

Charity Registration No. 0514779

Company Registration No. 01657652 (England and Wales)

COMMUNITY LINKS (NORTHERN) LIMITED

**STATUTORY FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2020**

COMMUNITY LINKS (NORTHERN) LIMITED

CONTENTS

Section	Page
Company Information	1-2
Chair's Report	3-4
Report of the Management Committee including Strategic Report	5-17
Independent Auditor's Report	18-19
Statement of Financial Activities (incorporating the Income and Expenditure account)	20
Balance Sheet	21
Notes to the financial statements	22-40

COMMUNITY LINKS (NORTHERN) LIMITED

COMPANY INFORMATION

Management Committee

Chair:	Claire Vilarrubi
Other Trustees:	Fawzia Mir – Independent Trustee (Community Links) Ann Worrall-Davies – Independent Trustee (Community Links) Jacqueline Hallam – Independent Trustee (Community Links) Damian Pocknell — Inspire North Group Trustee (Vice Chair) Philip Turnpenny – Inspire North Group Trustee Richard Parry – Inspire North Group Trustee Cornelle Parker – Inspire North Group Trustee David Strachan – Inspire North Group Trustee Cielo Cartwright – Inspire North Group Trustee (resigned 27 th March 2020) Mark Simpson – Inspire North Group Trustee (resigned 1 st April 2019)

Executive Officers

Chief Executive	Ruth Kettle
Director of Operations	Faye Oldroyd
Director of Development and Innovation	Paul Hardman (resigned 12/4/2019); Sinead Cregan (appointed 08/7/2019)
Director of Finance and Corporate Services	Caroline Watson
Director of People and Culture	Donna Gooby

Company Secretary & Registered Office	Ruth Kettle 3 Limewood Way Seacroft Leeds LS14 1AB
--------------------------------------------------	----------------------------------------------------------------

Registration Numbers

Registered Company Number:	01657652
Registered Charity Commission Number:	0514779

External Auditor	RSM UK Audit LLP Chartered Accountants Central Square 5 th Floor 29 Wellington Street Leeds LS1 4DL
-------------------------	----------------------------------------------------------------------------------------------------------------------------------

COMMUNITY LINKS (NORTHERN) LIMITED

COMPANY INFORMATION

Bankers

Lloyds TSB
6 – 7 Park Row
Leeds
LS1 1NX

Solicitors

Schofield Sweeney
Springfield House
76 Wellington Street
Leeds
LS1 2AY

COMMUNITY LINKS (NORTHERN) LIMITED

CHAIR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Having been Chair of the Inspire North Group since its establishment, it gives me pleasure to present a review of Community Links for the 2019 to 2020 period.

Community Links' previous year's merger with Foundation to create the Inspire North group has begun to bring about significant benefits to the Company in this period.

Operational direction and management for Community links has been centralised within Inspire North, with the transfer of employment of all Operational Managers across the group and the creation of one Director of Group Operations for both Community Links and Foundation. Centralised operational direction and management has enabled greater sharing of best practice, expertise and experience, for the benefit of Community Links' services and employees. It also offers more flexibility and access to operational resource, supporting business continuity and helping to overcome resource constraints.

In October, our new five-year Inspire North Strategy (2019 to 2024) was launched, which provides strategic direction for the whole group, whilst celebrating the distinct strengths of Community Links and its sister organisation.

Every aspect of Community Links' work is guided by our group-wide values of People, Integrity, Passion and Collaboration. This is demonstrated by some of the Company's key achievements in the period which include:

Linking Leeds, the new city-wide social prescribing service for Leeds, was launched in September 2019. Bringing together seven organisations from the statutory and third sectors, Community Links leads a consortium of providers to deliver signposting and light-touch mental health and wellbeing support through Primary Care facilities across Leeds. It is Community Links privilege to be leading a diverse partnership, representative of the communities which we serve, to help people to navigate the abundance of activities and support available. The service also enables Community Links to play a role in developing more thriving communities within the City.

As part of the Inspire North group, this year saw Community Links retain Best Companies and Investors in People status. Showcasing the group's commitment to its people, these awards are further supported by Community Links securing 15th place at the Inclusive Top 50 UK Employers awards. These accolades are telling signs that Community Links upholds and lives our core values and is committed to diversity and inclusion.

Community Links' wholly owned subsidiary, Bridging the Gap PD Services Limited (Company No. 08372806), has the principal activity of providing specialist services to men with personality disorders. During the period the team has been widely recognised for their excellence and innovation in delivery of psychological support for men with specialist needs. In September, the company's Lead Psychologist was invited to speak at a conference in Malta to deliver a masterclass on "assessing trauma in a community forensic setting", and the team have received praised by external stakeholders for their excellent work adapting their service to become largely virtual as a result of the COVID-19 pandemic.

The challenges Community Links has faced as a result of the COVID-19 pandemic have been met with speed, integrity and passion by employees, fellow Trustees, and partners. This not only demonstrates the excellence and flexibility of our services but also evidences the robust governance and excellent support infrastructure provided by Inspire North.

Over the coming months, we expect to be tested further, however, I have every confidence that the group will be able to meet the challenges that arise with the level of passion, innovation and integrity that I have come to expect.

As I look back over the last 12 months and reflect on all that has been accomplished, I would like to take the opportunity to share my thanks. My sincere gratitude goes to our Trustees for their commitment and the time freely given to help make our group a success. Their diverse yet complementary expertise and experience continues to provide Community Links and the whole Inspire North group with vital specialist advice and strategic governance.

COMMUNITY LINKS (NORTHERN) LIMITED

CHAIR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2020

To close, I offer my thanks and admiration to those who enable us to achieve our charitable objectives - our senior leadership team, employees, volunteers, partners, funders and commissioners. During Community Links' first full year since the merger, I have seen our group-wide values come to life. As the true impact of the COVID-19 pandemic is realised over the next year, our work to support people across our communities will be even more critical. I know that all our stakeholders can be relied on to ensure that Community Links continues to sustainably provide life-changing mental health and wellbeing services across Yorkshire and beyond.



Claire Vilarrubi
Chair

1 OCTOBER 2020

COMMUNITY LINKS (NORTHERN) LIMITED

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The Management Committee presents its report and the audited financial statements of Community Links (Northern) Limited ("the Company") for the year ended 31 March 2020.

Organisational Overview

Principal Activities

Community Links (Northern) Limited is limited by guarantee and is a registered charity under the Charities Act 2011. The Company was established under a Memorandum of Association which established the objects and powers of the company and is governed by its Articles of Association. The charitable objects are set out in the Articles of Association and remained unchanged throughout the year:

"Our aim is to provide support and accommodation to people with mental health problems. We have a range of services which focus on recovery and work collaboratively with individuals to achieve their goals. We do this by providing support which is appropriate to their needs, instilling hope and optimism in a setting that is accessible to their situation. Our services value diversity and are non-judgemental."

Community Links exists to pioneer life-changing mental health and well-being services. Community Links offers support for a wide range of mental health and well-being issues, including anxiety and depression, psychosis and difficulties arising from experiencing trauma. We provide services in both community and residential settings, working across the Yorkshire region.

Organisational Structure

Community Links' Trustees ratified the merger with Foundation on 17 October 2018. This was achieved through the formation of a group structure, with the parent company (and registered charity) Inspire North being formed. Community Links now sits within a family of organisations. Inspire North is Community Links' sole parent company, with Foundation being its sister organisation.

The Inspire North governance structure ensures that there is a quorate of independent Trustees for Community Links (minimum of three) to protect its assets and ensure continued delivery of its charitable objectives.

The Inspire North Group's Head Office is in Leeds and provides Community Links with Senior Leadership, Operational Management and Professional Services.

Through the adoption of a group structure Community Links can maintain its own identity and continue to deliver its frontline services, whilst the creation of a parent company affords the opportunity to create more comprehensive and efficient infrastructure and support services. This includes increased opportunity to access new markets and fully realise its potential.

Business Review

Details of the Company's performance for the year and its future plans are set out in the following sections of this report.

Objectives & Strategy

In October 2019, our first Inspire North Strategy (group-wide) was launched at our first group-wide Annual Conference. The Conference was held at the prestigious Headingley Stadium in Leeds and was attended by over 300 employees.

The five-year Strategy (2019 to 2024) was created following a series of nine roadshows across the North of England which saw the CEO engage with over 250 employees, trustees and volunteers to gain their views and

COMMUNITY LINKS (NORTHERN) LIMITED

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

ideas for the future of the group. Employees also engaged directly with their clients to gather feedback which informed the development of the Strategy.

Alongside the Strategy, a new and co-produced Group Vision, Purpose and Values have been created, consistently adopted across the group.

Group Vision - Creating a World Where Everyone Matters

Group Purpose - Building Brighter Futures

Values –

- **People** are the heart of everything we do at Inspire North, and we strive every day to build brighter futures for the people who use our services. We engage our colleagues and people who use our services to build a sense of community and shared success. We want everyone to play a part in creating our vision.
- **Integrity** is our cornerstone; we will always do the right thing. We work hard to make sure our services offer the highest quality and professional standards, and that people are treated fairly and honestly.
- **Passion** is what fuels us. There's no better feeling in the world than making a positive difference, and that spurs us on to always go the extra mile – for the people who use our services, for each other, and for our vision of creating a world where everyone matters. We have the brightest and best innovative minds working every day to do more, and to do it better.
- **Collaboration** is how we came to be Inspire North. We were born out of the idea that working together, we can achieve more. Across our services we work with many partners, bringing together our expertise to meet varied needs in exceptional ways.

Our new group-wide approach creates a consistent ethos for our work and employees, which complements the objectives outlined within Community Links' Articles of Association. Contributing towards the achievement of our group purpose, Community Links has its own charitable purpose: **to provide life-changing mental health and wellbeing services.**

Annual plans, developed by each service or department within the group, enables the Management Committee to monitor progress against strategic goals, alongside monitoring against the Corporate Performance Framework. Together, Annual Plans and the Corporate Performance Framework provide a robust mechanism for organisational accountability and challenge, whilst placing our values at the heart of our strategic objectives.

Achievement and performance

This year (April 2019 to March 2020), Community Links has worked with a total of 1,638 individual clients or tenants to assist them in achieving their goals for a better life.

For the 1,413 clients leaving the service during this period, data has been collected to identify what kinds of support each client required from the service and whether a positive outcome was achieved in each area by the end of their time with the service.

Using the Outcome Star Questionnaire to measure client progress, clients who left the service over this period achieved the following average score improvements:

- Motivation – 1.35
- Managing Money – 1.06
- Mental Health – 1.36
- Offending – 0.49

COMMUNITY LINKS (NORTHERN) LIMITED

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

- Managing a Tenancy – 1.05
- Meaningful Use of Time – 1.03
- Physical Health – 0.55
- Drugs and Alcohol – 0.81
- Social Networks – 1.35
- Self-Care – 1.02

Community Links' Performance against targets for 2019/20

Following the Company's merger with Foundation, a core aim for the 2019 to 2020 period has been to co-produce a new group wide strategy, vision, purpose, values and branding, which has been fully achieved and implemented.

In addition, merger metrics have been in place for the group, with the overarching aim being to improve the quality and effectiveness of the services we deliver to our clients/tenants by sharing best practice across the group. As detailed below, the Inspire North group has succeeded in performing well against its merger metrics:

Retain Contracts

- Development have retained 100% of contracts across the Inspire North group that have been re-tendered since the merger (17th October 2018)
- Through successful retendering exercises, Community Links has secured enhanced roles in some services which bring in additional income to the Company.

Retain Talent

- Personal Development Review policy has been reviewed and a group wide rating system was rolled out from April 2020.
- Staff retention rates remain stable.

Productive Culture

- Inspire North Group rated as a 2-star Best Company
- Inspire North Group placed 29th at Top 100 Sunday Times award and received a special award for Learning and Development.

Evidence of Learning and Sharing

- A new role of Group Director of Operations was created in September 2019 to expediate joint learning and sharing of best practice.
- Our first ever group-wide conference was held in October 2019.

Joined-Up Processes

- Joint system implementation is progressing well for the Client Management, Finance and HR Systems with Data Migration Plans in place
- The Inspire North Performance Framework is 80% complete
- Group Management Committee meetings are in place with separate but common reporting frameworks for each organisation within the group to enable oversight of individual company performance
- Phase 1 of the Group Intranet was launched in October 2019.

COMMUNITY LINKS (NORTHERN) LIMITED

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

New Markets and New Models

- New Business Strategy will be launched in Autumn 2020, outlining detailed plans – including, housing markets, business partnerships, innovation grants and community fundraising.
- New Fundraising & Grants Lead post was created and appointed to in February 2020.

Following the launch of the new group five-year strategy in October 2019, the CEO gave a Call to Action for all services and departments within the group to develop their Annual Plan for 2020-21. By March 2020, every service and department had developed its own Annual Plan.

Service Contracts

Throughout 2019 to 2020, we successfully launched a number of re-tendered services, including the Linking Leeds Social Prescribing Service, Leeds Mental Wellbeing Service, and Live Well Leeds. We were also successful in securing an agreement to continue to provide services under the Leeds and York Partnership Foundation Trust's Mental Health Framework in Leeds and North Yorkshire.

We saw growth in Community Links' portfolio both through the increased income that the above retendered services bring to the Company, and through an extension of our outstanding Aspire service in Leeds.

During the period, some of Community Links' smaller contracts came to a natural end, including the West Yorkshire Finding Independence (WY-FI) service in Kirklees and the Power of Communities grant in Leeds.

Tendering activity slowed towards the end of the year as a result of uncertainties arising from the COVID-19 pandemic. Consequently, this has led to some of Community Links' services being granted extensions up until at least 2021, including our York Families and Kirklees CHART services. Our long-standing Oakwood Hall service has also been extended for a further two-years following a light-touch procurement exercise by Leeds City Council.

Employees

Community Links' employees are its primary asset. 2019 to 2020 has been a period of consolidation and continuous improvement, with investment in skills and active participation of employees throughout the year.

Key achievements have been:

- The appointment of a Group Director of Operations in September 2019, and the transfer of Operational Managers into Inspire North, has enabled a whole group culture to begin to develop across our Operational Teams in both Foundation and Community Links. Our group-wide Leadership Forums and Operational Forums have also been pivotal in this. The Leadership Forum meets quarterly and has a programme of training and development based around the concept of transformational leadership and innovative ways of working. The forum enables the sharing of good practice and consistency across the group.
- An agreed mandatory training package has been rolled out across the group which includes Safeguarding Adults and Children, Diversity & Inclusion, Co-production, Health & Safety and Professional Boundaries. In addition, Housing Management training and Trauma Informed training has been made widely available to employees. Additional service specific core training has been agreed alongside mandatory managerial training including such topics as Recruitment and Selection and Disciplinary Procedures.
- Group-wide accreditations during 2019-20 show how much progress has been made in employee engagement through the year achieving Investors in People and Best Company 2* Accreditation.

COMMUNITY LINKS (NORTHERN) LIMITED

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Inspire North were 29th in the Sunday Times list of 100 Best Not for Profit Company's to Work For in 2020 and won the Sunday Times Special Learning & Development Award 2020 (Not for Profit Company's to Work For)

In relation to employment practices, Inspire North are a Disability Confident Leader, a Mindful Employer and a Living Wage Employer.

Furthermore, the Group has a comprehensive and well used employee assistance scheme available to all employees, providing advice and support on a wide range of employment, health and legal concerns.

Health and safety

Community Links has a moral and legal responsibility to ensure, so far as is reasonably practicable, that it provides for the health, safety and welfare of its employees, clients/tenants and anyone coming into contact with its business activity who may be affected by the way in which it carries out its work. Community Links attaches the greatest importance to Health and Safety matters which are part of each employee's induction and e-learning and prioritises compliance with current legislation. Inspire North's Estates and Facilities Manager leads on Health and Safety and is supported by a network of volunteer Health and Safety Champions across all offices and services.

The Company remains committed to the provision and maintenance of:

- A safe and healthy working environment
- A safe and healthy living environment for clients/tenants
- Supervision, advice and procedures as necessary for the safe performance of its operations
- Instructions, information and procedures, for safe systems of work
- Equipment fit for purpose and bespoke adaptations for staff who need them
- Appropriate training for employees within job requirements

COVID-19 has presented specific challenges in relation to the Health & Safety of all our employees but particularly those working in front line services, including our residential services.

We responded promptly to the Government call for people to work from home wherever possible. The challenge of rapid office closures was dealt with efficiently and safely. Furthermore, our large investment in both IT infrastructure and equipment in 2018 to 2019, has enabled employees, as far as possible, to effectively work from home, minimising disruption and ensuring business continuity.

The group continues to follow Government guidelines in relation to the COVID-19 pandemic. Where possible, our employees work from home, have access to Personal Protective Equipment (PPE) as appropriate and we have initiated the process of undertaking COVID-19 specific risk assessments to enable us to safely and effectively continue to deliver Community Links' work.

Future Plans

Ambitions for 2020-21

The new Inspire North Strategy (2019 to 24) is an ambitious strategy which sets out how the group, including Community Links, will make a real difference to those it supports throughout the strategy period, making best use of its assets and the unique specialisms of its subsidiary companies.

Our four key aims are to:

COMMUNITY LINKS (NORTHERN) LIMITED

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

- **Create Together:** We know the way to excellence is through sharing expertise. We will create our services with the people who use them to get the best possible outcomes. Our clients are the leading voice in everything we do, as they are experts in what they need.
- **Be a Great Place to Work:** We bring together a diverse workforce with a wealth of skills and decades of experience. We empower our colleagues to make decisions using their specialist knowledge of the communities they serve, always putting our values front and centre.
- **Innovate and Influence:** We will drive innovation and influence and be a catalyst for change. We will share best practice with colleagues, trustees, partners and local communities to develop high-quality services that reflect the increasingly varied and complex needs of our clients
- **Build Sustainable Futures:** We will use an evidence-based approach to inform what we do and develop more effective practices that deliver better outcomes. We will seek out new funding sources and partners. We will lead the way on sustainable approaches to working and providing services.

In 2019 to 2020, the new strategy was rolled out across the group and it was a priority for Services and Departments to begin to develop their own planning to support delivery of the strategy.

In 2020-2021, it is the intention to further embed the strategy, initiate key activities and begin to monitor progress at team and organisational levels. Priorities for the next year include:

- Further embedding an inclusive, values-led culture across the group, supported by robust, joined-up governance arrangements.
- Drive innovation and new ways of working across our work focused on co-production and strategic partnerships.
- Set out clear plans for the group's long-term sustainability, factoring in social, environmental and financial considerations.

Principal Risks and Uncertainties

The Management Committee assume responsibility for on-going review of the risks facing the Company. In this context, we define risk as the potential to fail to achieve our objectives and for loss, whether financial or reputational, inherent in the environment in which we operate.

The Management Committee note the following specific areas that give rise to the potential major risk areas for the forthcoming financial year:

- Implementation of on-going cuts to Local Authorities and Health Services arising from the policies of the Government and the cumulative impact of gradual, ongoing cuts to service budgets resulting in service closure or inability to re-tender for services.
- The current economic situation within the UK, largely but not exclusively as a result of the COVID-19 global pandemic, leading to a rise in demand for services coupled with cutbacks in spending and procurement plans from statutory agencies.
- The impact of another set of changes in accounting for the SHPS pension scheme on the company's balance sheet reducing our potential for borrowing and winning new business.
- The impact of BREXIT on both public services and employment opportunities for clients/tenants.
- The impact of COVID-19 on the safety, health and wellbeing of our employees and clients/tenants.

As noted in the statement of internal control on page 15 the Management Committee considers that Community Links has procedures in place to maintain strong internal controls.

The major risks identified within the Risk Register are those associated with the effects of COVID-19: namely, the possibility of a deep recession, an accompanying period of austerity and an increased and wider need for our charitable work. Continuing excessive levels of competition within the marketplace also remains. These risks are managed carefully, and planning continues to mitigate the yet unknown impact of COVID-19.

COMMUNITY LINKS (NORTHERN) LIMITED

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Co-production

Community Links aims to co-produce all aspects of its work. We strive to involve stakeholders from all areas of the organisation (from clients to members of the Management Committee). There is currently a good level of co-production activity and several ways in which clients and tenants can be actively involved across the company:

- Local informal feedback from and through front-line employees
- Responding to text-based questions on quality and performance
- Annual satisfaction survey and report
- Tenant voice (representatives on our Board)
- Local co-production and activities groups
- Contributing to various working groups on quality, bidding for contracts and communications
- Clients/tenants involvement in end to end recruitment processes
- Clients/tenants attendance at tender interviews so that they can outline their experience of our services to commissioners
- Clients/tenants progressing to volunteer roles, offering peer support (including paid roles) and gaining employment within the group
- Group-wide Internal Grants Scheme, offering clients/tenants the opportunity to develop innovative ideas which could receive funding through donations given to Community Links.

Co-production training is mandatory for all employees and volunteers across the group. We have established toolkits for both employees and clients/tenants to support effective co-production across our work. Community Links believes clients/tenants bring skills, talents and real assets to the company which can be used for the benefit of their own journey, that of others, and for the wider work on the company.

A new group-wide Co-production Strategy is currently in development, working with employees and clients across the organisation. The Strategy will outline further steps and innovative approaches that the company will adopt to fully embed co-production within every aspect of our business.

Complaints and Suggestions

Community Links has a robust policy and procedure for the reporting and recording of comments, suggestions and complaints, with systems in place for monitoring the outcome, how the complaints has been handled, and details (e.g. timescales) regarding resolution or response.

A bi-annual Complaints, Comments and Compliments analysis report outlines outcomes and actions and is reviewed by the Quality and Performance Board. Quarterly reports update service commissioners regarding patterns or trends regarding comments, compliments or complaints. For the 2019 to 2020 period, 84% of clients were aware of how to make a complaint.

Financial Review

Going Concern

The Trustees have prepared these financial statements on the going concern basis. The Trustees have prepared detailed annual forecasts and the company is included in the Group 5-year strategic plan. The Trustees believe that the Charity will be able to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. The Trustees have further prepared a 5 Year Financial Plan to March 2023. Covid-19 is having a relatively small cost impact with investment in PPE and screens but security has come from having all our contracts extended until at least March 2021. Based on the information currently available in respect of the future, the Trustees consider that the Charity has the plans and resources to manage its business risks successfully

COMMUNITY LINKS (NORTHERN) LIMITED

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Financial Performance and Position at End of Year

At the end of March 2020, the Company finished with a positive statement of financial position with a surplus of £1,849k, compared with (£1,203k) at the end of March 2019. The retendering of several contracts combined with aggressive cost control across the business resulted in an operating surplus of £592k (2019: £272k.)

The surplus prior to accounting for the actuarial /gain was £592k (2019: £272k). The surplus has been credited to reserves, which has resulted in an increase to £2,856k (2019: £1,007k).

Reserves

The Trustees regularly review the reserves of the charity, giving consideration to the nature of the income and expenditure streams, the need to match variable levels of income with fixed and planned commitments and the make-up of the reserves. Whilst the Trustees and management do not wish to hold reserves unnecessarily, in view of the current high risk of the public sector funding cuts and greater competition for available funding, we believe that a prudent policy is preserving our unrestricted reserves to a level which provides for three months of operating costs (including designated funds). The level of reserves held is such that it would allow sufficient time for the Management Committee to find alternative sources of funding for the activities affected, or to wind up those activities making all necessary redundancy and termination payments.

Unrestricted reserves for the Company stood at £2,855,726 at the end of March 2020 (2019: £1,006,986). This is after accounting for the pension scheme liability of £1,202,952. There are no designated funds.

Investment policies

The Management Committee regularly considers the most appropriate policy for investing the limited funds available within its reserves, informed by regular cash flow forecasts. The company currently does not hold any investments other than cash deposits.

Accounting policies

The Company's principal accounting policies are set out on pages 22 to 24 of the financial statements.

Pensions

Executive Officers do not have any different pension arrangements to other employees.

The Company participates in the Social Housing Pension Scheme ("SHPS"). During the accounting period 2019 - 2020, the Company paid contributions at the rate of 4% for those employees in the Defined Contribution Scheme section. Since April 2013, the Defined Benefit section scheme has been closed to future accrual and all employees within the pension scheme contribute to the Defined Contribution Scheme section.

Provision has been made for future deficit payments to the SHPS using assumptions set out by The Pensions Trust as laid out in note 14. Following a change in the information provided by SHPS, the company is now able to account for the pension liability as a defined benefit scheme.

Donations and Sponsorship

The Company has made no financial donations or sponsorship in the year.

Payment of creditors

COMMUNITY LINKS (NORTHERN) LIMITED

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

In line with government guidance, it is the Company's policy to pay purchase invoices within 30 days of receipt, or earlier if agreed with the supplier.

Financial instruments

The Company's approach to risk management is set out on page 13 of this report.

Fixed assets

There have been fixed asset additions amounting to £9,534 (2019: £133,711) during the year.

Financial risk management

The Company's operations may expose it to a variety of financial risks, including the effects of changes in interest rates on debt, credit risk and liquidity risk.

The Company does not have material exposures in any of the areas identified above and, consequently, does not use derivative instruments to manage these exposures.

The Company's principal financial instruments comprise sterling cash and bank deposits and obligations under property leases together with trade debtors and trade creditors that arise directly from its operations.

The main risks arising from the Company's financial instruments can be analysed as follows:

Price Risk

Most of the Company's income is contracted and this creates price risk visibility mitigated by the fixed price nature of the contract. There is no exposure to any derivatives.

Credit Risk

The Company's principal financial assets are bank balances, cash and trade debtors, which represent the Company's maximum exposure to credit risk in relation to financial assets.

The Company's credit risk is primarily attributable to its tenant debtors. Credit risk is managed by monitoring the aggregate amounts and duration of exposure to any other tenant depending upon their credit history. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the Company's management based on prior experience.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Company has no significant concentration of credit risk, with exposure spread over a large number of tenants.

Liquidity Risk

The Company holds most of its reserve in the form of bank and sterling money market deposits. It is therefore, not exposed to significant liquidity risk.

Interest bearing assets comprise cash and bank deposits, all of which earn interest at variable rates. There are no liabilities for loans or overdrafts.

Business Risk Register

The Company has a Business Risk Register identifying major risks and steps taken to mitigate the impact of likelihood of the risk occurring looking at operational, financial, governance and external risks. Risks are reviewed quarterly at board meetings. In relation to the key strands of our strategic plan, the key risks are:

- Loss of income through loss of contracts or funding cuts
- Unfavourable CQC inspection report

COMMUNITY LINKS (NORTHERN) LIMITED

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

- Inability to recruit suitably qualified or high calibre employees
- General Data Protection Regulation
- Impact of legal challenges
- Impact of changes in accounting treatment of pension scheme
- Impact of Covid-19

Governance

Trustees and Executive Officers

The current Trustees and Executive Officers are set out on page 1. Community Links' Management Committee (at 31 March 2020) comprises nine Trustees (three independent to Community Links; six who represent the Inspire North group) with a range of relevant skills and experience. Individually and collectively they exercise independent and objective judgement.

During 2019, a review of the sub-committee structure took place and Trustees agreed to create three sub-committees to ensure sufficient time could be given to the activities of the group. Each Trustee serves on one of the three sub-committees:

- 1) Resources (chaired by the Treasurer);
- 2) Operations and Development (chaired by the Clinical Governance Lead); and
- 3) People and Culture (chaired by the Employee Well-being Champion).

To support the work of the Senior Leadership Team and adopt best practice, new champion roles have been introduced within the Management Committee:

Champion	Trustee representative
Clinical Lead	Anne Worrall-Davies (Community Links - CL)
Co-production	Fawzia Mir (CL)
Diversity & Inclusion	Cornelle Parker (Inspire North - IN)
Employee Wellbeing	Jaqueline Hallam (CL)
Freedom to Speak Up	Philip Turnpenny (IN)
Safeguarding	Richard Parry (IN)
Value for Money	Lisa Bradley (Foundation - FN)
Volunteer	Chris Welch (interim)

A Group Management Committee away day took place in October 2019 which was externally facilitated. This was an opportunity to review how far the group had come since the merger. As part of the day, a Meet and Greet was arranged between Trustees and employees from Community Links' Services. This afforded colleagues the opportunity to share directly with Trustees what they thought was going well, what ideas they had for improvements and what more they hoping to achieve within their services.

Whilst Trustee appraisals are due to be carried out annually, due a review of the group's Performance and Development Review Framework and a delay in rolling out training as a result of COVID-19, these have been delayed until 2020-21. An up to date skills register is maintained and used to support trustee recruitment.

The Management Committee has overall responsibility for the governance and strategic direction of the Company and Community Links' constitution empowers the Management Committee to take such steps as are necessary to achieve the Company's objectives and make appropriate arrangements for the sound management of its business. When necessary, the Management Committee consider the need to take independent professional advice and trustees receive all internal audit reports undertaken through the year.

COMMUNITY LINKS (NORTHERN) LIMITED

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Day to day management responsibilities are delegated by the Management Committee to the Senior Leadership Team under the direction of the Chief Executive. The Chief Executive is appraised annually by the Chair of the Board including 360-degree feedback from all direct reports, trustees and external stakeholders. Working closely with the Board, the Senior Leadership Team continues to provide leadership and professional support across the group.

Recruitment, Appointment and Training of Trustees

New Trustees are recruited through open advert and interviewed to ensure that collectively the Management Committee maintains a broad range of varied backgrounds, skills and experience. We endeavour to ensure the needs of our beneficiaries are reflected by the diversity of the Management Committee in terms of the skills and interests represented.

Under Article 3.5 of the Articles of Association, Trustees are elected to serve for a period of three years, after which they must be re-elected at the next Annual General Meeting. Trustees may serve for a maximum of three consecutive terms.

Whilst the Board may include Trustees who are ex-clients, the developing co-production strategy sees two separate roles developing, one of Trustee with lived experience who is recruited to the Management Committee specifically because they have lived experience and one of a "client/tenant voice". The latter role is specifically to give voice to current clients/tenants at Management Committee level without taking up a Trustee position. All Trustees receive the same induction but those with lived by experience would also have access to mentoring support from other Trustees, the Chief Executive and/or Group Director of Operations as required. Inspire North is actively looking to involve clients at Management Committee level.

No Trustees had any other beneficial interest in any contract with the Company during the year. A declaration of interest register is kept, and all Trustees are expected to notify the Executive Assistant of any changes as they occur.

Conflict of interests are identified at the start of each Management Committee or Sub-committee meeting in relation to specific agenda items.

Clients/tenants invited to attend Management Committee meetings or take up other associated duties on behalf of the Company receive a nominal allowance in line with the Memorandum and Articles. Travel and other expenses incurred in the discharge of Trustee duties are reimbursed to all Trustees. No Trustee received any remuneration for services as a member of the Management Committee in 2019 to 2020.

Governance

The Trustees formally adopted the National Council for Voluntary Organisations' Code of Governance as being the most appropriate code to govern the activities of the Company.

Executive Remuneration

The Senior Leadership Team were part of a Pay Review during the period for Inspire North employees only. The Pay Review did not affect Community Links employees. In addition, where appropriate, the Executive Team have received pay rises in line with NJC pay agreements alongside all relevant employees within Inspire North. Terms and conditions of employment remained unchanged.

Internal controls assurance

The Management Committee acknowledges its overall responsibility for establishing and maintaining the whole system of internal controls and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and not absolute, assurance against material misstatement or loss.

COMMUNITY LINKS (NORTHERN) LIMITED

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

In meeting its responsibilities, the Management Committee has adopted a risk-based approach to internal controls, which have been developed and embedded throughout the year through the normal management and governance process.

The Management Committee cannot delegate ultimate responsibility for the system of internal control, but it has delegated authority to the Resources Committee to regularly review the effectiveness of the system of internal control. The Management Committee receives the minutes of all Resources Committee meetings.

The following key procedures are adopted which are designed to achieve effective internal financial control:

Monitoring and corrective action

Risks are monitored regularly by the senior leadership team and significant variances reported to Board committees on a quarterly basis. Should any change in risk levels occur, the reasons for the change are established and the necessary action plans are developed and taken to the Board. In addition to a corporate Group risk register, each company in the group has an additional individual risk register in place to track risks which are specific to that company.

Environment and control procedures

Community Links believes that environmental protection should form an integral part of standard operating procedures. The Company is concerned not only with its direct impact on the environment, but also any indirect effects caused by the Company's activities affecting its neighbours and the local community.

During the period, Inspire North achieved Environmental Accreditation ISO14001 and plans to roll this out across the group (including Community Links) during 2020-21, monitoring the impact on our carbon footprint.

Community Links' current environmental action plan articulates the Company's commitment to sound environmental management.

This action plan will be implemented through the following activity:

- Encouragement of environmental responsibility amongst our stakeholders, including clients/tenants, contractors, suppliers, and colleagues.
- Conducting our Operations in a way that minimises our consumption of natural resources and manages waste through responsible disposal and the reuse and recycling of materials, where economically feasible.

Information and financial reporting systems

Monthly accounts are prepared by the Inspire North Finance Team and distributed to Executive Officers, Senior Managers and Service Managers, who report monthly on significant variances. Accounts are submitted to the Resources Subcommittee for review each quarter and then on to the main Management Committee, also quarterly.

Related parties

No Trustee had any beneficial interest in any contract with the Company in 2019 to 2020. Tenants are also on normal commercial terms. The Company's subsidiary, Bridging the Gap PD Services Limited, was incorporated on 24 January 2013.

COMMUNITY LINKS (NORTHERN) LIMITED

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law and registered social housing legislation requires the Trustees to prepare financial statements for each financial period. Under that law Trustees (who are also Directors of the charitable company) have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that year. In preparing these financial statements the Board is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business

The Management Committee is responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable it to ensure that the financial statements comply with the Companies Act 2006. It is also responsible for taking reasonable steps to safeguard the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Management Committee is also responsible for the maintenance and integrity of the corporate and financial information on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in the annual reports may differ from legislation in other jurisdictions.

Annual general meeting

The annual general meeting will be held on 1 October 2020.

Statement as to disclosure of information to the auditor

The Management Committee, who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information of which the auditor is not aware. The Management Committee have confirmed that they have taken all the steps they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

External auditor

The auditor, RSM UK Audit LLP has indicated their willingness to continue in office.

This report including Strategic report was approved by the Board on and signed on its behalf by:



Chair: Claire Vilarrubi

Date: 01 October 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY LINKS (NORTHERN) LIMITED

Opinion

We have audited the financial statements of Community Links (Northern) Limited (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Summary Income and Expenditure Account, the Balance Sheet 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 Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 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 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 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 charitable 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. 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.

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, 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 Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY LINKS (NORTHERN) LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report or the Strategic 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; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 17, 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 the 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 <http://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.

RSM UK Audit LLP

Andrew Allchin FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Central Square
5th Floor
29 Wellington Street
Leeds
LS1 4DL

13 October 2020

COMMUNITY LINKS (NORTHERN) LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
		£	£	£	£
Income from:					
Charitable activities		9,613,900	-	9,613,900	8,492,574
Other trading activities		471,892	-	471,892	619,217
Investments		14,593	-	14,593	19,913
Total income		10,100,385	-	10,100,385	9,131,704
Expenditure on:					
Charitable activities	3	9,508,645	-	9,508,645	8,859,151
Net income		591,740	-	591,740	272,553
Other recognised gains / (losses):					
Initial recognition of multi-employer DBS		-	-	-	(923,000)
Actuarial gains/(losses) on Defined Benefit Pension Scheme		1,257,000	-	1,257,000	(553,000)
Net movement in funds		1,848,740	-	1,848,740	(1,203,447)
Reconciliation of funds:					
Total funds brought forward		1,006,986	-	1,006,986	2,210,433
Total funds carried forward		2,855,726	-	2,855,726	1,006,986

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

COMMUNITY LINKS (NORTHERN) LIMITED

Company Registration No. 01657652

BALANCE SHEET**AS AT 31 MARCH 2020**

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	8	1,284,980	1,347,012
Intangible assets	9	5,165	-
Investment	10	2	2
		<u>1,290,147</u>	<u>1,347,014</u>
Current assets			
Debtors	11	1,959,247	1,032,821
Cash at bank and in hand		2,710,399	3,055,315
		<u>4,669,646</u>	<u>4,088,136</u>
Creditors: amounts falling due within one year	12	(1,901,115)	(1,797,347)
Net current assets		<u>2,768,531</u>	<u>2,290,789</u>
Total assets less current liabilities		<u>4,058,678</u>	<u>3,637,803</u>
Provisions for liabilities			
Defined benefit pension scheme liability	15	(1,202,952)	(2,630,817)
Deficit funding liability		-	-
Total assets		<u>2,855,726</u>	<u>1,006,986</u>
The funds of the charity:			
Restricted income funds	16	-	-
Unrestricted income funds	16	2,855,726	1,006,986
Total charity funds		<u>2,855,726</u>	<u>1,006,986</u>

The financial statements on pages 20 to 40 were approved by the board of trustees and authorised for issue on 1 October 2020 and are signed on its behalf by:



C. Vilarrubi
Chair

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

1 Accounting policies**Charity information**

Community Links (Northern) Limited is a charitable company limited by guarantee (company number 01657652) and also a Charity registered in England and Wales (charity number 0514779). The registered office is 3 Limewood Way, Seacroft, Leeds, LS14 1AB.

Community Links offers support for a wide range of mental health disorders, including anxiety and depression, psychosis and personality disorders. The charitable company provides services in both community and residential settings, working across the Yorkshire region.

Accounting convention

The financial statements have been prepared in accordance with the charitable company's memorandum and articles of association, the Charities Act 2011 and "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)" (March 2018). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are presented in Pound sterling £, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

Reduced disclosure

The charity is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The charity has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – presentation of a statements of cash flow and related notes and disclosures;

The financial statements of the charity are consolidated in the financial statements of Inspire North, a charitable company limited by guarantee (company number 11568263) and also a charity registered in England and Wales (charity number 1180693). These consolidated financial statements are available from its registered office, 3 Limewood Way, Leeds, United Kingdom, LS14 1AB.

Basis of consolidation

The charity has taken advantage of the exemption in section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. Consequently, these financial statements present the financial position and financial performance of the company as a single entity.

Going concern

The company has made a healthy surplus for the year and these statements have been prepared on a going concern basis. The Trustees have prepared detailed annual forecasts and the company is included in the Group 5-year strategic plan. The Trustees believe that the Charity will be able to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. The Trustees have further prepared a 5 Year Financial Plan to March 2023. The impact of Covid-19 has been considered and this is unlikely to be material as all services have been commissioned to at least 31 March 2021. Based on the information currently available in respect of the future, the Trustees consider that the Charity has the plans and resources to manage its business risks successfully.

COMMUNITY LINKS (NORTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2020

1 Accounting policies (Continued)

Charitable funds

Unrestricted reserve funds are unrestricted funds which 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 reserve funds are funds which are to be used in accordance with specific restrictions imposed by the donors. The costs associated with the utilisation of management of those 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.

Income

The Charity carries out work for government bodies and income under these contracts is recognised once performance conditions attached to income have been met. Incoming resources on government contracts are included in the statement of financial activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy.

Rental income

Rental income is recognised on a receivable basis. Payment received from guests in advance of their stay is recorded as deferred income.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources. Fund raising costs are those incurred in connection with raising charitable funds for general use and in support of the charity's activities. Management, administration and governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Fixed assets and depreciation

Depreciation is provided on a straight-line basis in order to write tangible fixed assets down to their estimated residual values over their expected useful lives. Where there is evidence of impairment, fixed assets are written down to their recoverable amount. Any such write down would be charged to direct charitable expenditure: provision of accommodation. The principal annual rates used are:

Freehold buildings (excluding land)	over 50 years
Land	Not depreciated
Improvements to leasehold property	over 5-12 years or the lease term
Fixtures, fittings and equipment	over 5 years
Motor vehicles	over 5 years
Intangible Assets	over 3 years

A full year's depreciation is charged in the year of acquisition. No depreciation in the year of disposal.

The de-minimis level for capital expenditure is £2,000.

Operating leases

Rentals payable under property leases are charged to the statement of financial activities on a straight-line basis over the period of the lease.

COMMUNITY LINKS (NORTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2020

1 Accounting policies (Continued)

Pensions

The Company began to participate in the Social Housing Pension Scheme (SHPS) from 1 January 1999. For the SHPS, it was previously not possible to identify the share of underlying assets and liabilities belonging to individual participating employers. However, sufficient information is now available to identify this for 31 March 2019 and, consequently, the SHPS can now be accounted for as a defined benefit scheme. The FRC issued FRED 71 (Draft amendments to FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland, Multiemployer defined benefit plans) which provides proposed changes to FRS 102 on the issue.

The Company continues to operate a money purchase pension Scheme for employees who were in the existing Scheme as at 1 January 1999 and did not wish to enter the SHPS. The assets of the Scheme are invested and managed independently of the finances of the Company. The pension cost charged to the statement of financial activities represents contributions payable in the year.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Taxation

As a charity the Company is exempt from tax on income and gains falling within Chapter 3 Part II Corporation Tax Act 2010 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

The company's trading subsidiary is liable to corporation tax on its taxable profits.

2 Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following key judgements and estimates were made in preparing the financial statements:

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. Details of depreciation rates can be found in note 1 and the depreciation charge in note 8.

Pension liability discount rate

The rate of discount detailed in Note 14 is that provided by TPT Retirement Solutions who administer the SHPS Pension Scheme which is based on the market yields on AA corporate bonds at the reporting date.

COMMUNITY LINKS (NORTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2020

2 Judgements and key sources of estimation uncertainty (continued)

Defined benefit pension scheme

The present value of the Social Housing Pension Scheme (SHPS) defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 14, will impact the carrying amount of the pension liability. During the period, the SHPS is now able to be accounted for as a defined benefit scheme and the accounting has been changed from defined contribution scheme in the previous period.

3 Analysis of expenditure on charitable activities

	2020 £	2019 £
Salaries and related costs	6,889,804	6,614,761
Consultant (External Services)	383,262	371,790
Rent and rates	285,162	257,538
Property repairs and maintenance	135,526	104,434
Voids and rent losses	13,000	8,901
Furnishing and decorating	83,782	106,304
Heating and lighting	67,687	55,208
Other property	16,169	125,462
Residents food and laundry	84,932	89,681
Client activities	98,140	82,288
Depreciation	66,401	78,984
Publicity	14,200	15,903
Telephone, printing	87,635	83,049
Legal and professional	4,631	125,024
General office expenses	229,700	690,033
Subscriptions and donations	11,016	20,295
Bank charges	3,933	2,684
Employee counselling	8,000	6,661
Governance costs	33,909	18,151
Central recharges from IN	991,756	-
	<u>9,508,645</u>	<u>8,859,151</u>

4 Net movement in funds

Net movement in funds is stated after charging:

	2020 £	2019 £
Auditor's remuneration: financial statements audit	14,750	14,000
Depreciation	66,401	78,984
Operating lease rentals:		
- Land and buildings	251,007	222,009
	<u></u>	<u></u>

COMMUNITY LINKS (NORTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2020

5 Trustees

During the year, the Trustees received remuneration totalling £nil (2019 - £nil). Reimbursement of expenses of £385 were paid to Trustees in the year (2019: £346).

6 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Charitable work and provision of supported accommodation	227	200

The average monthly number of people employed during the year expressed as full-time equivalents was:

	2020 Number	2019 Number
Charitable work and provision of supported accommodation	205	227

	2020 £	2019 £
Employment costs		
Salaries	5,511,553	5,376,699
Social Security Costs	491,222	479,212
Other pension costs	227,228	174,294
	<u>6,230,003</u>	<u>6,030,205</u>

Redundancy payments of £Nil (2019 - £1,125) were paid in the year.

The senior management team were TUPE'd to the parent undertaking at the time of the merger and hence their costs are not included in these accounts for that period.

One employee earned in the range of £60,000 to £70,000 (2019: one).

7 Taxation

The charity is exempt from tax on income and gains falling within section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

COMMUNITY LINKS (NORTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2020

8 Tangible fixed assets

	Freehold land and buildings	Housing Properties	Improvement to leased properties	Office Equipment and IT Tangibles	Fixtures and fittings	Total
	£	£	£	£	£	£
Cost						
At 1 April 2019	1,483,561	-	307,639	-	290,376	2,081,576
Reclassification	(204,901)	280,539	(307,639)	107,472	(36,292)	(160,821)
Additions	-	-	-	-	9,534	9,534
At 31 March 2020	1,278,660	280,539	-	107,472	263,618	1,930,289
Depreciation						
At 1 April 2019	268,813	-	194,874	-	270,877	734,564
Reclassification	(35,460)	112,052	(194,874)	102,998	(134,370)	(149,654)
Charged in the year	25,573	3,144	-	1,181	30,501	60,399
At 31 March 2020	258,926	115,196	-	104,179	167,008	645,309
Net book value						
At 31 March 2020	1,019,734	165,343	-	3,293	96,610	1,284,980
At 31 March 2019	1,214,748	-	112,765	-	19,499	1,347,012

Reclassification of fixed assets register was done during the year to provide comprehensive fixed asset register. A Separate category for IT tangibles, IT intangibles and housing properties and office equipment's has been created replacing Improvement to leased properties

COMMUNITY LINKS (NORTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2020

9 Intangible fixed assets

	£
Cost	
At 1 April 2019	-
Reclassification	160,821
Additions	-
Disposals	-
	<hr/>
At 31 March 2020	160,821
	<hr/>
Depreciation	
At 1 April 2019	-
Reclassification	149,654
Charge for the year	6,002
Disposals	-
	<hr/>
At 31 March 2020	155,656
	<hr/>
Net book value	
At 31 March 2020	5,165
	<hr/>
At 31 March 2019	-
	<hr/>

10 Investments

	2020 £	2019 £
Investment in subsidiary:		
Ordinary Shares at cost	2	2
	<hr/>	<hr/>

The company invested in the share capital of Bridging the Gap PD Services Limited in 2013, at a cost of £1 and a further £1 in 2015 to purchase the remaining share from The Retreat York Limited so now hold 100% of the ordinary share capital. The registered office is 3 Limewood Way, Seacroft, Leeds LS14 1AB.

The company provides specialist services to men with personality disorders.

COMMUNITY LINKS (NORTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2020

11 Debtors

	2020 £	2019 £
Rents receivable	31,650	17,175
Trade debtors	1,162,676	689,716
Amounts due from group undertakings	194,437	76,224
Prepayments and accrued income	536,739	249,706
Other Debtors	33,745	-
	<u>1,959,247</u>	<u>1,032,821</u>

Rents receivable is stated after provision for bad debt of £nil (2019: £nil).

12 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	294,852	312,815
Taxation and social security	128,031	149,561
Accruals	503,030	321,195
Deferred Income (Note 12)	867,800	891,478
Amounts due to Group undertakings	45,469	122,298
Other creditors	61,933	-
	<u>1,901,115</u>	<u>1,797,347</u>

COMMUNITY LINKS (NORTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2020

13 Deferred income

Contractual income is deferred when income is invoiced or received in advance of delivery of the associated service. Movements in deferred unrestrictive income during the year are as follows:

	2020 £	2019 £
Brought forward (Note 11)	(891,478)	(1,248,474)
Released during the year	3,798,860	1,078,836
Deferred during the year	(3,775,182)	(721,840)
	<hr/>	<hr/>
Carried forward (Note 11)	(867,800)	(891,478)
	<hr/>	<hr/>

COMMUNITY LINKS (NORTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2020

14 Financial instruments

	2020 £	2019 £
Financial assets measured at amortised cost		
Rents receivable	31,650	17,175
Amounts due from group undertakings	194,437	76,224
Accrued income	384,975	170,783
	<u>611,062</u>	<u>264,182</u>
Financial liabilities measured at amortised cost		
Trade creditors	294,852	312,815
Accruals	503,030	321,195
Amounts due to group undertakings	45,469	122,098
	<u>843,351</u>	<u>756,108</u>

15 Pension

The company participates in the Social Housing Pension Scheme (the Scheme), a multiemployer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme. For financial years ending on or before 28 February 2019, it was not possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

COMMUNITY LINKS (NORTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2020

15 Pension (continued)

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September 2018. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March 2019 to 29 February 2020 inclusive. The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

Similarly, an actuarial valuation of the scheme was carried out as at 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 28 February 2021 inclusive.

	31 March 2020 £ '000	31 March 2019 £'000	31 March 2018 £ '000
Present value of provision	1,203	2,631	1,327

COMMUNITY LINKS (NORTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2020

15 Pension (continued)

Reconciliation of opening and closing provisions

	2020 £ '000	2019 £ '000	2018 £ '000
Provision at start of period	2,631	1,327	1,551
Unwinding of the discount factor (interest expense)	59	55	19
Administration	9	9	-
Deficit contribution paid	(239)	(243)	(226)
Remeasurements – impact of any change in assumptions	(1,257)	561	(17)
Recognition as defined benefit pension scheme	-	923	-
	<u>1,203</u>	<u>2,631</u>	<u>1,327</u>

Income and expenditure impact

	2020 £'000	2019 £'000	2018 £'000
Interest expense	59	55	19
Expenses	9	9	(17)
	<u>68</u>	<u>64</u>	<u>2</u>

Assumptions	2020 % pa	2019 % pa	2018 % pa
Rate of discount	<u>2.35</u>	<u>2.35</u>	<u>1.72</u>

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The liabilities set out in this note have been calculated by an independent actuary based on the most recent full actuarial valuation. The results of the calculations and the assumptions that have been adopted are shown below.

COMMUNITY LINKS (NORTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2020

15 Pension (continued)

Key assumptions

	2020 %
Discount rate	2.35
Inflation (RPI)	2.56
Inflation (CPI)	1.56
Salary growth	2.56

Mortality assumptions

Assumed life expectations on retirement at age 65:

	2020 Years
Retiring today	
Male	21.5
Female	23.3
Retiring in 20 years	
Male	22.9
Female	24.5

Amounts recognised in the income statement:

	2020 £'000
Expenses	9
Net interest on defined benefit liability	59
	68

Amounts taken to other comprehensive income

	2020 £'000
Experience Loss on plan assets	(6)
Experience Loss on plan liabilities	(115)
Effect of changes in demographic assumptions	81
Effect of changes in the financial assumptions	1,297
Total actuarial Gain	1,257

COMMUNITY LINKS (NORTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2020

15 Pension (continued)

The amounts included in the statement of financial position arising from the group's obligations in respect of defined benefit plans are as follows:

	2020 £'000
Present value of defined benefit obligation	8,499
Fair value of plan assets	7,296
	<hr/>
	(1,203)
	<hr/>
Deficit in scheme	

Movements in the present value of defined benefit obligations:

	2020 £'000
Liabilities at 1 April 2019	9,686
Expenses	9
Interest cost	226
Actuarial losses due to scheme experience	115
Actuarial gains due to changes in demographic assumptions	(81)
Actuarial gains due to changes in financial assumptions	(1,297)
Benefits paid	(159)
	<hr/>
At 31 March 2020	8,499

Movements in the fair value of plan assets:

	2020 £'000
Fair value of assets at 1 April 2019	7,055
Interest income	167
Experience on plan assets	(6)
Contributions by the employer	239
Benefits paid	(159)
	<hr/>
At 31 March 2020	7,296

The actual return on plan assets was £161,000

COMMUNITY LINKS (NORTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2020

15 Pension (continued)

The analysis of the scheme assets at the reporting date were as follows:

	2020 £'000
Global equity	1,067
Absolute return	380
Distressed opportunities	141
Credit relative value	200
Alternative risk premia	510
Fund of hedge funds	4
Emerging markets debt	221
Risk sharing	246
Insurance-linked securities	224
Property	161
Infrastructure	543
Private debt	147
Opportunistic illiquid Credit	177
Corporate bond fund	416
Liquid Credit	3
Long lease property	126
Secured income	277
Liability driven investment	2,422
Net current assets	31
	<hr/>
	7,296
	<hr/>

COMMUNITY LINKS (NORTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2020

16 Analysis of movement between funds

	Balance at 1 April 2019 £	Net Income/ expenditure £	Balance at 31 March 2020 £
General funds			
Unrestricted funds	1,006,986	1,848,740	2,855,726
Restricted funds			
Community Fund represented by cash	-	-	-
	<u>1,006,986</u>	<u>1,848,740</u>	<u>2,855,726</u>
	Balance at 1 April 2018 £	Net Income/ expenditure £	Balance at 31 March 2019 £
General funds			
Unrestricted funds	2,207,586	448,752	1,006,986
Restricted funds			
Community Fund represented by cash	2,847	(2,847)	-
	<u>2,210,433</u>	<u>442,001</u>	<u>1,006,986</u>

The Community Fund reserve is a restricted reserve and represents cumulative surplus from activities funded by the Community Fund. The funds can only be used to fund activities for which the lottery monies received were originally granted.

COMMUNITY LINKS (NORTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2020

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2020 are represented by:			
Fixed assets	1,290,147	-	1,290,147
Debtors	1,959,247	-	1,959,247
Cash	2,710,399	-	2,710,399
Creditors	(1,901,115)	-	(1,901,115)
Provisions	(1,202,952)	-	(1,202,952)
	<u>2,855,726</u>	<u>-</u>	<u>2,855,726</u>
	Unrestricted funds £	Restricted funds £	Total Restated £
Fund balances at 31 March 2019 are represented by:			
Fixed assets	1,347,014	-	1,347,014
Debtors	1,032,821	-	1,032,821
Cash	3,055,315	-	3,055,315
Creditors	(1,797,347)	-	(1,797,347)
Provisions	(2,630,817)	-	(2,630,817)
	<u>1,006,986</u>	<u>-</u>	<u>1,006,986</u>

18 Statement of financial activities – comparative note

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
For the year ended 31 March 2019			
Income			
Income from charitable activities	8,492,574	-	8,492,574
Rents receivable	508,957	-	508,957
Office rent, Misc and Oakwood Training Unit	85,324	-	85,324
Gift Aid income from subsidiary	24,936	-	24,936
Bank interest receivable	19,913	-	19,913
Expenditure			
Provision of support and accommodation	8,792,304	2,847	8,795,151
Finance Costs – SHPS	56,000	-	56,000
Pension Liability Remeasurement	1,484,000	-	1,484,000
	<u>(1,200,600)</u>	<u>(2,847)</u>	<u>(1,203,446)</u>
Net Income/(Expenditure)			
Total funds as at 1 April 2018	<u>2,207,586</u>	<u>2,847</u>	<u>2,210,433</u>
Total funds as at 1 April 2019	<u>1,006,987</u>	<u>-</u>	<u>1,006,987</u>

COMMUNITY LINKS (NORTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2020

19 Commitments

Operating Leases

The Company has the following annual commitments under non-cancellable leases as follows:

	2020 £	2019 £
Within one year	51,960	51,661
Within two to five years	161,113	205,588
After more than five years	-	-
	<u>213,073</u>	<u>257,249</u>

20 Related party transactions

Remuneration of key management personnel

Key management personnel are defined as members of the Senior Management Team as noted on the company information page. These personnel are all employed by the parent company Inspire North.

The remuneration of key management personnel is as follows:

	2020 £	2019 £
Basic salary	-	161,458
Pension contributions	-	5,142
Social security costs	-	18,891
	<u>-</u>	<u>185,491</u>

The following transactions occurred between the Charity and other members of the Inspire North Group:

During the period, costs amounting to £1,370,603 were recharged to Community Links from Inspire North and £1,519,140 were charged to Inspire North to Community Links. At the yearend there was an amount of £148,537 owing to Community Links from Inspire North.

Included in other trading activities is an amount in £19,008 in respect of gift aid due from Bridging the Gap Limited. At the yearend there was an amount of £45,900 due from Bridging the Gap to Community Links.

21 Guarantee

The company is limited by guarantee to a maximum liability of £1 per number.

COMMUNITY LINKS (NORTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2020

22 Results of the subsidiary company

The wholly owned trading subsidiary Bridging The Gap PD Services Limited (company number 08372806) is incorporated in England and Wales and has a registered office of 3 Limewood Way, Seacroft, Leeds, LS14 1AB.

The summary financial performance of the subsidiary is:

	2020 £	2019 £
Income	275,482	255,047
Expenditure	(275,482)	(236,967)
Tax	-	-
	<hr/>	<hr/>
Profit for the period	-	18,080
	<hr/>	<hr/>

The net assets of Bridging the Gap PD Services Limited at 31 March 2020 were £33,768 (2019: Assets £52,776).

23 Parent Undertaking and Controlling Party

Inspire North, a company registered in England and Wales, is the immediate and ultimate parent company. This is the parent of the smallest and largest group for which consolidated accounts including Community Links (Northern) Limited are prepared. In the opinion of the directors, there is no single ultimate controlling party. The consolidated accounts of Inspire North can be obtained from the charity's registered office: 3 Limewood Way, Seacroft, Leeds, LS14 1AB.