volunteers. The Charity's volunteers come from the following different groups: Local people who want to help deliver services; young people who become mentors and role models for peers; corporate employees involved in volunteering days; individuals who assist us to run our services as part of their own learning and development programmes; people with specialist skills providing expert support on a pro-bono basis. The volunteers deliver a range of support and in return the Charity offers volunteers opportunities for personal growth, an ability to contribute and give back or develop new skills that enable the Charity's ambitions and their own futures.

Securing volunteers and co-producing programmes and services will become more important to our capacity as we drive programme innovation. We have now dedicated resource to this which is supported by policy. We are grateful to all our volunteers for their contributions.

Employees

The Charity is a London Living Wage Employer and has supported TELCO in their recent campaigning work. The Charity has a staff development plan with resources set aside for investment in the professional development of staff. This includes development goals set for each member of staff within the appraisal system. Courses funded to maintain our operational requirements, for example Health and Safety at work. Learning and development opportunities that are offered by peers and external trainers in an annual programme developed in consultation with staff, for example this year we offered Project Management training. In addition, there is a programme of mentoring and coaching offered by qualified professionals and group and individual reflective learning.

Every year there is an anonymous staff survey. This year the staff survey results show:

A motivated and diverse team:

- 95% of staff feel they are sometimes or always making a difference in the community.

Community Links Trust Limited Trustees' annual report

For the year ended 31 August 2019

- 68% of our staff felt motivated to work at Community Links to help people and improve society and because they feel inspired by their colleagues' passion.
- 38% of staff identify as white and more than 60% from another ethnicity.
- 34% of staff grew up in our east London community, and 39% currently live there.

The Charity is an equal opportunities employer and gives full and fair consideration of applications for employment made by disabled persons. Policies also include the training, development and promotion of disabled persons, and the ongoing employment and training of employees who become disabled whilst employed.

The Charity provides a reflective space for employees to use for prayer and or reflection.

The Charity has a commitment and system to provide staff with the information they need and to consult them on decisions that affect their interests. This includes, team and organisation collective learning opportunities and away days, managers meetings, programme development meetings, senior management team meetings, monthly line management meetings, women's meetings and group communication when required.

Most of our support services are now provided by Catch22 through a service level agreement.

Fundraising and Policies

We have continued to maintain relationships with a range of key stakeholders including local government, health commissioners, private companies, charitable trusts, foundations and individual donors. The Charity continues to prioritise these important partnerships, from a range of sectors, in a challenging fundraising climate, because without our many supporters we would not be able to continue our important work. A full list of stakeholders that provided us with funds for our work is listed below in alphabetical order.

3i	Investment Managers Limited
Barclays plc	IOD Skip Hire Limited
Bauer Radio's C Magic CFK	Janus Henderson Investors
BNY Mellon	J Coffey Construction Limited
Bowling & Co	Keir Hardie MCL
Canary Wharf LLP	Kesslers Stratford Limited
Catch22	London & Quadrant Housing Trust
Chobhan Manor LLP (Taylor Wimpey East London)	London Youth
Clapton Football	Money Advice Service
Clarion Housing Group – Clarion Futures	Newham Chamber of Commerce
Clifford Chance	Publishers
CVC Partners Advisers Limited	Scrutton Estates Limited
D G Cox Charitable Trust	Severfield Limited
East Bergholt Congregation	Tate & Lyle Sugars Limited
EBM Charitable Trust	The B&J Lloyd Family Charitable Trust
Fidelity UK	The Barrow Cadbury Trust
Hawkins Brown Architects LLP	The Big Lottery (National Lottery
Herbert E Nass & Associates	Communities Fund)
Hogan Lovells LLP	The Book People
Intertrust	The Charities Trust

Community Links Trust Limited
Trustees' annual report

For the year ended 31 August 2019

The City Bridge Trust	The Jack Petchey Foundation
The Common Purpose Charitable Trust	The Local Trust
The D & P Trust	The London Borough of Newham
The Deborah Day Theatre School Trust	The Mercers Company
The Department of Health	The Shaw Trust
The Dyers Company	The Woodroffe Benton Foundation
The Four Winds Trust	Trust for London
The Good Things Foundation	UBS
The Grocers Charity	Upsdale Limited
The Hadley Trust	VALERO
The Harbour Foundation	Virgin Money Giving
The Harris Charitable Trust	Plus 26 individual donors

There are two companies that we would like to acknowledge specifically this year. We were supported by The Barrow Cadbury Trust for £10,000 in support for our Community Conversations work. We were supported by The City of London Corporation's charity, City Bridge Trust, from their Investing in Londoners Grant Fund.

The Charity does not engage in direct marketing and fundraising with members of the public, however, if donations are made they are accepted.

The Charity is registered with the Fundraising Regulator and adheres to its code of fundraising practice.

The Charity made good progress with refining its policies this year in line with its Policy Review Matrix and considering alignment with Catch22.

The Charity's privacy policy, published on the website, clearly states what personal data Community Links Trust will hold in relation to those we engage with and how this data will be used.

The Charity's process on how individuals can raise concerns or complaints is also included on the website.

The Charity received no complaints about its fundraising activities during the year. The Charity received one other complaint during the period which was satisfactorily resolved.

During the period the Charity benefited from expert support on a pro-bono basis from 6 companies or individuals.

Financial Review, Income and Expenditure and Reserves

The financial and operational context in which the Charity operates remains demanding. Ensuring a strong future income generation pipeline is a key priority for the organisation, particularly with regard to a project to refurbish the building which is under development.

The Trustees have reviewed the Charity's position on a regular basis throughout the period and have put in place a range of mechanisms to control and manage expenditure and to responsibly manage risk.

Total income for the year to 31 August 2019 was £3.403m, compared with £3.761m for the year to 31 August 2018. Total expenditure for the year to 31 August 2019 was £3.120m compared with £3.206m for the year to 31 August 2018.

The Resources Committee, on behalf of the Board of Trustees, conducts an annual review of the level of unrestricted reserves in the general fund. The Trustees target is to build unrestricted funds to cover income risks (25% of budgeted unrestricted income) and also to build two designated funds: a) A fund to maintain the Charity's main base and, b) a fund to support the future development of the Charity.

In considering the target for reserves, the Trustees exclude the value of restricted funds, which are not available for general expenditure, and those tied up in fixed assets used in the delivery of the Charity's objectives. They also consider the risks associated with all areas of activity and operations. The Charity's minimum target level of reserves is £0.5m, calculated as 25% of annual budgeted unrestricted expenditure.

At 31 August 2019 the Charity's total reserves amounted to £3.17m (2018: £2.89m) of which £1.189m was restricted (2018: £1.394m) and £1.98m was unrestricted (2018: £1.50m), including £0.055m (2018: £0.105m) of Designated Reserves (representing fixed assets) and a Revaluation Reserve of £0.88m. Therefore, of the unrestricted amount £1.05m (2018: £0.500m) is deemed to be free reserves, this is £0.505m over the minimum target.

Risk Management

The Trustees have in place a robust risk management process. The process identifies the types of risk that the Charity faces, priorities them in terms of likelihood of occurrence and potential impact, identifies the means of managing these risks and monitors how the mitigations are managed. Development and review of risk management arrangements are the responsibility of the Resources Committee and are reviewed every six months. The strategic risk register is also presented to Trustees. All operational activity is risk mapped regularly and on a quarterly basis is presented in a Red, Amber, Green rating to the Resources Committee.

The key organisational risks and key mitigations are divided into categories, the main risks in each category are drawn to the attention of the Board and scored for impact and likelihood before and after mitigations are applied. The categories are as follows: External, Governance, Compliance, Facilities, Financial and Organisational.

The Board have paid particular attention to taking a forward view of strategy and to clarify and realise the potential of the strategic relationship with Catch22. There has been a strong focus on ensuring that the three hubs (Barking Road, Rokeby and Asta) are well used and that that all pressing maintenance issues have been met in line with health and safety requirements. There has been an emphasis on administrative systems to monitor risks to finances, contracting, support services and compliance. During the organisational review all staff were consulted to minimise impact on the operations of unplanned departures. Going forward, the Board has challenged itself to address diversity in the fullest sense.

Plans for the future

The Charity's vision adopted in September 2017, is one of "Ready for Everything Communities": groups of people who support each other to overcome problems, prevent them from occurring again and to help each other to thrive and achieve goals. This will be reviewed in the following financial year.

The Charity's achievements towards realising this vision are highlighted elsewhere in this report.

The Charity's mission is to support people in coming together, overcoming barriers, building purpose and making the most of the place in which they live. From our base in East London, we apply the learning from our local work to influence and achieve positive change both locally and nationally.

The Charity's vision is to generate change, inspired by the following statement: to tackle causes not symptoms, find solutions not palliatives; to recognise that we all need to give as well as to receive; to appreciate that those who experience a problem understand it best and to help the smaller voices to be heard; to act local but think global, teach but never stop learning; to celebrate the diversity that enriches our society and challenge the inequalities that diminish it; to collaborate – it isn't some of our services that change complex lives, but the sum of them all; to be ambitious for the work that we believe in, but to build a network, not an empire; to be driven by dreams and judged on delivery; to never do things for people, but to guide and support, train and enable; above all to inspire.

The Charity's approach is characterised by designing a model with communities to deliver services and programmes, to work with our neighbours and to measure our impact. Our key aims for the year ahead, and which we will report against, include:

- Developing a new three-year plan to take us to 2023;
 - Continue to deliver our advice and advocacy services and expand our offer both in numbers and geographically;
 - To grow our health programmes, including mental health;
 - To re-invigorate our Asta Hub in Silvertown;
 - To continue our work with young people, including working with them to avoid serious violence; □
- Deliver programmes in Youth, Employability and Community;
- Realising plans and funds to redevelop our head-quarters at 105 Barking Road and address the lack of regular and planned maintenance. A substantial amount of work continues to be done to ensure health and safety requirements are met. We will continue to work with architects to realise the potential of the full footprint of the heritage site.

Community Links Trust Limited **Trustees' annual report**

For the year ended 31 August 2019

- Continue with our Early Action work, promoting readiness and preventing future need. In addition to promote Encouraging Agency and complete our work on Social Infrastructure and Deep Value Relationships.
- Continue to develop the relationship with the London Borough of Newham and other Local Authorities where we operate;
- Building on our media successes this year, continue to use means to promote our objectives, policies and to amplify the voice of our communities on issues that directly affect them.

The impact of the Covid-19 outbreak has been considered on the charity's future plans and budgeting processes, including the potential continuing impact on its trading subsidiary, Community Links Trading Ltd. The effect on this year's financial statements has been considered in note 24 – Post balance sheet events – of the financial statements.

trustees have agreed a recovery plan which focusses on the following:

- Ensuring Community Links is financially stable;
- Focussing on three sectors for sustainable business growth (health, advice and youth);
- Building Community Links' profile as a 'place based' charity through interlinked policy work and delivery; and
- Further integration with Catch22

The trustees have also commenced a review with senior management around Community Links' activities and its current delivery model to ensure that service delivery and its charitable objectives continue to be delivered in the most cost effective manner without compromising outcomes.

Statement of responsibilities of the Trustees

The Trustees (who are also Directors of Community Links, for the purposes of company law) are responsible for preparing the Report of the Trustees, including the Strategic 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, which give a true and fair view of the state of affairs of the charitable company and group, and of the incoming resources and application of resources, including the income and expenditure, of the group 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 in the Charities SORP;
- Make judgements and estimates the are reasonable and prudent;
- State whether applicable UK Accounting Standards and Statements of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy, at any time, the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Community Links Trust Limited
Trustees' annual report

For the year ended 31 August 2019

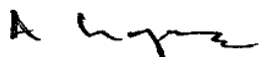
In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor are unaware.
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up. The total number of such guarantees at 31 August 2019 was 1 (31 March 2018 – 1). Catch 22 is the sole Member of the Charity. The Trustees have no beneficial interest in the Charity.

Signed on behalf of the Board of Trustees on 26 August 2020



Alan Lazarus
Trustee

Independent Auditors' Report to the Members of Community Links Trust Limited

Opinion

We have audited the financial statements of Community Links Trust Limited ('the company') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 FRS 102 'The Financial Reporting Standard Applicable in the UK and 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 2019 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 Companies Act 2006.

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 Auditor's Responsibilities for the audit of 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 UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Independent Auditors' Report to the Members of Community Links Trust Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, 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.

Auditor's responsibilities for the audit of the financial statements

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 auditor's 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent Auditors' Report to the Members of Community Links Trust Limited

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

26 August 2020
Devonshire House
60 Goswell Road
London
EC1M 7AD

Community Links Trust Limited

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 August 2019

				2019	2018
	Note	Restricted £	Unrestricted General £	Total £	Total £
Income from:					
Donations and legacies	3	429,334	718,110	1,147,444	1,838,616
Charitable activities					
Advice and Health	4	178,746	732,620	911,366	611,849
Youth and Employability	4	777,132	94,717	871,849	1,000,218
Policy and Learning	4	330,535	36,862	367,397	223,012
Other trading activities	5	–	105,271	105,271	87,615
Investments	6	–	317	317	419
Total income		1,715,747	1,687,897	3,403,644	3,761,729
Expenditure on:					
Raising funds	7	–	135,831	135,831	420,092
Charitable activities					
Advice and Health	7	185,441	522,197	707,638	502,298
Youth and Employability	7	1,466,204	394,377	1,860,581	1,690,014
Policy and Learning	7	171,736	69,432	241,168	236,526
Transition Costs	7	97,766	77,654	175,420	357,855
Total expenditure		1,921,147	1,199,491	3,120,638	3,206,785
Net (expenditure) /income for the year	8	(205,400)	488,406	283,006	554,944
Transfers between funds		–	–	–	–
Net movement in funds	19	(205,400)	488,406	283,006	554,944
Reconciliation of funds:					
Total funds brought forward		1,394,063	1,496,111	2,890,174	2,335,230
Total funds carried forward		1,188,663	1,984,517	3,173,180	2,890,174

Community Links Trust Limited

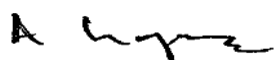
Balance sheet

Company no. 2661182

As at 31 August 2019

	Note	2019 £	2018 £
Fixed assets:			
Tangible assets	12	1,309,365	1,355,095
Investments	13	10,548	10,548
		<u>1,319,913</u>	<u>1,365,643</u>
Current assets:			
Debtors	15	2,223,282	561,444
Cash at bank and in hand	16	149,076	1,423,343
		<u>2,372,358</u>	<u>1,984,787</u>
Liabilities:			
Creditors: amounts falling due within one year	17	(519,091)	(460,256)
		<u>1,853,267</u>	<u>1,524,531</u>
Net current assets			
		<u>1,853,267</u>	<u>1,524,531</u>
Total net assets	19	<u>3,173,180</u>	<u>2,890,174</u>
Funds:	19		
Restricted income funds		1,188,663	1,394,063
Unrestricted income funds:			
Designated funds		55,350	105,312
Revaluation reserve		882,000	891,000
General funds		1,047,167	499,799
		<u>1,984,517</u>	<u>1,496,111</u>
Total unrestricted funds			
		<u>1,984,517</u>	<u>1,496,111</u>
Total funds		<u>3,173,180</u>	<u>2,890,174</u>

Approved by the trustees on 26 August 2020 and signed on their behalf by



Alan Lazarus
Chairman

Community Links Trust Limited

Statement of cash flows

For the year ended 31 August 2019

	Note	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash provided by / (used in) operating activities	20	(1,266,804)		1,415,881	
Cash flows from investing activities:					
Dividends, interest and rents from investments		–		(419)	
Purchase of fixed assets		(7,463)		–	
Net cash provided by / (used in) investing activities		(7,463)		(419)	
Change in cash and cash equivalents in the year		(1,274,267)		1,415,462	
Cash and cash equivalents at the beginning of the year	21	<u>1,423,343</u>		<u>7,881</u>	
		<u>149,076</u>		<u>1,423,343</u>	

1 Accounting policies

Community Links Trust Limited is a charitable company limited by guarantee and registered in England and Wales. The address of the registered office is 105 Barking Road, London, E16 4HQ.

a) 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (August 2014) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are recorded to the nearest pound.

b) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

c) Going concern

The trustees have assessed whether the use of going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the trustees have considered the charity's forecasts and projections and have considered the potential impact of the Covid-19 outbreak on the viability of the charity. As set out in note 24, whilst some income lines are affected due to contracts being paused, they are partially mitigated by cost savings achieved through the furlough of staff. A recovery plan has been implemented and annual budgets have been revised taking this into account with prudent figures for both income and expenditure. The charity has general free reserves of £1.047m at 31 August 2020. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence in the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

d) Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Trading income generated from events and activities is recognised when the events and activities are held. Income is recognised net of value added tax.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

e) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity 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.

1 Accounting policies (continued)

f) 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 upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) 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 relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of Early Action, Employment Hubs and Links UK undertaken to further the purposes of the charity and their associated support costs

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

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on income, of each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

• Raising Funds	4%
• Advice and Health	19%
• Youth and Employability	51%
• Policy and Learning	7%
• Support	14%

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on income, of the amount attributable to each activity

• Raising Funds	4%
• Advice and Health	23%
• Youth and Employability	60%
• Policy and Learning	8%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

1 Accounting policies (continued)

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

• Long and short leasehold	Over the length of the lease
• Leasehold improvements	2 to 50% per annum
• Motor vehicles	25% per annum
• Computers, fixtures and fittings	25% per annum

l) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Investments in subsidiaries

Investments in subsidiaries are at cost or written down value if lower. The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the charitable company as an individual and not about its group. Community Links Trust Limited is a wholly owned subsidiary of Catch22 Charity Limited and the results of Community Links Trust Limited are included in the consolidated financial statements of Catch22 Charity Limited.

m) 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.

1 Accounting policies (continued)

n) 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.

o) 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.

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.

p) Pensions

The charitable company makes pension contributions to the Flexible Retirement Plan, a multi-employer defined contribution pension scheme which is operated by the Pensions Trust. The charitable company became a member of the Pensions Trust effective 1 October 2012. The charitable company pays employer's contributions of 5% of pensionable salary provided that an employee pays employee contributions of at least 3% of pensionable salary. Employer's pension contributions are charged to the Statement of Financial Activities as incurred.

2 Detailed comparatives for the statement of financial activities

	2018		
	Restricted £	Unrestricted General £	Total £
Income from:			
Donations and legacies	1,245,292	593,324	1,838,616
Charitable activities			
Advice and Health	340,339	271,510	611,849
Youth and Employability	867,632	132,586	1,000,218
Policy and Learning	223,012	–	223,012
Transition funding	–	–	–
Other trading activities	–	87,615	87,615
Investments	–	419	419
Total income	2,676,275	1,085,454	3,761,729
Expenditure on:			
Raising funds	22,126	397,966	420,092
Charitable activities			
Advice and Health	392,272	110,026	502,298
Youth and Employability	1,407,080	282,934	1,690,014
Policy and Learning	223,012	13,514	236,526
Transition Costs	39,349	318,506	357,855
Loss on disposal of fixed assets	–	–	–
Total expenditure	2,083,839	1,122,946	3,206,785
Net income / expenditure	592,436	(37,492)	554,944
Transfers between funds	–	–	–
Net movement in funds	592,436	(37,492)	554,944
Total funds brought forward	801,627	1,533,603	2,335,230
Total funds carried forward	1,394,063	1,496,111	2,890,174

3 Income from donations and legacies

			2019	2018
	Restricted £	Unrestricted £	Total £	Total £
Gifts	429,334	718,110	1,147,444	1,838,616
	<u>429,334</u>	<u>718,110</u>	<u>1,147,444</u>	<u>1,838,616</u>

4 Income from charitable activities

			2019	2018
	Restricted £	Unrestricted £	Total £	Total £
Legal Aid Agency	–	4,688	4,688	13,532
Screening Project	–	467,628	467,628	231,922
Help Through Crisis	133,566	–	133,566	129,356
Other	45,180	260,304	305,484	237,039
Sub-total for Advice and Health	<u>178,746</u>	<u>732,620</u>	<u>911,366</u>	<u>611,849</u>
More than Mentors	230,156	–	230,156	228,597
Talent Match	38,863	–	38,863	289,357
Other income	508,113	94,717	602,830	482,264
Sub-total for Youth and Employability	<u>777,132</u>	<u>94,717</u>	<u>871,849</u>	<u>1,000,218</u>
BIG Lottery Fund	330,535	–	330,535	204,195
Other income	–	36,862	36,862	18,817
Sub-total for Policy and Learning	<u>330,535</u>	<u>36,862</u>	<u>367,397</u>	<u>223,012</u>
Total income from charitable activities	<u><u>1,286,413</u></u>	<u><u>864,199</u></u>	<u><u>2,150,612</u></u>	<u><u>1,835,079</u></u>

Community Links Trust Limited

Notes to the financial statements

For the year ended 31 August 2019

5	Income from other trading activities	Unrestricted £	2019 Total £	2018 Total £
	Other income	105,271	105,271	87,615
		105,271	105,271	87,615
6	Income from investments	Unrestricted £	2019 Total £	2018 Total £
	Interest	317	317	419
		317	317	419

7. Analysis of expenditure

	Cost of raising funds £	Charitable activities					2019 Total £	2018 Total £
		Transition costs £	Advice and Health £	Youth and Employability £	Policy and Learning £	Support costs £		
Staff costs (Note 9)	(120)	148,812	509,293	513,845	132,550	176,175	1,480,555	1,422,877
Other staff costs	(24,108)	–	28,381	9,728	68	5,423	19,492	89,467
Direct project costs	32,498	–	14,462	958,005	69,646	2,392	1,077,003	830,949
Travel and subsistence	423	485	5,253	4,761	7	9,725	20,654	7,707
Rent and rates	–	–	1,695	2,088	–	4,160	7,943	1,616
Legal and professional	849	840	8,621	19,050	–	18,667	48,027	88,208
Office costs	106,738	50	38,116	56,926	4,197	186,897	392,924	677,710
Audit and accountancy	–	–	–	–	–	20,880	20,880	22,561
Depreciation	–	–	–	28,472	–	24,688	53,160	65,690
	<u>116,280</u>	<u>150,187</u>	<u>605,821</u>	<u>1,592,875</u>	<u>206,468</u>	<u>449,007</u>	<u>3,120,638</u>	<u>3,206,785</u>
Support costs	<u>19,551</u>	<u>25,233</u>	<u>101,817</u>	<u>267,706</u>	<u>34,700</u>	<u>(449,007)</u>	<u>–</u>	<u>–</u>
Total expenditure for 2019	<u>135,831</u>	<u>175,420</u>	<u>707,638</u>	<u>1,860,581</u>	<u>241,168</u>	<u>–</u>	<u>3,120,638</u>	<u>3,206,785</u>
 Total expenditure for 2018	 <u>420,092</u>	 <u>357,855</u>	 <u>502,298</u>	 <u>1,690,014</u>	 <u>236,526</u>	 <u>–</u>	 <u>3,206,785</u>	

8 Expenditure for the year

This is stated after charging / (crediting):

	2019 £	2018 £
Depreciation	53,194	65,689
Loss or profit on disposal of fixed assets	–	–
Auditors' remuneration (excluding VAT): Audit	14,600	15,975
	<u>14,600</u>	<u>15,975</u>

9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	1,322,825	1,283,639
Redundancy and termination costs	12,954	–
Social security costs	119,845	119,954
Employer's contribution to defined contribution pension schemes	24,930	19,284
	<u>1,480,554</u>	<u>1,422,877</u>

Employees earning more than £60,000 (excluding employer pension costs) during the year between:

	2019 No.	2018 No.
£60,000 – £69,999	1	1
£70,000 – £79,999	–	1
£80,000 – £89,999	1	1
	<u>1</u>	<u>1</u>

The total employee benefits including pension contributions and employers NI of the key management personnel for 2019 was £269,047 (2018: £247,533).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2018: £nil) incurred by 0 (2018: 0) members relating to attendance at meetings of the trustees.

Aggregate donations from trustees was £nil (2018: £nil).

10 Staff numbers

	2019 No.	2018 No.
	<u>79.0</u>	<u>88.0</u>

11 Related party transactions

During the year, Community Links Trust transferred cash balances to Catch22 Charity Limited, its parent charity. There is an agreement in place where Community Links Trust have agreed that any surplus cash will be invested in Catch22 and in return Catch22 will pay interest on any funds invested by Community Links Trust. At 31 August 2019, £1,425,144 (2018: £14,877 owed to) was owed from Catch22 Charity Limited. The terms of the cash investment agreement are that the amount invested is repayable on demand, subject to 15 business days notice, and interest is payable to Community Links on the amount invested at a rate of 0.5% above Barclays Bank plc base rate. The Community links trustees monitor the financial health and credit worthiness of Catch22 to ensure that the funds invested are not at risk and that no impairment is necessary.

During the year, the charity had transactions of £286,760 relating to salaries and other costs recharged to Community Links Trading Limited, its wholly owned subsidiary. It also received a donation of £302,768 (2018: £141,819) from Community Links Trading. At 31 August 2019, £302,768 (2018: £192,614) was owed from Community Links Trading Limited.

12 Tangible fixed assets

	Long leasehold	Short leasehold	Leasehold Improvements £	Computer equipment, fixtures & fittings £	Motor vehicles £	Total £
Cost						
At the start of the year	900,000	540,797	257,411	86,383	16,880	1,801,471
Additions in year	–	–	6,563	900	–	7,463
Disposals in year	–	–	–	(50,778)	(11,878)	(62,656)
At the end of the year	900,000	540,797	263,974	36,505	5,002	1,746,278
Depreciation						
At the start of the year	9,000	266,254	81,558	74,329	15,234	446,375
Charge for the year	9,000	27,852	8,752	5,944	1,646	53,194
Eliminated on disposal	–	–	–	(50,778)	(11,878)	(62,656)
At the end of the year	18,000	294,106	90,310	29,495	5,002	436,913
Net book value						
At the end of the year end	882,000	246,691	173,664	7,010	–	1,309,365
At the start of the year	891,000	274,543	175,853	12,053	1,646	1,355,095

The leasehold on 105 Barking Road is held at market value of £900,000. The last valuation was conducted by Aitchson Rafferty on 21 May 2015.

13 Investments

	2019 £	2018 £
Fair value at the start and end of the year	10,548	10,548
Historic cost at the end of the year	12,295	12,295
Investments comprise:		
	2019 £	2018 £
Listed investments	5,547	5,547
Unlisted investments	5,001	5,001
	10,548	10,548
Investments representing over 5% by value of the portfolio comprise:		
	2019 No	2019 £
Royal Bank of Scotland £1 Ordinary	1,000	2,218
The Co-operative Bank PLC £1.00 9.25% Non-Cumulative Irredeemable Preference	1,000	1,278
Ecclesiastical Insurance Office PLC £1.00 8.625% Non-Cumulative Irredeemable Preference Shares	2,000	1,355
The Mersey Docks and Harbour Company £1.00 3.625% Irredeemable Debenture Stock	1,000	650
Millwall Holdings PLC £10 Ordinary	26	46
		5,547

The company's investments at the balance sheet date in the share capital of unlisted companies were:-

Allia Ltd

The charity purchased 5,000 ordinary £1 shares in the company on 3 September 2009. The shares represented 3.9% of the issued share capital of the company at 31 August 2019 based on information contained in the statutory accounts for the period ended 31 August 2019. Allia Ltd is a community benefit society registered with the Financial Conduct Authority. Allia Ltd's business is to undertake research and practical initiatives into the relief of poverty within the United Kingdom, particularly by using social investment schemes. The investment was made in order to enable the charity to access fundraising support. The charity may request that the shares are redeemed in full at 6 months' notice. The shares are valued at the cost of the investment.

Community Links Trading Limited

The charity owns one ordinary £1 share representing 100% of the share capital of the company. The shares are valued at the cost of the investment. The company operates trading activities in order to generate funds for the charity.

The company generated operating profit of £172,563 (2018: profit of £147,159) during the year. £302,768 was gift aided to the charity in the year (2018: £141,819).

14 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of Community Links Trading Limited, a company registered in England and Wales (Company no: 05737749 Registered Office: 105 Barking Road, London, E16 4HQ). The subsidiary is used for non-primary purpose trading activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2019 £	2018 £
Turnover	787,111	775,122
Cost of sales	(571,891)	(579,967)
Gross profit	<u>215,220</u>	<u>195,155</u>
Administrative expenses	(42,657)	(47,996)
Operating profit	<u>172,563</u>	<u>147,159</u>
Interest receivable	–	–
Profit for the financial year	<u>172,563</u>	<u>147,159</u>
Corporation Tax	–	–
Profit after Tax	<u>172,563</u>	<u>147,159</u>
Retained profit brought forward	142,495	137,155
Profit after Tax	172,563	147,159
Amount distributed to Community Links Trust	(302,768)	(141,819)
Retained profit	<u>12,290</u>	<u>142,495</u>
The aggregate of the assets, liabilities and funds was:		
Fixed Assets	27,989	13,903
Current Assets	509,690	457,270
Current Liabilities	(525,388)	(328,677)
Funds	<u>12,291</u>	<u>142,496</u>

A Deed of Covenant was signed in the year ended 31st August 2019 creating an obligation for the company to pay taxable profits as a gift aid distribution to Community Links Trust and therefore distributions have been accrued at 31 August 2019.

15	Debtors	2019 £	2018 £
	Trade debtors	252,910	149,994
	Accrued income	120,871	213,701
	Prepayments	38,639	15,248
	Amounts owed by group undertakings	1,810,862	182,401
	Other debtors	–	100
		<u>2,223,282</u>	<u>561,444</u>

Included in amounts owed by group undertakings is £1,425,144 owed by the parent company (2018: £14,877 owed to). The increase in the amount owed by the parent undertaking is explained in Note 11.

16	Cash at bank and in hand	2019 £	2018 £
	Cash at bank and in hand	<u>149,076</u>	<u>1,423,343</u>

As explained in note 11, there is an agreement in place between Community Links Trust and its parent charity, Catch22 Charity Limited, where any surplus cash in Community Links Trust is invested in Catch22 and in return Catch22 will pay interest on any funds invested in Catch22. At the balance sheet date Community Links Trust had invested cash of £1,425,144 (2018: £nil) in Catch22.

17	Creditors: amounts falling due within one year	2019 £	2018 £
	Trade creditors	70,904	107,959
	Taxation and social security	31,506	49,106
	Other creditors	6,598	247
	Accruals and deferred income	410,083	302,944
		<u>519,091</u>	<u>460,256</u>
	Amounts included in deferred income as it relates to future periods:	£	
	Balance at 1 September 2018	99,322	
	Amounts deferred in year	<u>76,017</u>	
	Balance at 31 August 2019	<u>175,339</u>	

18 Analysis of group net assets between funds

	Restricted Funds £	Designated Funds £	General Funds £	Revaluation reserve £	Total Funds £
Tangible fixed assets	372,015	55,350	–	882,000	1,309,365
Investments	–	–	10,548	–	10,548
Net current assets	816,648	–	1,036,619	–	1,853,267
Net assets at the end of the year	1,188,663	55,350	1,047,167	882,000	3,173,180

19 Movements in funds

	At 1 September 2018 £	Income £	Expenditure £	Transfers £	At 31 August 2019 £
Restricted funds:					
Youth and Employability	302,856	1,206,466	(1,429,474)		79,848
Advice and Health	37,106	178,746	(185,441)		30,411
Policy and Learning	–	330,535	(171,736)		158,799
Anonymous Donations	645,356	–	(97,766)		547,590
Fixed Assets	408,745	–	(36,730)		372,015
Total restricted funds	1,394,063	1,715,747	(1,921,147)	–	1,188,663
Unrestricted funds:					
Designated funds:					
Transition Funding	49,962	–	(49,962)	–	–
Fixed Assets	55,350	–	–	–	55,350
Revaluation reserve	891,000	–	(9,000)	–	882,000
Total designated funds	996,312	–	(58,962)	–	937,350
General funds	499,799	1,687,897	(1,140,529)		1,047,167
Total unrestricted funds	1,496,111	1,687,897	(1,199,491)	–	1,984,517
Total funds	2,890,174	3,403,644	(3,120,638)	–	3,173,180

Purposes of restricted funds

The charity receives restricted income from a very large number of donors and it is not practical to disclose the opening balances, movements, transfers and closing balances on every individual restricted fund. Restricted funds are disclosed in aggregate for each area of charitable activity.

Fixed Assets

The restricted Fixed Assets Fund represents the net book value of fixed assets purchased by the charitable company using restricted funds. Depreciation relating to such fixed assets is charged to this fund.

Purposes of designated funds

Revaluation Reserve

This represents the surplus arising from the revaluation of freehold property owned by the charity less depreciation charge.

Fixed assets

This represents the net book value of fixed assets which has not been purchased with restricted funds. Depreciation relating to such fixed assets is charged to this fund.

Transition Funding

This represents funds to be used in the transition of the charity. During 2019–20 the funds were spent on final staff restructuring costs and in 2018–19 they were spent on restructuring costs, professional fees and essential building maintenance.

Unrestricted Funds

General funds

The General Fund represents the accumulated net surpluses of the charity which have neither been restricted by conditions imposed by donors, nor have been designated by the Board of Trustees for specific purposes.

Movements in funds 2018

	At 1 September 2017 £	Income £	Expenditure £	Transfers £	At 31 August 2018 £
Restricted funds:					
Youth and employability	272,252	1,379,365	(1,368,969)	–	282,648
Advice and Health	60,393	389,193	(392,272)	–	57,314
Policy and Learning	–	223,012	(223,012)	–	–
Anonymous Donations	–	684,705	(39,349)	–	645,356
Fixed Assets	468,982	–	(60,237)	–	408,745
Total restricted funds	801,627	2,676,275	(2,083,839)	–	1,394,063
Unrestricted funds:					
Designated funds:					
Transition Funding	306,372	–	(256,410)	–	49,962
Fixed Assets	55,350	–	–	–	55,350
Revaluation reserve	900,000	–	(9,000)	–	891,000
Total designated funds	1,261,722	–	(265,410)	–	996,312
Fair value reserve	–	–	–	–	–
General funds	271,881	1,085,454	(857,536)	–	499,799
Non-charitable trading funds	–	–	–	–	–
Total unrestricted funds	1,533,603	1,085,454	(1,122,946)	–	1,496,111
Total funds	2,335,230	3,761,729	(3,206,785)	–	2,890,174

20	Reconciliation of net (expenditure) /income to net cash flow from operating activities	2019 £	2018 £
	Net (expenditure)/income for the reporting period (as per the statement of financial activities)	283,006	554,944
	Depreciation charges	53,194	65,689
	Dividends, interest and rent from investments	–	419
	(Profit)/loss on the disposal of fixed assets	–	–
	Decrease/(Increase) in debtors	(1,661,838)	612,373
	(Increase)/ (decrease) in creditors	58,834	182,456
	Net cash provided by / (used in) operating activities	(1,266,804)	1,415,881

21	Analysis of cash and cash equivalents	At 1 September 2018 £	Cash flows £	At 31 August 2019 £
	Cash at bank and in hand	1,423,343	(1,274,267)	149,076
	Total cash and cash equivalents	1,423,343	(1,274,267)	149,076

22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1. The registered office is 105 Barking Road, London.

23 Ultimate parent charity

The charity's ultimate parent company is Catch22 Charity Limited, incorporated in England and Wales, charity number 1124127, company number 06577534. The principle purpose of Catch22 Charity Limited is a social business that designs and delivers services that build resilience and aspiration in people and communities. Catch22 Charity Limited is the sole member of Community Links Trust and approves all trustee appointments. Group consolidated accounts are prepared and publicly available from the company secretary at the registered office 27 Pear Tree Street, London, EC1V 3AG.

24 Post balance sheet events

The charity has given due consideration to the effects of the Covid-19 outbreak, which occurred before these financial statements were signed. The most significant impact on the charitable company's income for the year ended 31 August 2020 was the suspension of its health screening contracts, which were paused during the pandemic. However, these are expected to restart in the 2020/21 financial year. Some new business opportunities were also lost or delayed. In order to partially mitigate the loss of income the charity took advantage of the opportunity to furlough staff, particularly those working on the health screening contracts.