

Registration No. 03484661 (England and Wales)
Charity No. 1071058

CHILDREN'S LINKS

(a company limited by guarantee)

**TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

CHILDREN'S LINKS

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CHILDREN'S LINKS

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--------------------------------------|---|
| CHARITY REGISTRATION NUMBER | 1071058 |
| COMPANY REGISTRATION NUMBER | 03484661 |
| TRUSTEES | R Croft - Vice-chair K Truscott - Chair A Wright T Nicholds A Brook |
| CHIEF EXECUTIVE OFFICER | K Parsons |
| PRINCIPAL / REGISTERED OFFICE | Suite 1 & 4 Gymplex Buildings Boston Road Horncastle LN9 6HU |
| INDEPENDENT AUDITORS | Bostockwhite Limited Cabourn House Station Street Bingham Nottinghamshire NG13 8AQ |
| BANKERS | Santander UK plc Bridle Road Bootle Merseyside L30 4GB |
| SOLICITORS | Browne Jackson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ |

CHILDREN'S LINKS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The Trustees present their report and the financial statements for the year ended 31 March 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document and Structure

The company is registered as a charitable company limited by guarantee and was established by a Memorandum of Association on 1 January 1997. In the event of the company being wound up, members are required to contribute an amount not exceeding £10.

The company is a registered charity, number 1071058.

The principal object of the company is to promote the care and education of children, young people and adults.

The Trustee Board is responsible for the strategic direction, activities and performance of the Charity. However, the Trustee Board delegates the day to day management of the Charity to a senior management team, which is headed by the Chief Executive.

OBJECTIVES AND ACTIVITIES

The Charity's purposes, as set out in the objects contained in the company's memorandum of association, are to benefit the public by:

- The promotion of the care and education of children, young people, families and communities and the provision of facilities for the recreation, care, education and other leisure time occupation of children, young people and families in the interests of social welfare with the object of improving their conditions of life.
- The advancement of the education and training of persons providing such care and educational and recreational facilities.
- Conducting research into all aspects of the care, education and recreation of such children, young people, families and communities and to publish the useful results of such research.

It aims to improve the life quality and experiences of children, young people, their families and communities by:

- Being a leader and innovator providing support and promoting high quality services.
- Supporting, developing and training the leaders and workforce of direct and indirect services.

The Charity has also supported employees through personal development, including management qualifications, play qualifications, assessor awards, role specific qualifications, NVQ apprenticeships, and degrees.

During the year the Charity was awarded a range of contracts in the following geographical areas that contributed in the following ways to the aims and objectives of the Charity:

Hampshire - To support the care and wellbeing of early years children within nursery provision as well as to provide education and training for professionals across children's services.

Southampton - To support vulnerable families to reduce the likelihood of poverty by supporting development of skills and employability prospects.

CHILDREN'S LINKS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

OBJECTIVES AND ACTIVITIES (continued)

Lincolnshire - To support the care and wellbeing of early years children within nursery provision as well as school aged children in Out of School Childcare. For the advancement of the education and training of persons providing such care and educational and recreational facilities. To support vulnerable families, improve conditions of life through working within community. Providing community-based services for children and young people with complex needs as well as community-based play and leisure time occupation in areas of deprivation. To support voluntary and community sectors to engage in strategic partnerships that enhance and improve conditions of life in the interests of social welfare contracts. To support vulnerable families to reduce the likelihood of poverty by supporting development of skills and employability prospects. To support vulnerable people in rural communities at risk of loneliness and isolation. Providing community-based services for children, young people and families in the promotion of physical and active play.

Delivering Public Benefit

Our main activities and who we try to help are described below under Achievements and Performance. All our charitable activities focus on the promotion of the care and education of children, young people and adults and are undertaken to further our activities for public benefit. The Trustees have considered the Charity Commission guidance on delivering public benefit and believe that the Charity's objects are of public benefit.

By delivering responsive services that meet needs, the public sector also benefits. The Trustees have considered the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims.

Over fifty volunteers actively engaged in supporting the work of the Charity through a range of services. The contribution made by volunteers is of significance and provides the bedrock of many of our services including delivery of contact centres across Lincolnshire, as well as providing support and additional resource in our childcare, services for children with complex needs, charity shop and fundraising as well as our governance arrangements. To demonstrate the value of our volunteers as an integral element of the Charity we ensure volunteers receive appropriate training, coaching and support as well as opportunity to develop skills and knowledge.

ACHIEVEMENTS AND PERFORMANCE

Corporate objectives for 2017-2020

Our high-quality services aim to benefit triple the number of children and young people by 2020. This will be achieved by delivering the following outcomes:

- Outcome 1: Increase the number of children and young people benefitting from our services.
- Outcome 2: Achieve a thriving and sustainable organization.
- Outcome 3: Develop products and services to meet community needs.
- Outcome 4: Create attractive packages of support for our people to enable them to be the best they can be.
- Outcome 5: Be a go-to organisation for enabling services that make a positive difference.

How we achieved our targets:

- By expanding our teams with assertive, motivated employees who have fun and achieve.
- By diversifying our service delivery to children, young people, families and communities through the delivery of good quality experiences that underpin the foundations of life.
- By demonstrating our commitment and positive impact from our services.

The year ended 31 March 2020 has been a successful year for the Charity in promoting the care and education of children, young people and adults with excellent results across our key target areas.

CHILDREN'S LINKS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

ACHIEVEMENTS AND PERFORMANCE (continued)

In the field of Workforce and Sector support the Charity has:

- 100% of the learners on our Level 2 Early Years Educator and Level 2 Supporting Teaching and Learning courses delivered in Southampton showed personal progression and 83% achieved the qualification. This group all had English as an additional language.
- 93% satisfaction rating from learners on all workshops and short courses.
- 61% of the people furthest from the job market who we have supported through our Building Better Opportunities Programmes have moved into education or employment.
- Over 50 different organisations were supported through the Children and Young People's Voluntary Sector Forum.

In the field of Children's Services, the Charity has:

- Supported over 500 children during a visit to a parent in prison.
- Supported 76 children to build positive relationships with their non-resident parent through our contact centres.
- Made over 450 children happier and more active through holiday activities across Lincolnshire.
- Provided 26 children with complex needs with positive experiences at a holiday play scheme in North Lincolnshire.
- Delivered outreach messy play sessions to 56 children in East Lindsey.
- Provided 3,300 children with opportunities at the Toy Library.
- Provided activities for over 250 people from our Coffee Camper Van.

CHILDREN'S LINKS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

ACHIEVEMENTS AND PERFORMANCE (continued)

In the field of Child Care services, the Charity has:

- Over the last financial year, generated £5,341 through small fundraising events.
- Further developed project pilots of Intergenerational work with local care homes.
- Re-organised the outdoor play areas of all locations to create greater access for all year-round outdoor play.
- Secured a new nursery in Gainsborough for delivery of a 32 place nursery.
- Successfully migrated the childcare financial software to a cloud based system.
- Successfully rolled out a new online journal system to record the learning and fun undertaken by children whilst in our care.

Coordinated by the senior management team (SMT) the Group has been successful in:

- Successfully opened our first local Charity shop.
- Successfully agreed a variation to end the CVA with creditors.
- Secured investment and successfully implemented the final phase of the ICT Strategy, including the upgrade to our IT server and remote access as well as the replacement of telephones.
- Successfully implemented new measures during lockdown to enable services to continue.
- Successfully supported our Corporate Sponsor in their Annual Golf Day.

Overall, our target remains to increase the number of children and young people benefitting from our services each year:

| | Target at 31 March 2020 | Actual at 31 March 2020 |
|---|----------------------------|----------------------------|
| Number of children and young people supported | 25,000 | 15,130 |

Children's Links has been focused on working with those who are most vulnerable and from low social economic backgrounds. We have dedicated our resources to respond to those most in need, focusing on direct one to one and supporting individuals more extensively over longer periods of time has led to a reduced number of children and young people supported during the year. This sustained delivery model will lead to greater impact of future resilience for those we support. Our constant review of our delivery model will enable us to reach out to new partnerships, children, young people and communities and that will increase beneficiary numbers going forward.

Risk Management

The Board is responsible for the management of risks faced by the Charity.

The Trustees review all risks to the organisation through the maintenance of an annual risk register and through strategic and business planning. These plans are reviewed quarterly to ensure that any emergent risks are dealt with appropriately. Internally, a robust cycle of financial and other controls ensures consistent delivery throughout the organisation. Detailed consideration of risk and mitigating action are addressed by the Board and supported by senior staff within the Charity.

CHILDREN'S LINKS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

ACHIEVEMENTS AND PERFORMANCE (continued)

Risk Management (continued)

Key risks identified during the reporting period were:

| Risk | Amelioration | Expected outcome |
|--|---|---|
| Ability to meet the full terms of the CVA repayment profile due to the impact on CVA to source new levels of income. | To present to creditors a proposal that releases the Charity of its CVA commitments for the third and final year. | Creditors agreed the proposal and therefore no breach of CVA arrangements was made and the final settlement was agreed and paid in full before the end of the financial year. |
| Ability of Linking Up Limited to repay the loan in timely manner. | Review long term strategy for Linking Up Limited. Develop new products and services for Linking Up Limited. | Undertake review of team and skills to future proof and ensure fit for the future. Create a marketing plan for the dissemination of information of new products to new markets. Develop a website to support marketing, new products and reach to new customers. |
| Impact of COVID-19 on the Charities ability to continue service delivery. | Remodelling of service delivery where appropriate. Maximise government initiatives to support business. Seek new funding and develop new service opportunities. | Negotiated with funders to ensure levels of income are sustained. Additional funding realised to cover costs where services unable to function to enable reopening at appropriate time. New funding realised and new services, both short and long term have evolved. |

FINANCIAL REVIEW

Income, Expenditure and Results

The decrease in our income has led to a restructure of leadership and central costs to sustain our charitable activities. Income has reduced across most areas of the Charity activities, with £1,524k in 2019 compared to £1,223k in 2020. The reduction in the income is due to factors such as a reduction in childcare income which is as a consequence of closure of a nursery and the reduction in local authority grants due to austerity and a focus on statutory service commissioning. As well as a decrease in the training and qualification delivery.

The Charity's subsidiary Linking Up Limited also reported a decrease in turnover which has led to a restructure within the organisation and no surplus available to aid the Charity.

CHILDREN'S LINKS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

FINANCIAL REVIEW (continued)

Income, Expenditure and Results (continued)

Throughout the year there is reflection on factors that will impact on the strategies we use to meet our objectives including developing the services which we provide to build a future:

- All children, young people and adults feel valued, safe and free and are supported to explore and develop to their potential.
- All children, young people and adults are provided with access and freedom of choice to good quality experiences that underpin the foundations of life.
- Children, young people and adults have independence, confidence, and fun, take responsibility for themselves and view the world and themselves in a positive light. A world where all children and young people are valued. A world where the UN rights of the child are a reality.

Statement of Going Concern

The Children's Links Board recognises the risk and financial challenges the Charity faces but as a result of significant due diligence considers that despite this, the organisation is a going concern. This is based on the following assumptions and actions that have been made during the last twelve months as well as the forecast and new business opportunities over the next twelve months.

In December 2016 the Company entered into administration having considered available options and taken independent advice regarding its future. In June 2017, the Company entered into a Company Voluntary Arrangement (CVA) and we can demonstrate that there is a viable underlying business that can provide future profits; as well as to continue supporting the Charity's service users which are children, young people and their families to reach their potential. In November 2019, a variation to the CVA was submitted which has been accepted. This concludes the CVA and ends the obligation of further payments, providing significant reassurance of the going concern of the organisation.

The Trustee Board have satisfied themselves that the charitable company's assets are available and adequate to fulfil its obligations. The main sources of funding are:

- Local Authority Contracts
- Central Government
- European funds, including European Social Fund
- Grant making trusts
- Childcare fees from parents
- Charitable donations

REASONS FOR FUTURE SUCCESS

We have produced a detailed Business Plan that indicates that the Charity can generate a reasonable surplus in the future, following the restructuring that was undertaken by the Charity. This will enable the Charity to benefit from changes already made to and further planned changes in its operations.

The Business Plan comprises Summarised Trading and Cashflow Projections as well as Projected Balance Sheets for the Charity for the year ending 31 March 2021. This includes the summary of the principal assumptions on which they are based. The projections show:

- The adequacy of the Charity's working capital and reserves to continue operations.

CHILDREN'S LINKS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

REASONS FOR FUTURE SUCCESS (continued)

The over-riding principles underlying the projections are as a result of the successful implementation of the turnaround plan. In particular:

- Significant cost savings per annum have been made in respect of restructuring the central services team, including senior management, business development co-ordinators, HR and ICT.
- Review of credit controls leading to more rigorous and embedded reporting through financial processes to Senior managers and a more rigorous planned approach to spend. Cashflow is reported monthly with Bank reports presented to senior managers. KPI's relating to timely payments and debtors are produced and presented to senior managers and the Board.
- Budget to actual reviews occur monthly between all budget holders and the management accountant, with monthly reporting to senior managers and the Board. This process incorporates forecasting to ensure tracking and control of financial processing.
- Recruitment of new Trustee's has led to further strengthening its self-governance and provide fresh impetus into taking the Charity forward.
- Further opportunities to reduce fixed costs will be taken as and when they can be identified.

RESERVES POLICY

The Charity is an operational organisation and needs to hold sufficient reserves to fund its current operations, to provide for unforeseen events and invest for the future. The policy is monitored by the Trustees and historically has been to endeavour to hold 15% of turnover. The Charity's level of free reserves at 31 March 2020 are well below this targeted level (see note 20). In light of current circumstances and the impact of the CVA, the Board have identified, the Charity should as a minimum retain reserves to meet costs associated with the winding down of the Charity in the event this should occur. The Charity believes that now the CVA is complete and once there is recovery from the Covid-19 impact, sustained income will enable it to revise the policy again and increase levels of free reserves in coming years, out of the current deficit position.

INVESTMENT POLICY

The Charity's investment policy is to maintain all cash funds in current and deposit accounts with the organisation's appointed bankers.

PLANS FOR THE FUTURE

In 2018 the Board revised the targets and outcomes of increasing the number of children and young people benefitting from our services each year and it continues with plans on achieving this target in the future by continuing to offer our unique high quality services, demonstrating positive outcomes from those services and diversifying them to meet local needs and by working with a range of partners.

CHILDREN'S LINKS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

RECRUITMENT AND TRAINING OF TRUSTEES

The Charity follows an appraisal process to identify the skills required for the Trustee Board and to identify any skills gap on the Board.

Members of the Trustee Board receive a full induction programme on joining the Trustee Board and thereafter receive ongoing training and briefing sessions. The Board completes an annual evaluation of its effectiveness against the Code of Governance including a skills audit. Actions arising from these processes are integrated into the corporate work plan, in 2018 this led to the implementation of Delegation of Duty process.

The Trustee Board uses open recruitment and strives to ensure that there is adequate local representation on the Trustee Board.

Arrangements for setting the pay and remuneration of key management personnel

Job descriptions and performance plans provide a clear outline of what is needed to fulfil each role effectively.

Training and development needs are identified and acted on.

Salary scales are reviewed every three years to ensure that as far as is affordable they are keeping up with changes in the market.

Benefits are reviewed at least every three years to ensure that they are valued and relevant and are keeping up with changes in the market.

RESPONSIBILITIES OF THE TRUSTEES

The Trustees (who are also directors of Children's Links Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing those 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 that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the charitable company and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CHILDREN'S LINKS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved, has confirmed that;

- so far as the Trustee is aware, there is no audit information of which the Group's auditor is unaware,
- that they have taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the Group's auditor in connection with preparing its report and to establish that the Group's auditor is aware of that information.

This report was approved by the Board on 29 September 2020 and signed on its behalf by:



K Truscott
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHILDREN'S LINKS

Opinion

We have audited the financial statements of Children's Links for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account), the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent charitable company's affairs as at 31 March 2020, and of the Group's 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 the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in respect of the fact we provide non-audit services in the preparation of these financial statements, 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.

Emphasis of matter

We draw attention to note 10 later in these financial statements, which describes the early cessation of the Company Voluntary Arrangement (CVA) and the treatment of such in these financial statements.

Our opinion is not modified in this respect.

Other information

The other information comprises the Trustees' report. The Trustees are responsible for this other information. Our opinion of 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 AUDITOR'S REPORT TO THE MEMBERS OF CHILDREN'S LINKS

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' report, which includes the Directors' report and the Strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report included within the Trustees' report have been prepared in accordance with the applicable legal requirements.

Matters on which we are required to report by exception

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:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- 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 Directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out in the Trustees' report, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

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 it 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 charitable 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 anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHILDREN'S LINKS



Simon Yelland BSc FCA (Senior Statutory Auditor)

for and on behalf of
BOSTOCKWHITE LIMITED

Chartered Accountants
Statutory Auditors

Cabourn House
Station Street
Bingham
Nottinghamshire
NG13 8AQ

Date 29 September 2020

CHILDREN'S LINKS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2020

| | Notes | Unrestricted £'000 | Restricted £'000 | 2020 Total £'000 | 2019 Total £'000 |
|------------------------------------|-------|-----------------------|---------------------|------------------------|------------------------|
| INCOME | | | | | |
| Donations | 2 | 7 | - | 7 | 11 |
| Charitable activities | 3 | 991 | 232 | 1,223 | 1,524 |
| Other trading activities | 4 | 499 | - | 499 | 724 |
| Total income | | 1,497 | 232 | 1,729 | 2,259 |
| EXPENDITURE | | | | | |
| Charitable activities | 5 | (1,043) | (241) | (1,284) | (1,437) |
| Other trading activities | 4 | (498) | - | (498) | (722) |
| Total expenditure | | (1,541) | (241) | (1,782) | (2,159) |
| Net (expenditure)/income | | (44) | (9) | (53) | 100 |
| Extraordinary items | 10 | 382 | - | 382 | - |
| Transfers between funds | | - | - | - | - |
| Net movement in funds | | 338 | (9) | 329 | 100 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | 20b | (390) | 44 | (346) | (446) |
| Total funds carried forward | 20a | (52) | 35 | (17) | (346) |

All amounts relate to continuing activities of the group.

The Statement of Financial Activities includes all gains and losses recognised in the year.

CHILDREN'S LINKS

REGISTERED COMPANY NUMBER: 03484661

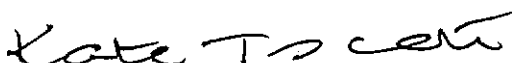
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2020

| | Notes | 2020 £'000 | 2019 £'000 |
|---|-------|---------------|---------------|
| FIXED ASSETS | | | |
| Intangible assets | 13 | - | 11 |
| Tangible fixed assets | 14a | 45 | 53 |
| TOTAL FIXED ASSETS | | 45 | 64 |
| CURRENT ASSETS | | | |
| Debtors | 16 | 31 | 47 |
| Cash at bank and in hand | 23 | 99 | 182 |
| TOTAL CURRENT ASSETS | | 130 | 229 |
| LIABILITIES | | | |
| Creditors: amounts falling due within one year | 17 | (192) | (414) |
| NET CURRENT LIABILITIES | | (62) | (185) |
| Creditors: amounts falling due in over one year | 18 | - | (225) |
| TOTAL NET LIABILITIES | | (17) | (346) |
| FUNDS OF THE CHARITY: | | | |
| Unrestricted funds | 20 | (53) | (391) |
| Designated funds | 20 | 1 | 1 |
| Restricted funds | 20 | 35 | 44 |
| TOTAL FUNDS | | (17) | (346) |

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

The attached notes on pages 18 to 33 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 28. 9. 20
and signed on their behalf by:


K Truscott
Trustee

CHILDREN'S LINKS

REGISTERED COMPANY NUMBER: 03484661

**COMPANY BALANCE SHEET
AS AT 31 MARCH 2020**

| | Notes | 2020 £'000 | 2019 £'000 |
|---|-------|---------------|---------------|
| FIXED ASSETS | | | |
| Tangible fixed assets | 14b | 45 | 52 |
| TOTAL FIXED ASSETS | | 45 | 52 |
| CURRENT ASSETS | | | |
| Debtors | 16 | 93 | 124 |
| Cash at bank and in hand | | 21 | 72 |
| TOTAL CURRENT ASSETS | | 114 | 196 |
| LIABILITIES | | | |
| Creditors: amounts falling due within one year | 17 | (135) | (340) |
| NET CURRENT LIABILITIES | | (21) | (144) |
| Creditors: amounts falling due in over one year | 18 | - | (225) |
| TOTAL ASSETS/(LIABILITIES) | | 24 | (317) |
| FUNDS OF THE CHARITY: | | | |
| Unrestricted funds | 20 | (12) | (362) |
| Designated funds | 20 | 1 | 1 |
| Restricted funds | 20 | 35 | 44 |
| TOTAL FUNDS | | 24 | (317) |

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

The attached notes on pages 18 to 33 form part of these financial statements.

The financial statements were approved by the Board of Trustees on

29. 9. 20

and signed on their behalf by:

Kate Truscott

K Truscott
Trustee

CHILDREN'S LINKS

REGISTERED COMPANY NUMBER: 03484661

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

| | Notes | 2020 £'000 | 2019 £'000 |
|---|-------|---------------|---------------|
| Cash Flows from Operating Activities | | | |
| Net cash provided by/used in operating activities | 22 | (60) | 5 |
| Cash Flows from Investing Activities | | | |
| Purchase of property, plant and equipment | | (23) | (28) |
| Change in cash and cash equivalents in the reporting period | | (83) | (23) |
| Cash and cash equivalents at the beginning of the reporting period | | 182 | 205 |
| Cash and cash equivalents at the end of the reporting period | 23 | <u>99</u> | <u>182</u> |

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation and consolidation

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) and the Companies Act 2006.

The financial statements are prepared on a going concern basis and are presented in sterling, which is the functional currency of the Charity.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis. No separate SOFA has been presented for the Charity alone as permitted by section 408 of the Companies Act 2006.

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

b) Going concern

The Children's Links Board consider that the organisation is a going concern. This is based on the following assumptions and actions that have been made in the last twelve months as well as the forecast and new business opportunities over the next twelve months. The charitable group generated a surplus of £100,000 in the year ended 31 March 2019 and a surplus of £329,000 for the year ended 31 March 2020.

In December 2016 the Charity entered into administration having considered available options and taken independent advice regarding its future. In June 2017, the Charity entered into a Company Voluntary Arrangement (CVA) and the board can demonstrate that there is a viable underlying business that can provide future profits; as well as to continue supporting the Charity's service users which are children, young people and their families to reach their potential. In November 2019, a variation to the CVA was submitted which has been accepted. This concludes the CVA and ends the obligation of further payments, providing significant reassurance of the going concern of the organisation. See note 10 for further details.

The Trustee Board has satisfied themselves that the charitable company's assets are available and adequate to fulfil its obligations. The main sources of funding are:

- Local Authority Contracts
- Central Government
- European funds, including European Social Fund
- Grant making trusts
- Childcare Fees from parents
- Charitable donations

Further details regarding the future success of the organisation are given in the Trustee's report.

c) Legal status of the Charity

There is no share capital as the company is limited by guarantee. Each member has guaranteed an amount, not exceeding £10, towards the company's liabilities in the event of a winding up, provided that a member has not ceased to be a member one year prior to any winding up order.

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (continued)

d) Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

e) Income

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

Voluntary income – donations are accounted for as received, sponsorship income represents amounts receivable. Gifts in kind to the Charity are included at the value specified by the donor or, if this is not available, at what the estimated cost to the Charity would have been. Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the Charity has control over the item. Fair value is determined on the basis of the value of the gift to the Charity. For example the amount the Charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Grants – grants are included as incoming resources when these are received/receivable.

Income from trading activities includes income earned from activities to raise funds for the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred. Income from donated goods is recognised on sale of those goods.

f) Expenditure

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. All expenditure is accounted for on an accruals basis.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

g) Intangible assets – goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. Goodwill arising on business combinations is capitalised, classified as an asset on the Balance sheet and amortised on a straight line basis over its useful life. The period chosen for writing off goodwill is 10 years, being its estimated useful life. Provision is made for any impairment.

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (continued)

h) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

| | |
|--------------------|-------------------|
| Office equipment | 20% straight line |
| Computer equipment | 20% straight line |
| Furniture | 20% straight line |
| Vehicles | 50% straight line |

Assets are reviewed for any indications of impairment at each balance sheet date.

i) 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. Accrued income and tax recoverable are included at the best estimate of the amounts receivable at the balance sheet date.

j) 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.

k) Creditors

Creditors 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 are normally recognised at their settlement amount after allowing for any trade discounts due. Concessionary loans received at below market rates are received in order to further the charitable objectives of the organisation and are therefore included at the amount received and are not discounted.

l) 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.

m) Pensions

Employees of the Charity are entitled to join a defined contribution pension scheme. The Charity contribution is restricted to the contributions disclosed in note 9.

n) Operating leases

Operating leases are recognised over the period of which the lease falls due.

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

2 Donations

| | 2020 £'000 | 2019 £'000 |
|-----------|---------------|---------------|
| Donations | 7 | 11 |
| | <u>7</u> | <u>11</u> |

All donations received in 2020 and 2019 relate to unrestricted funds.

3 Income from charitable activities

| | 2020 £'000 | 2019 £'000 |
|--------------------|---------------|---------------|
| Childcare fees | 891 | 1,129 |
| Membership fees | 4 | 5 |
| Training fees | 8 | 24 |
| Grants (see below) | 291 | 327 |
| Other fees | 29 | 39 |
| | <u>1,223</u> | <u>1,524</u> |

Income from charitable activities was £1,223,000 (2019: £1,524,000) of which £232,000 (2019: £235,000) was attributable to restricted and £991,000 (2019: £1,289,000) was attributable to unrestricted funds.

Grants

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Local authority income | 41 | 56 |
| Big Lottery and European Social Fund - Building Better Opportunities Move Grant | 24 | 21 |
| Big Lottery and European Social Fund - Building Better Opportunities Engagement into Learning Grant | 24 | 17 |
| Big Lottery and European Social Fund - Building Better Opportunities Steps Forward Grant | 113 | 118 |
| CYPVSF | 20 | 20 |
| The Transformation Foundation | - | 18 |
| Big Lottery and European Social Fund - Building Better Opportunities Building Connections Grant | 35 | 25 |
| Other grants and awards | 34 | 52 |
| | <u>291</u> | <u>327</u> |

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

4 Other trading activities

The Charity has a wholly owned trading subsidiary, Linking Up Limited, a Company incorporated and registered in England and Wales (Company number: 05830401). It pays all of its profits to the Charity under the gift aid scheme. The principal activity of the Company is the provision of a childcare voucher scheme. The income and expenditure attributable to the Company are as follows:

| | 2020 £'000 | 2019 £'000 |
|---------------------------------|---------------|---------------|
| Turnover | 497 | 724 |
| Payment to childcare settings | (473) | (689) |
| Wages, salaries and recruitment | (18) | (16) |
| Administrative expenses | (5) | (14) |
| Accountancy fees | (2) | (3) |
| Net (loss)/profit for the year | <u>(1)</u> | <u>2</u> |

The Charity also operates a shop in Horncastle, selling donated goods:

| | 2020 £'000 | 2019 £'000 |
|--------------|---------------|---------------|
| Shop takings | 2 | - |
| | <u>2</u> | <u>-</u> |

All trading income received in 2020 and 2019 relates to unrestricted funds.

5 Analysis of expenditure on charitable activities expanded by activity

5a Analysis of expenditure on charitable activities expanded by activity – current year

| | Direct costs £'000 | Support costs £'000 | 2020 costs £'000 |
|------------------------------------|--------------------------|---------------------------|------------------------|
| Charitable activities: | | | |
| Care and education of young people | 1,053 | 231 | 1,284 |
| | <u>1,053</u> | <u>231</u> | <u>1,284</u> |

5b Analysis of expenditure on charitable activities expanded by activity – prior year

| | Direct costs £'000 | Support costs £'000 | 2019 costs £'000 |
|------------------------------------|--------------------------|---------------------------|------------------------|
| Charitable activities: | | | |
| Care and education of young people | 1,199 | 238 | 1,437 |
| | <u>1,199</u> | <u>238</u> | <u>1,437</u> |

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

6 Analysis of support costs

| | 2020 £'000 | 2019 £'000 |
|-----------------------------------|---------------|---------------|
| Staff travel and subsistence | 2 | 3 |
| Staff training | 4 | 3 |
| Stationery and postage | 1 | 2 |
| Premises costs and equipment | 17 | 18 |
| Business development | - | 18 |
| ICT costs | 11 | 5 |
| Insurance | 10 | 11 |
| Legal and professional | 23 | 31 |
| Wages and salaries | 129 | 120 |
| Recruitment and other staff costs | 3 | 2 |
| Pension costs | 4 | 3 |
| Amortisation of goodwill | 11 | 11 |
| Governance costs | 11 | 11 |
| Bad debts | 5 | - |
| | 231 | 238 |

7 Analysis of governance costs

| | 2020 £'000 | 2019 £'000 |
|----------------------------|---------------|---------------|
| Audit fees | 10 | 10 |
| Cost of Trustees' meetings | 1 | 1 |
| | 11 | 11 |

8 Analysis of staff costs and key management personnel

| | 2020 £'000 | 2019 £'000 |
|-----------------------|---------------|---------------|
| Wages and salaries | 884 | 989 |
| Social security costs | 45 | 47 |
| Pension | 14 | 11 |
| | 943 | 1,047 |

The Charity Trustees were not paid and did not receive any benefits from the Charity or its subsidiary in the year 2020 (2019: £nil). During the year, no Trustees were reimbursed travel expenses (2019: £nil).

The key management personnel of the Charity and the Group comprise the Trustees, the Chief Executive and the Deputy Chief Executive. The total employee benefits of the key management personnel of the Charity were £103,627 (2019: £90,853).

One employee (2019:0) had employee benefits in excess of £60,000. Total employee benefits for this individual fell between £60,000 - £70,000 for the year.

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

8 Analysis of staff costs and key management personnel (continued)

The average monthly head count was as follows:

| | 2020 Number | 2019 Number |
|----------------|----------------|----------------|
| Operational | 80 | 91 |
| Administration | 5 | 6 |
| | <u>85</u> | <u>97</u> |

9 Pension costs

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. Contributions payable by Children's Links amounted to £14,000 (2019: £11,000). No contributions were payable to the pension fund at the balance sheet date (2019: £Nil).

10 Extraordinary item

In November 2019 a variation to the Company Voluntary Arrangement (CVA) was submitted which was accepted by the creditors. The result of this is that the balance of outstanding payments to the CVA are no longer payable and can no longer be pursued by the creditors.

Consequently, the derecognition of these creditors has been treated as an extraordinary item and the amount included on the Statement of Financial Activities represents the total of these amounts.

11 Net incoming resources

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Net incoming resources is stated after charging: | | |
| Depreciation of charitable assets owned by group | 26 | 21 |
| Amortisation of intangible fixed assets | 11 | 11 |
| Operating lease charges | 31 | 32 |
| Auditor's remuneration: | | |
| - for audit services | 10 | 10 |
| | <u>88</u> | <u>74</u> |

12 Taxation

The company is a registered charity and as such is exempt from taxation on its income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied for charitable purposes.

CHILDREN'S LINKS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

13 Intangible fixed assets - group

| | Goodwill |
|-----------------------------------|-----------------|
| | £'000 |
| Cost less impairment: | |
| At 1 April 2019 and 31 March 2020 | 97 |
| Amortisation: | |
| At 1 April 2019 | 86 |
| Charge for the year | 11 |
| At 31 March 2020 | 97 |
| Net book value: | |
| At 1 April 2019 | 11 |
| At 31 March 2020 | - |

The Charity acquired the entire share capital of Linking Up Limited on 1 April 2011 for £nil consideration as part of the demerger from Sadeh Lok Housing Group. The goodwill arising on the acquisition is being amortised over its presumed economic life of 10 years.

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

14 Tangible fixed assets

14a Tangible fixed assets - group

| | Computers £'000 | Equipment £'000 | Furniture £'000 | Vehicles £'000 | Total £'000 |
|------------------------|--------------------|--------------------|--------------------|-------------------|----------------|
| Cost: | | | | | |
| At 1 April 2019 | 135 | 28 | 47 | 17 | 227 |
| Additions | 19 | - | 4 | - | 23 |
| Disposals | - | - | (10) | - | (10) |
| At 31 March 2020 | <u>154</u> | <u>28</u> | <u>41</u> | <u>17</u> | <u>240</u> |
| Depreciation: | | | | | |
| At 1 April 2019 | 121 | 26 | 25 | 2 | 174 |
| Charge for the year | 8 | 2 | 7 | 9 | 26 |
| Eliminated on disposal | - | - | (5) | - | (5) |
| At 31 March 2020 | <u>129</u> | <u>28</u> | <u>27</u> | <u>11</u> | <u>195</u> |
| Net book value: | | | | | |
| At 1 April 2019 | 14 | 2 | 22 | 15 | 53 |
| At 31 March 2020 | <u>25</u> | <u>-</u> | <u>14</u> | <u>6</u> | <u>45</u> |

14b Tangible fixed assets - charity

| | Computers £'000 | Equipment £'000 | Furniture £'000 | Vehicles £'000 | Total £'000 |
|------------------------|--------------------|--------------------|--------------------|-------------------|----------------|
| Cost: | | | | | |
| At 1 April 2019 | 129 | 28 | 47 | 17 | 221 |
| Additions | 19 | - | 4 | - | 23 |
| Disposals | - | - | (10) | - | (10) |
| At 31 March 2020 | <u>148</u> | <u>28</u> | <u>41</u> | <u>17</u> | <u>234</u> |
| Depreciation: | | | | | |
| At 1 April 2019 | 116 | 26 | 25 | 2 | 169 |
| Charge for the year | 7 | 2 | 7 | 9 | 25 |
| Eliminated on disposal | - | - | (5) | - | (5) |
| At 31 March 2020 | <u>123</u> | <u>28</u> | <u>27</u> | <u>11</u> | <u>189</u> |
| Net book value: | | | | | |
| At 1 April 2019 | 13 | 2 | 22 | 15 | 52 |
| At 31 March 2020 | <u>25</u> | <u>-</u> | <u>14</u> | <u>6</u> | <u>45</u> |

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

15 Investment in trading subsidiary

The Charity holds 1,000 shares of £1 each in its wholly owned trading subsidiary Linking Up Ltd which is incorporated in the United Kingdom. The principal activity of the subsidiary is the provision of a childcare voucher scheme. These activities were considered to be compatible with the aims and charitable objectives of Children's Links.

A summary of the results of the subsidiary is shown below:

| Profit and Loss Account | 2020 £'000 | 2019 £'000 |
|---------------------------------|-----------------------|-----------------------|
| Turnover | 497 | 724 |
| Payment to childcare settings | (473) | (689) |
| Wages, salaries and recruitment | (18) | (16) |
| Administrative expenses | (5) | (14) |
| Accountancy fees | (2) | (3) |
| Net (loss)/profit for the year | <u>(1)</u> | <u>2</u> |
| Balance Sheet | | |
| Fixed assets | - | 1 |
| Current assets | 151 | 177 |
| Liabilities | (188) | (214) |
| Net liabilities | <u>(37)</u> | <u>(36)</u> |

16 Debtors

| Due within one year | Group | | Company | |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2020 £'000 | 2019 £'000 | 2020 £'000 | 2019 £'000 |
| Trade debtors | 11 | 19 | 6 | 17 |
| Other debtors | - | - | 9 | 9 |
| Prepayments and accrued income | 20 | 28 | 20 | 28 |
| | <u>31</u> | <u>47</u> | <u>35</u> | <u>54</u> |
| Due after one year | Group | | Company | |
| | 2020 £'000 | 2019 £'000 | 2020 £'000 | 2019 £'000 |
| Amounts owed by group undertakings | - | - | 58 | 70 |

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

17 Creditors: amounts falling due within one year

| | 2020 £'000 | Group 2019 £'000 | 2020 £'000 | Company 2019 £'000 |
|------------------------------------|---------------|------------------------|---------------|--------------------------|
| Trade creditors | 142 | 252 | 25 | 122 |
| Amounts owed by group undertakings | - | - | 68 | 65 |
| Taxation and social security | 9 | 110 | 9 | 110 |
| Other creditors | 5 | 11 | - | 6 |
| Accruals | 19 | 26 | 16 | 22 |
| Deferred income | 17 | 15 | 17 | 15 |
| | 192 | 414 | 135 | 340 |

Deferred income

Deferred income comprises monies received in advance, primarily for programme deliveries for which funding has been banked. Amount deferred in year is £17,000 (2019: £15,000). All deferred income brought forward was released during the year.

18 Creditors: amounts falling due over one year

| | 2020 £'000 | Group 2019 £'000 | 2020 £'000 | Company 2019 £'000 |
|------------------------------|---------------|------------------------|---------------|--------------------------|
| Taxation and social security | - | 225 | - | 225 |
| | - | 225 | - | 225 |

The above amount was the anticipated payments to be made towards the Company Voluntary Arrangement (CVA) in over one year. However, given the developments in note 10, these will no longer be payable.

19 Leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

| | Land and Buildings | | Other | |
|---|--------------------|---------------|---------------|---------------|
| | 2020 £'000 | 2019 £'000 | 2020 £'000 | 2019 £'000 |
| No later than one year | 26 | 12 | 5 | 5 |
| Later than one year and not later than five years | 48 | 40 | 3 | 6 |
| | 74 | 52 | 8 | 11 |

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

20 Funds analysis

20 a Funds analysis – current year

| | Balance at 1/4/2019 £'000 | Income £'000 | Expenditure £'000 | Transfers £'000 | Balance at 31/3/2020 £'000 |
|--|---------------------------------|-----------------|----------------------|--------------------|----------------------------------|
| Unrestricted funds | | | | | |
| Children's Links | (362) | 1,000 | (650) | - | (12) |
| Linking Up Limited | (29) | 497 | (509) | - | (41) |
| Total unrestricted funds | (391) | 1,497 | (1,159) | - | (53) |
| Designated funds | | | | | |
| Damian fund | 1 | - | - | - | 1 |
| Total designated funds | 1 | - | - | - | 1 |
| Total unrestricted funds | (390) | 1,497 | (1,159) | - | (52) |
| Restricted funds | | | | | |
| Adrian Worsley fund | 1 | - | - | - | 1 |
| Big Lottery and European Social Fund Building Better Opportunities Move Grant | 3 | 24 | (23) | - | 4 |
| Big Lottery and European Social Fund Building Better Opportunities Engagement Into Learning Grant | 2 | 24 | (26) | - | - |
| Big Lottery and European Social Fund Building Better Opportunities Steps Forward Grant | 12 | 113 | (122) | - | 3 |
| Big Lottery and European Social Fund Building Better Opportunities Building Connections Grant | 15 | 35 | (40) | - | 10 |
| CYPVSF | 11 | 20 | (14) | - | 17 |
| CAFCASS | - | 14 | (14) | - | - |
| Armed Forces Covenant Fund Trust Messy Explorers | - | 2 | (2) | - | - |
| Total restricted funds | 44 | 232 | (241) | - | 35 |
| Total funds | (346) | 1,729 | (1,400) | - | (17) |

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

20b Funds analysis – prior year

| | Balance at 1/4/2018 £'000 | Income £'000 | Expenditure £'000 | Transfers £'000 | Balance at 31/3/2019 £'000 |
|--|---------------------------------|-----------------|----------------------|--------------------|----------------------------------|
| Unrestricted funds | | | | | |
| Children's Links | (441) | 1,300 | (1,221) | - | (362) |
| Linking Up Limited | (20) | 724 | (733) | - | (29) |
| Total unrestricted funds | (461) | 2,024 | (1,954) | - | (391) |
| Designated funds | | | | | |
| Damian fund | 1 | - | - | - | 1 |
| Total designated funds | 1 | - | - | - | 1 |
| Total unrestricted funds | (460) | 2,024 | (1,954) | - | (390) |
| Restricted funds | | | | | |
| Adrian Worsley fund | 1 | - | - | - | 1 |
| Big Lottery and European Social Fund Building Better Opportunities Move Grant | - | 21 | (18) | - | 3 |
| Big Lottery and European Social Fund Building Better Opportunities Engagement Into Learning Grant | - | 17 | (15) | - | 2 |
| Big Lottery and European Social Fund Building Better Opportunities Steps Forward Grant | 8 | 118 | (114) | - | 12 |
| Big Lottery and European Social Fund Building Better Opportunities Building Connections Grant | - | 25 | (10) | - | 15 |
| Act Foundation Grant | - | 8 | (8) | - | - |
| The Transformation Foundation | - | 18 | (18) | - | - |
| CYPVSF | 5 | 20 | (14) | - | 11 |
| CAFCASS | - | 8 | (8) | - | - |
| Total restricted funds | 14 | 235 | (205) | - | 44 |
| Total funds | (446) | 2,259 | (2,159) | - | (346) |

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

20c Analysis of (liabilities) / assets between funds

| General fund: | Unrestricted £'000 | Restricted £'000 | Total 2020 £'000 | Unrestricted £'000 | Restricted £'000 | Total 2019 £'000 |
|---|-----------------------|---------------------|------------------------|-----------------------|---------------------|------------------------|
| Intangible fixed assets | - | - | - | 11 | - | 11 |
| Tangible fixed assets | 39 | 6 | 45 | 38 | 15 | 53 |
| Current assets | 101 | 29 | 130 | 200 | 29 | 229 |
| Creditors falling due within one year | (192) | - | (192) | (414) | - | (414) |
| Creditors falling due in over one year | - | - | - | (225) | - | (225) |
| | <u>(52)</u> | <u>35</u> | <u>(17)</u> | <u>(390)</u> | <u>44</u> | <u>(346)</u> |

Designated funds are included in the unrestricted funds in the above analysis and are wholly held in cash.

20d Funds analysis – description of funds

Designated funds

Damian fund

This was established by a legacy left to Children's Links which is used to commemorate the life of a young man who was very active in the Lincolnshire community. The interest on the legacy is used to reward young people for their community endeavour, usually as part of the Children's Awards ceremony.

Restricted funds

Adrian Worsley fund

This commemorates the life of a supporter of Children's Links and the interest on the fund is used to reward young people for their community endeavour, usually as part of the annual Children's Awards ceremony.

Big Lottery and European Social Fund Building Better Opportunities Move Grant

This grant provides a range of activities and interventions to economically inactive people to move towards and into employment. The project is delivered across the whole of Greater Lincolnshire.

Big Lottery and European Social Fund Building Better Opportunities Engagement into Learning Grant

This grant provides a range of activities and interventions to economically inactive people to move towards and into learning. The project is delivered across the whole of Greater Lincolnshire.

Big Lottery and European Social Fund Building Better Opportunities Steps Forward Grant

This grant provides a range of activities and interventions to economically inactive people to move towards and into employment. The project is delivered across the whole of Greater Lincolnshire.

CYPVSF (Children and Young People's Voluntary Sector Forum)

This is funded by Lincolnshire County Council to provide support for voluntary and community sector (VCS) organisations working with children, young people and their families in Lincolnshire.

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

20d Funds analysis – description of funds (continued)

CAFCASS (Children and Family Court Advisory and Support Service)

This funding is to provide supported contact centres in Gainsborough, Grantham, Lincoln, Skegness and Spalding.

Big Lottery and European Social Fund – Building Better Opportunities Building Connections Grant

This funding is to tackle loneliness in the rural areas of East Lindsey by providing a campervan which travels to villages to provide a focal point for people to meet.

Armed Forces Covenant Fund Trust – Messy Explorers

Messy Explorers provides a weekly creative and messy play session for early years children in Coninsgby, for both RAF and civilian families. The sessions support the children's learning and development and improve their social skills. They enable parents to feel more confident about playing with their children and supporting their development. It also breaks down barriers between the RAF and civilian communities by building positive relationships.

Act Foundation Grant

This funding was specifically to purchase a hoist and changing table to enable greater access for children with disabilities.

The Transformation Foundation

This grant was to support the development and setup of a new website.

21 Related party transactions

On the basis that this is a wholly owned Group and that consolidated financial statements have been prepared, the Group has taken advantage of the exemption not to disclose intra group transactions.

There were no other related party transactions.

22 Reconciliation of net expenditure to net cash flow from operating activities

| | 2020 £'000 | 2019 £'000 |
|---|---------------|---------------|
| Net movement in funds (as per the statement of financial activities) | 329 | 100 |
| Adjustments for: | | |
| Amortisation of intangible fixed assets | 11 | 11 |
| Depreciation of tangible fixed assets | 26 | 21 |
| Loss on disposal of property, plant and equipment | 5 | - |
| Decrease in debtors | 16 | 27 |
| Decrease in creditors | (447) | (154) |
| Net cashflow from operating activities | (60) | 5 |

Included within the decrease in creditors above is the adjustment in relation to the extraordinary item in note 10.

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

23 Analysis of cash and cash equivalents

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Cash at bank and in hand | 99 | 182 |
| Total cash and cash equivalents | 99 | 182 |

