

Company number: 2661182

Charity number: 1018517

# Community Links Trust Limited

Report and financial statements

For the period ended 31 August 2017

# Community Links Trust Limited

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### For the period ended 31 August 2017

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## Community Links Trust Limited

### Reference and administrative details

For the period ended 31 August 2017

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**Company number** 2661182

**Charity number** 1018517

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

**Trustees** The Trustees, who are also directors under company law, and who served during the period and up to the date of this report, were as follows:

Steve Wyler (Chair from 1 September 2017)  
Michael Smyth CBE QC (Hon) (previous Chair – resigned 31 August 2017)  
Gillian Budd  
Radhika Bynon  
Chris Wright (appointed 3 February 2017)  
Alan Lazarus (Treasurer –appointed 1 June 2017)  
Javid Canteenwala (appointed 1 June 2017)  
Babu Bhattacharjee (appointed 1 November 2017)  
Lucy de Groot CBE (resigned 30 September 2017)  
Althea Baker (resigned 30 November 2017)  
Peter Kane (Vice–Chair resigned 30 November 2017)  
Maria King (resigned 30 November 2017)  
Fiona Riley (resigned 30 November 2017)  
Lianne Smith (resigned 30 November 2017)  
David Tomlinson (resigned 30 November 2017)  
David Walter (resigned 23 March 2017)

**Company Secretary** Arvinda Gohil

**Principal Staff** Arvinda Gohil (Chief Executive)  
Venu Dhupa (Director of Action and Advocacy)  
Tom Lewis–Reynier (Director of Income Generation and Partnerships)

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

**Community Links Trust Limited**

**Reference and administrative details**

**For the period ended 31 August 2017**

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**Auditors**      Kingston Smith LLP  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD



The Trustees present their report and the audited financial statements for the period ended 31 August 2017.

Reference and administrative details set out on pages 1 and 2 form part of this report. The financial statements comply with current statutory requirements, the Memorandum of Association and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2015).

## **Structure, governance and management**

The organisation is a charitable company limited by guarantee, incorporated on 7 November 1991 and registered as a Charity on 12 March 1993. The company was established under a memorandum, which established the objects and powers of the charitable company, and is governed under its Articles of Association. On 3 February 2017, Catch22 Charity Limited became the sole member of Community Links, and Chris Wright, Chief Executive of Catch22, joined the Community Links Board of Trustees.

Community Links extended its financial period to end 31 August 2017, to align it with Catch22. The calendar year 2017 was a transitional year for Community Links, and a root and branch review of its functions was carried out, in order to create a stronger financial and operational footing to secure the Charity's future. Through becoming part of the Catch22 group, it allows Community Links to access a range of central support services and a strategic framework to operate within which allows us to remain close to our community roots.

The principal objects of the charitable company, as set out in its memorandum of association, are to:

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

## **Board of Trustees**

Appointments to the Board are recommended by the Board of Trustees in the first instance and approved by the Catch22 Board. The Board endeavours to ensure that its membership covers the range of experience and skills that are required and that the backgrounds of the members of the Board reflect a balance that is appropriate to Community Links' mission, activities and location. Before any appointment to the Board, the Trustees undertake a review of their own skills and expertise, and a role description is drawn up to fill any gaps. Roles are advertised openly and upon appointment, a full induction is provided. Regular visits to projects are arranged for all Trustees and external training and networking opportunities are also available.

During 2017, the Charity undertook a full review of its governance and recruited three new Trustees to replace those that retired through long service. The new trustees include the appointment of Alan Lazarus as Treasurer, Javid Canteenwala and Babu Bhattacharjee. In addition, we are currently recruiting two more trustees to balance the existing strengths and skill on the Board and to ensure we remain a diverse Board that brings local and national experience and expertise. All Trustees give their time voluntarily and receive no benefits from the Charity. Any expenses reclaimed from the Charity are set out in the notes to the accounts.

The Board currently has one committee and a subsidiary Board for the Trading Company. The Resources Committee is chaired by Alan Lazarus (Treasurer). The Board of Community Links Trading Limited, the Charity's trading subsidiary, is chaired by Gillian Budd (Trustee).

Day-to-day management of the Charity is delegated to full-time employees who operate within defined terms of reference and authority. The Charity is organised into two departments, with a Director for each department. The two Directors and the Chief Executive form the Senior Management Team. The departments are:

- Action and Advocacy (including service delivery, programmes and policy); and
- Income Generation and Partnerships (including Trading).

The Resources Committee recommend to the Board the salary of the Chief Executive and approve the banding for senior management personnel salaries and remuneration. This is based on regular benchmarking with similar organisations in the sector. The Resources Committee approves cost of living increases for all staff, in line with the annual budget.

Performance against strategic and financial targets is monitored through a monthly performance dashboard, which is reviewed by Trustees and SMT, and shared with all managers.

## **Investments**

Community Links Trust Limited has one wholly-owned subsidiary company, Community Links Trading Limited. This subsidiary company carries out trading activities in order to generate funds which are then gift-aided to Community Links Trust Limited.

Community Links Trust Limited holds 5,000 ordinary £1 shares in Allia Ltd, which were purchased on 3 September 2009. Allia Ltd is a community benefit society registered with the Financial Conduct Authority. The investment was made in order to allow the charitable company to access fundraising support provided by that company.

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

## **Achievements and performance in the delivery of public benefit**

The Charity's main activities are described below.

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

- the prevention or relief of poverty: the Charity's activities address both the causes and consequences of poverty. The Charity's advice work enables individuals in need to secure their rights to welfare and legal support, housing and to deal with debt. Its employment work supports those who are furthest from the labour market to secure and maintain employment. Its health and well-being programmes take an Early Action approach in encouraging action in mental health management and early screening for cancer;
- national research and policy work addresses the need to design better policy that prevents people from being trapped in poverty;
- the advancement of citizenship or community development: through its community hubs, the Charity encourages participation in civic life and in wider civil society;
- the relief of those in need because of youth, age, ill-health, disability, financial hardship or other disadvantage: the Charity provides legal advice, information and practical support to those who are in need;
- the advancement of health or the saving of lives: the Charity delivers a wide range of community-based health activities that encourage healthy lifestyles, alongside a focused prevention programme that encourages higher take-up of cancer screening services in the most 'at risk' communities; and

- support for those furthest away from the employment market to raise skills, confidence and aspirations.

Trading activities that do not produce a clear public benefit are conducted by the Charity's subsidiary company.

## **Strategic Report: Activities and Achievements 2016-17**

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

The Trustees review the aims, objectives and activities of the Charity each year. This report looks at what the Charity has achieved and the outcomes of its work within the last 17 months to August 2017. The Trustees report the success of each key activity and the benefits which the Charity has brought to those groups of people that it is set up to help. The review also helps the Trustees ensure the Charity's aims, objectives and activities remained focused on its stated purposes.

During the period of this report, Community Links faced a challenging operating environment and took the decision to review its future options through a thorough review of all programmes, projects and activities from a financial as well as an impact perspective. In November 2016, having considered various options, the Chief Executive and Board came to the decision to look for a partner in order to secure the organisation's future activities. In December 2016, the Board agreed to join the Catch22 Group. Community Links Trust became a wholly-owned subsidiary of Catch22 on 31 January 2017.

Having found a safe harbour for our activities, the Charity was able to re-engineer its operations in order to focus on key activities which were capable of meeting our charitable aims, were financially sustainable, and offered potential for growth, and bring to an orderly end those activities which were at the end of their funding period or not financially sustainable. We are very grateful to long-standing funding partners who assisted us with restructuring and transitional costs. .

Despite the difficult transition period, which included a substantial reduction in staff, loss of long-term employees and recruitment of a new senior team, we were nevertheless able to continue to deliver services at scale. These include:

- Number of people attending advice services: 3,623
- Number of people attending employment programmes: 393
- Number of people attaining qualifications: 67

- Number of people moving into employment: 204
- Number of people participating in Community Hubs: 786

As a result of the changes we have made, the Charity is now in a strong position to grow and has already begun to achieve this, through the expansion of our cancer screening programmes. Having recovered and refreshed ourselves from a challenging period, we concluded the calendar year 2017 by marking our 40<sup>th</sup> Anniversary with a public event, to celebrate our past and recent successes, as well as launching our new forward-looking strategy.

## **Volunteers**

During 2016–17, the Charity was supported by 1,018 volunteers. The Charity's volunteers come from four different sources: local people who want to help to deliver a service, young people who become mentors and role models for peers, corporate employees involved in volunteering days, and people with specialist skills providing expert support on a pro bono basis. The volunteers deliver a range of support to the Charity and its beneficiaries. In return, the Charity offers volunteers opportunities for personal growth and the development of new skills, enabling them to make a meaningful difference to both the Charity's ambitions and to their own future.

Securing the commitment of volunteers and pro-bono support is considered a highly important element for building the Charity's capacity. To maximise volunteer and pro-bono input and enhance the experience of individuals giving their time and skills, the charity is developing a new volunteering programme. The programme will include induction, recognition and alumni contact, designed to ensure that volunteers play a key role in delivery of the work, whilst being given the opportunity for personal growth and recognition. We are very grateful to all our volunteers for their contribution.

## **Employees**

The Charity is an accredited Investor in People. This award is based on a full assessment every three years on how we communicate with, engage, support and develop our people. The Charity is a London Living Wage employer.

The Charity's policies give full and fair consideration of applications for employment made by disabled persons, having regard to their particular aptitude and abilities. The policies also include the training, career development and promotion of disabled persons and the ongoing employment and training of employees who become disabled persons while employed.

**Trustees' annual report**

**For the period ended 31 August 2017**

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The Charity has an effective system to provide staff with the information they need and to consult them on decisions that affect their interests. This includes: annual team away days, annual appraisals, monthly team meetings, regular managers and senior management team meetings, line managers providing monthly review meetings, and communication via email as and when required.

## **Fundraising**

The Income Generation and Partnerships Team raises voluntary income from a range of funders, including companies, charitable trusts, foundations, and individuals. The strength of the Charity's relationships with its supporters is key to raising funds in a more competitive fundraising climate.

The Charity's income comes from a number of sources, including independent fundraising activities, public sector contracts, and income earned through the Trading Company. The Charity does not engage in any form of direct marketing to members of the public.

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

During the period, the Charity also benefited from expert support on a pro bono basis from eight companies, and received significant gifts in kind from three companies.

## **Financial review**

The financial and operational context in which the Charity operates remains very demanding. The last period has been particularly challenging, as we faced financial difficulties. With support from long-term funders who provided transition funding, we were able to negotiate a partnership with Catch22. This required a substantial amount of change management, including reducing staffing and right-sizing the organisation, in order to create strength and resilience for the future.

The Trustees have reviewed the Charity's position on a regular basis throughout the period and have put in place a range of mechanisms to control expenditure, to increase income, and in particular to reduce uncertainty and manage risk. Support from Catch22 has assisted greatly in this.

## **Income**

Total income for the 17 month period to 31 August 2017 was £5.47m, compared with £3.93m for the 12 months to 31 March 2016. Total income for the period included Transition Funding of £0.75m (previous year £nil), to support the transition of the Charity into the Catch22 group as a sustainable organisation.

Donations and legacies made up 24% of income for the 17 months (excluding transition funding), compared to 19% for the previous year.

A greater proportion of income from charitable activities came from advice and health services in the 17 month period, although youth and employability services continued to contribute the greatest proportion of income.

## **Expenditure**

Total expenditure for the 17 month period to 31 August 2017 was £5.56m compared with £4.78m for the year to 31 March 2016. Included within these costs is an exceptional loss on the disposal of fixed assets amounting to £0.55m (previous year £nil), which related to assets used in Arc in the Park and Outdoors in the City, which were closed during the period as part of the reorganisation of the Charity.

## **Support costs**

Most of our support services are now provided by Catch22, some on a pro bono basis, allowing us to leverage the economies of scale that are realised through this arrangement.

## **Reserves**

The Resources Committee, on behalf of the Board of Trustees, conducts an annual review of the level of unrestricted reserves in the general fund, by considering risks associated with the various income streams, expenditure plans and balance sheet items. The Trustees' target is to build unrestricted reserves to cover income risks (a minimum target of 25% of budgeted unrestricted expenditure) and also to build two designated funds: i) a sinking fund to maintain the Charity's main base, and ii) a fund to support the future development of the charity.

In considering the target for reserves, the Trustees exclude the value of the restricted funds, which are not available for general expenditure, and those that are tied up in fixed assets used in the delivery of the Charity's objectives. The Charity's minimum target level of reserves is £0.53m, calculated as 25% of annual budgeted unrestricted expenditure.

At 31 August 2017 the Charity's total reserves amounted to £2.47m (31 March 2016: £2.57m) of which £0.80m was restricted (31 March 2016: £1.32m) and £1.67m was unrestricted (31 March 2016: £1.25m), including £0.36m (31 March 2016: £0.15m) of Designated Reserves (to complete the transition of the charity) and a Revaluation Reserve at both balance sheet dates of £0.9m. Therefore of the unrestricted amount £0.41m (31 March 2016: £0.19m) is deemed to be free



reserves, this is £0.12m short of the minimum target. Now that the Charity is securely part of the Catch22 group, the Trustees are confident that the minimum target level of free reserves will be achieved by 31 August 2018 and, following the receipt of some unrestricted donations in 2017–18, that they can also begin to build the designated funds around property maintenance and future development.

A combination of the reserves policy and the fundraising strategy aimed at securing longer-term funding provides the trustees with sufficient comfort, notwithstanding the need to be constantly aware of the challenging operation context.

## **Risk management**

The Charity has a risk register in place, with clear mitigations, and the register is monitored by the Resources Committee.

The highest risk facing the charity is the building at its main base. The condition of the building and the lack of regular and planned maintenance over the years, means that it now requires capital to carry out major works. The charity is building a sinking fund, and intends to carry out additional fundraising, to assist with the large-scale programme of works.

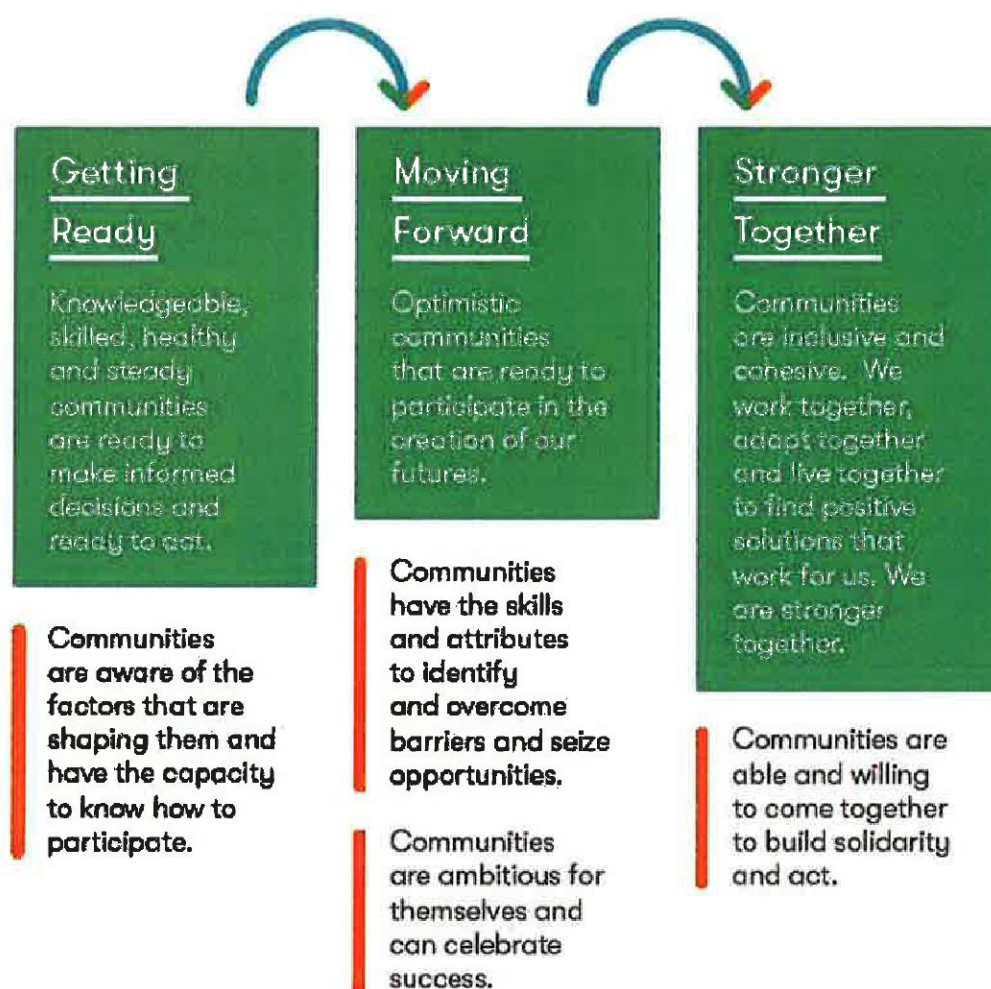
## **Plans for the future**

The Charity's revised vision, adopted in September 2017, is one of 'Ready for Everything Communities': groups of people who support each other to overcome problems, prevent them from occurring again and help each other to thrive and achieve goals.

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

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





The Charity's approach, as illustrated above, is characterised by designing a model for communities that we will use to deliver our services and programmes, to work with our neighbours, and to measure our impact. Our key aims for the current year include:

- Continue to deliver advice and advocacy services through our open door approach;
- Continue to deliver and grow the early cancer screening programs;
- Deliver health awareness programmes, including mental health;
- Deliver skills and employment programmes;
- Build a digital and on-line resource to maximize opportunities for communities;
- Redevelop our main base at 105 Barking Road;
- Develop strong partnerships with Local Authorities in the areas where we work; and
- Actively engage with the media, offering a voice for communities on local issues.

We will also take the learning from our approach and our delivery programmes, and share this nationally through our work on Early Action; promoting readiness and preventing future need

## **Statement of responsibilities of the Trustees**

The Trustees (who are also Directors of Community Links, for the purposes of company law) are responsible for preparing the Report of the Trustees, including the Strategic Report and the financial statements, in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the charitable company and group, and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies, and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy, at any time, the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

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

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

We have audited the financial statements of Community Links Trust Limited for the period ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the cashflow statement 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 FRS102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

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 and trustees those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective Responsibilities of Trustees and Auditors**

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditor (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Community Links Trust Limited**

**Notes to the financial statements**

**For the period ended 31 August 2017**

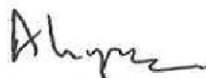
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Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up. The total number of such guarantees at 31 August 2017 was 1 (31 March 2016 – 14). Catch 22 is the sole Member of the Charity. The Trustees have no beneficial interest in the Charity.

Signature on behalf of the Board of Trustees on *23 March* 2018.



Steve Wyler (Chair)



Alan Lazarus (Treasurer)

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

## Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of the Charitable company's incoming resources and application of resources, including its income and expenditure, for the period then ended; and
- 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.

## Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Trustees annual report has been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

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

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

- the 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 charitable company's 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

*N. Finlayson*

**Neil Finlayson (Senior Statutory Auditor)**

**for and on behalf of Kingston Smith LLP, Statutory Auditors**

Date: 29/3/2018

Devonshire House  
60 Goswell Road  
London EC1M 7AD

Community Links Trust Limited

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

For the period ended 31 August 2017

				17 Months to August 2017	12 Months to March 2016
	Note	Restricted £	Unrestricted £	Total £	Total £
<b>Income from:</b>					
Donations and legacies	3	233,479	875,114	1,108,593	745,472
Charitable activities					
Advice and Health	4	591,197	724,962	1,316,159	629,106
Youth and Employability	4	1,612,587	242,532	1,855,119	2,205,722
Policy and Learning	4	354,775	-	354,775	216,518
Transition funding	4	-	750,000	750,000	-
Other trading activities	5	-	80,707	80,707	131,970
Investments	6	-	1,701	1,701	1,580
<b>Total income</b>		<b>2,792,038</b>	<b>2,675,016</b>	<b>5,467,054</b>	<b>3,930,368</b>
<b>Expenditure on:</b>					
Raising funds	7	-	549,144	549,144	417,342
Charitable activities					
Advice and Health	7	532,034	594,801	1,126,835	630,357
Youth and Employability	7	1,914,869	612,727	2,527,596	3,470,615
Policy and Learning	7	354,775	13,414	368,189	262,701
Transition Costs	7	-	443,628	443,628	-
Loss on disposal of fixed assets		548,595	-	548,595	-
<b>Total expenditure</b>		<b>3,350,273</b>	<b>2,213,714</b>	<b>5,563,987</b>	<b>4,781,015</b>
<b>Net income / (expenditure) before net gains / (losses) on investments</b>		<b>(558,235)</b>	<b>461,302</b>	<b>(96,933)</b>	<b>(850,647)</b>
Net gains / (losses) on investments	13	-	-	-	(596)
<b>Net income / (expenditure) for the year</b>	<b>8</b>	<b>(558,235)</b>	<b>461,302</b>	<b>(96,933)</b>	<b>(851,243)</b>
Transfers between funds		-	-	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>(558,235)</b>	<b>461,302</b>	<b>(96,933)</b>	<b>(851,243)</b>
Actuarial gains / (losses) on defined benefit pension schemes		-	-	-	42,995
<b>Net movement in funds</b>	<b>19</b>	<b>(558,235)</b>	<b>461,302</b>	<b>(96,933)</b>	<b>(808,248)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		1,359,862	1,209,456	2,569,318	3,377,566
<b>Total funds carried forward</b>		<b>801,627</b>	<b>1,670,758</b>	<b>2,472,385</b>	<b>2,569,318</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 19 to the financial statements.

# Community Links Trust Limited

## Balance sheet

Company no. 2661182

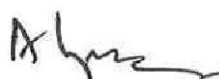
**As at 31 August 2017**

	Note	31 August 2017 £	31 March 2016 £
<b>Fixed assets:</b>			
Tangible assets	12	1,424,332	2,058,540
Investments	13	10,548	10,548
		<b>1,434,880</b>	2,069,088
<b>Current assets:</b>			
Debtors	15	1,310,972	394,244
Cash at bank and in hand	16	7,881	667,103
		<b>1,318,853</b>	1,061,347
<b>Liabilities:</b>			
Creditors: amounts falling due within one year	17	(281,348)	(561,117)
<b>Net current assets</b>		<b>1,037,505</b>	500,230
<b>Total net assets</b>	19	<b>2,472,385</b>	2,569,318
<b>Funds:</b>	19		
Restricted income funds		801,627	1,359,862
Unrestricted income funds:			
Designated funds		361,722	89,310
Revaluation reserve		900,000	900,000
General funds		409,036	220,146
Total unrestricted funds		<b>1,670,758</b>	1,209,456
<b>Total funds</b>		<b>2,472,385</b>	2,569,318

Approved by the trustees on *23 March 2018* and signed on their behalf by



Stephen Wyler  
Chairman



Alan Lazarus  
Treasurer



Community Links Trust Limited

Consolidated statement of cash flows

For the period ended 31 August 2017

	Note	For the 17 months to 31 August 2017 £	For the 12 months to 31 March 2016 £
<b>Cash flows from operating activities</b>			
<b>Net cash provided by / (used in) operating activities</b>	20	(627,065)	(561,344)
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		(1,701)	(1,580)
Proceeds from the sale of fixed assets		—	—
Purchase of fixed assets		(30,456)	(9,368)
Proceeds from sale of investments		—	213
<b>Net cash provided by / (used in) investing activities</b>		(32,157)	(10,735)
<b>Change in cash and cash equivalents in the year</b>		(659,222)	(572,079)
Cash and cash equivalents at the beginning of the year		667,103	1,239,182
<b>Cash and cash equivalents at the end of the year</b>	21	<u>7,881</u>	<u>667,103</u>



**1 Accounting policies**

**a) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (August 2014) and the Companies Act 2006.

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

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

**b) Public benefit entity**

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

**c) Going concern**

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. During the year the charitable company restructured its costs base and became part of the Catch22 group. At 31 August 2017 net current assets were over £1m and the charitable company expects to make annual surpluses moving forward.

The only significant judgement made was the assessment of the profitability and the value of work in progress on our work programme sub-contract.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**d) Income**

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

Trading income generated from events and activities is recognised when the events and activities are held. Trading income generated from the provision of horticultural and landscaping services is recognised when such work has been carried out. Income is recognised net of value added tax.

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

**e) Donations of gifts, services and facilities**

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

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**f) Interest receivable**

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

**g) Fund accounting**

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

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

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

**1 Accounting policies (continued)**

**h) Expenditure and irrecoverable VAT**

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

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of Advice and Health, Youth and Employability and Policy and Learning undertaken to further the purposes of the charity and their associated support costs

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

**i) Allocation of support costs**

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

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

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

• Raising Funds	7%
• Advice and Health	15%
• Youth and Employability	36%
• Policy and Learning	5%
• Support costs	16%
• Governance costs	4%

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

• Raising Funds	10%
• Advice and Health	20%
• Youth and Employability	45%
• Policy and Learning	7%

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

**j) Operating leases**

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

**k) Tangible fixed assets**

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

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

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

• Long leasehold	held at revaluation
• Leasehold improvements	2 to 50% per annum
• Motor vehicles	25% per annum
• Computers, fixtures and fittings	25% per annum

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**1 Accounting policies (continued)**

**l) Listed Investments**

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

**Investments in subsidiaries**

Investments in subsidiaries are at cost or written down value if lower.

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

**m) Debtors**

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

**n) Cash at bank and in hand**

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

**o) Creditors and provisions**

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

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**p) Pensions**

The charitable company made pension contributions to the London Borough of Newham Pension Fund ("LBNPF") on behalf of former local authority employees. The LBNPF operates within the Local Government Pension Scheme ("LGPS") which is a defined benefit pension scheme, and is able to identify the charitable group's share of the assets and liabilities. The requirements of FRS102 have been followed. The charitable group's share of LBNPF's assets is measured at fair value at each balance sheet date. The charitable group's share of LBNPF's liabilities is measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the consolidated balance sheet. Any movement in the asset or liability between balance sheet dates is recognised in the consolidated statement of financial activities. The liability associated with the LBNPF is presented within unrestricted funds in order to align the presentation with all income and expenditure relating to the employees who are members of the LBNPF. Following the retirement of the last remaining member of the scheme, the pension liabilities have crystallised. However LBN's Actuary has advised that there is no longer any liability in respect of the scheme. This has been confirmed by LBN.

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

**q) Long-term contracts**

The charity undertakes long-term contracts for the provision of charitable services according to the payment-by-results model introduced by the Government. Contract revenue is recognised when contract outcomes are known with reasonable certainty, the income recognised being the fees due to completion plus a reasonable apportionment of the estimated contract surplus. Contract profitability is assessed monthly to determine whether any adjustments are required to the estimated contract surplus.

Community Links Trust Limited

Notes to the financial statements

For the period ended 31 August 2017

2 Detailed comparatives for the statement of financial activities

	12 months to 31 March 2016			Total £
	Restricted £	Designated £	Unrestricted General £	
<b>Income from:</b>				
Donations and legacies	94,332	–	651,140	745,472
Charitable activities				
Advice and Health	257,573	–	371,533	629,106
Youth and Employability	1,004,216	–	1,201,506	2,205,722
Policy and Learning	211,292	–	5,226	216,518
Other trading activities	–	–	131,970	131,970
Investments	–	–	1,580	1,580
<b>Total Income</b>	<b>1,567,413</b>	<b>–</b>	<b>2,362,955</b>	<b>3,930,368</b>
<b>Expenditure on:</b>				
Raising funds	1,079	64,949	351,314	417,342
Charitable activities				
Advice and Health	157,971	–	472,386	630,357
Youth and Employability	1,190,036	–	2,280,579	3,470,615
Policy and Learning	262,701	–	–	262,701
Trading Activities	–	–	–	–
<b>Total expenditure</b>	<b>1,611,787</b>	<b>64,949</b>	<b>3,104,279</b>	<b>4,781,015</b>
<b>Net Income / expenditure before gains / (losses) on investments</b>	<b>(44,374)</b>	<b>(64,949)</b>	<b>(741,324)</b>	<b>(850,647)</b>
Net gains / (losses) on investments	–	–	(596)	(596)
<b>Net Income / expenditure</b>	<b>(44,374)</b>	<b>(64,949)</b>	<b>(741,920)</b>	<b>(851,243)</b>
Transfers between funds	(206,638)	–	206,638	–
<b>Net Income / (expenditure) before other recognised gains and losses</b>	<b>(251,012)</b>	<b>(64,949)</b>	<b>(535,282)</b>	<b>(851,243)</b>
Actuarial gains / (losses) on defined benefit pension schemes	–	–	42,995	42,995
<b>Net movement in funds</b>	<b>(251,012)</b>	<b>(64,949)</b>	<b>(492,287)</b>	<b>(808,248)</b>
<b>Total funds brought forward</b>	<b>1,610,874</b>	<b>1,054,259</b>	<b>712,433</b>	<b>3,377,566</b>
Total funds carried forward	1,359,862	989,310	220,146	2,569,318

**Community Links Trust Limited**

**Notes to the financial statements**

**For the period ended 31 August 2017**

**3 Income from donations and legacies**

			<b>17 months to 31 August 2017 Total £</b>	<b>12 months 31 March 2016 Total £</b>
	Restricted £	Unrestricted £		
Gifts	233,479	875,114	<b>1,108,593</b>	737,325
Donated services	–	–	–	8,147
	<b>233,479</b>	<b>875,114</b>	<b>1,108,593</b>	<b>745,472</b>

**4 Income from charitable activities**

			<b>17 months to 31 August 2017 Total £</b>	<b>12 months 31 March 2016 Total £</b>
	Restricted £	Unrestricted £		
Legal Aid Agency	–	13,188	<b>13,188</b>	2,763
NHS Camden CCG	–	–	–	9,791
NHS England	–	200,181	<b>200,181</b>	168,173
NHS Newham CCG	–	72,550	<b>72,550</b>	46,231
NHS Waltham Forest CCG	–	–	–	32,200
NHS Shared Business Services	–	18,732	<b>18,732</b>	–
Department for Health	217,302	–	<b>217,302</b>	–
Other	373,895	420,311	<b>794,206</b>	369,948
Sub-total for Advice and Health	<b>591,197</b>	<b>724,962</b>	<b>1,316,159</b>	<b>629,106</b>
BIG Lottery Fund	1,151,551	–	<b>1,151,551</b>	48,000
London Borough of Newham	63,658	–	<b>63,658</b>	167,947
Department for Work & Pensions	–	–	–	51,434
Skills Funding Agency	–	–	–	612,700
Other	397,378	242,532	<b>639,910</b>	1,325,641
Sub-total for Youth and Employability	<b>1,612,587</b>	<b>242,532</b>	<b>1,855,119</b>	<b>2,205,722</b>
South Lanarkshire Council	–	–	–	112
BIG Lottery Fund	201,550	–	<b>201,550</b>	–
Other	153,225	–	<b>153,225</b>	216,406
Sub-total for Policy and Learning	<b>354,775</b>	<b>–</b>	<b>354,775</b>	<b>216,518</b>
BIG Lottery Fund	–	350,000	<b>350,000</b>	–
Woodroffe Benton Foundation	–	200,000	<b>200,000</b>	–
City Bridge Trust	–	50,000	<b>50,000</b>	–
Esmee Fairbairn	–	150,000	<b>150,000</b>	–
Sub-total for Transition Funding	<b>–</b>	<b>750,000</b>	<b>750,000</b>	<b>–</b>
Total income from charitable activities	<b>2,558,559</b>	<b>1,717,494</b>	<b>4,276,053</b>	<b>3,051,346</b>

Community Links Trust Limited

Notes to the financial statements

For the period ended 31 August 2017

**5 Income from other trading activities**

	Unrestricted £	2017 Total £	2016 Total £
Outdoors in the City		–	2,259
Other income	80,707	<b>80,707</b>	129,711
	<u>80,707</u>	<u><b>80,707</b></u>	<u>131,970</u>

**6 Income from Investments**

	Unrestricted £	2017 Total £	2016 Total £
Dividends	43	<b>43</b>	138
Interest	1,658	<b>1,658</b>	1,442
	<u>1,701</u>	<u><b>1,701</b></u>	<u>1,580</u>

Community Links Trust Limited

Notes to the financial statements

For the period ended 31 August 2017

7 Analysis of expenditure

		Charitable activities								
	Cost of raising funds £	Loss on disposal of fixed	Transition costs	Advice and Health £	Youth and Employability £	Policy and Learning £	Governance costs £	Support costs £	2017 Total £	2016 Total £
Staff costs (Note 9)	207,790	-	244,762	755,594	1,115,334	244,318	148,276	143,013	2,859,087	2,699,150
Other staff costs	72,930	-	9,500	12,781	33,553	-	11,100	161,752	301,616	130,132
Direct project costs	43,254	-	-	50,889	777,176	7,302	14,412	13,798	906,831	1,345,188
Travel and subsistence	3,125	-	-	2,767	24,373	1,476	924	400	33,065	14,082
Rent and rates	6,623	-	-	-	844	-	-	15,973	23,440	28,985
Legal and professional	20,430	-	10,533	10,000	16,361	24,400	960	11,308	93,992	32,340
Office costs	10,076	-	178,833	9,074	31,716	2,851	5,066	399,132	636,748	372,851
Postage and stationery	2,683	-	-	1,277	2,557	3,199	-	14,628	24,344	24,055
Audit and accountancy	-	-	-	-	-	-	20,200	-	20,200	26,650
Depreciation	5,547	-	-	1,562	1,877	-	-	107,083	116,069	107,582
Loss on disposal of fixed assets	-	548,595	-	-	-	-	-	-	548,595	-
	372,458	548,595	443,628	843,944	2,003,791	283,546	200,938	867,087	5,563,987	4,781,015
Support costs	142,728	-	-	228,522	424,571	68,375	2,891	(867,087)	-	-
Governance costs	33,958	-	-	54,369	99,234	16,268	(203,829)	-	-	-
<b>Total expenditure 17 months to 31 August 2017</b>	<b>549,144</b>	<b>548,595</b>	<b>443,628</b>	<b>1,126,835</b>	<b>2,527,596</b>	<b>368,189</b>	<b>-</b>	<b>-</b>	<b>5,563,987</b>	<b>4,781,015</b>
Total expenditure 12 months to 31 March 2016	417,342	-	-	630,357	3,470,615	262,701	-	-	4,781,015	-

Included in transition costs are loss on disposal of fixed assets of £548,595. These relate to fixed assets used in Arc in the Park and Outdoors in the City. A decision was made to end both of these activities in the year. The Arc in the Park assets were transferred to another organisation (AAA) and the Outdoors in the City assets were transferred back to the London Borough of Newham.

**Community Links Trust Limited**

**Notes to the financial statements**

**For the period ended 31 August 2017**

**8 Expenditure for the year**

This is stated after charging / (crediting):

	<b>17 months 31 August 2017 £</b>	<b>12 months to 31 March 2016 £</b>
Depreciation	<b>116,069</b>	107,582
Loss on disposal of fixed assets (see note 7)	<b>548,595</b>	–
Interest payable	<b>3,752</b>	7,613
Operating lease rentals:		
Property	<b>12,806</b>	17,963
Other	<b>3,025</b>	547
Auditors' remuneration (excluding VAT):		
Audit	<b>20,200</b>	26,650

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

Staff costs were as follows:

	<b>17 months 31 August 2017 £</b>	<b>12 months to 31 March 2016 £</b>
Salaries and wages	<b>2,542,014</b>	2,378,317
Redundancy and termination costs	<b>273,131</b>	49,146
Social security costs	<b>37,584</b>	234,649
Employer's contribution to defined contribution pension schemes	<b>6,358</b>	37,038
	<b>2,859,087</b>	2,699,150
Redundancy costs	<b>167,772</b>	49,146
	<b>3,026,859</b>	2,748,296

One employee, the CEO, received employee benefits (excluding employer pension costs) during the year between:

	<b>2017 No.</b>	<b>2016 No.</b>
£60,000 – £69,999	<b>1</b>	<b>1</b>

The total employee benefits including pension contributions of the key management personnel were £306,314 for the 17 months to 31 August 2017 (12 months to 31 March 2016: £278,661). Pension costs for the CEO were £550 (2016: £2,033).

The charity trustees were not paid or received any other benefits from employment with the charity in the period (2016: £nil). No charity trustee received payment for professional or other services supplied to the charity (2016: £nil).

No trustee expenses have been incurred in the period (2016–£nil).

Aggregate donations from Trustees were £37,250 (2016–£37,000).



**10 Staff numbers**

The average number of employees (head count based on number of staff employed) during the period was as follows:

2017 No.	2016 No.
<b>109.0</b>	152.2

**11 Related party transactions**

During the year, Community Links Trust transferred cash of £943k (2016: £nil) to Catch22 Charity Limited, its parent charity, net of services provided by Catch22 Charity Limited of £41,354 and payments made on behalf of Community Links Trust. At 31 August 2017, £943,298 (2016: £nil) was owed from Catch22 Charity Limited.

During the year, the charity had transactions of £102,390 relating to salaries recharged to Community Links Trading Limited, its wholly owned subsidiary. It also received a donation of £137,155 from Community Links Trading. At 31 August 2017, £176,367 (2016: £20,865) was owed from Community Links Trading Limited.

**12 Tangible fixed assets**

	Leasehold improvements £	Computer equipment, fixtures & fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2016	2,591,558	706,251	63,696	<b>3,361,505</b>
Additions in year	-	25,454	5,002	<b>30,456</b>
Disposals in year	(883,240)	(2,031)	-	<b>(885,271)</b>
At 31 August 2017	<b>1,708,318</b>	<b>729,674</b>	<b>68,698</b>	<b>2,506,690</b>
<b>Depreciation</b>				
At 1 April 2016	577,087	682,333	43,545	<b>1,302,965</b>
Charge for the year	79,305	21,510	15,254	<b>116,069</b>
Eliminated on disposal	(334,645)	(2,031)	-	<b>(336,676)</b>
At 31 August 2017	<b>321,747</b>	<b>701,812</b>	<b>58,799</b>	<b>1,082,358</b>
<b>Net book value</b>				
<b>At 31 August 2017</b>	<b>1,386,571</b>	<b>27,862</b>	<b>9,899</b>	<b>1,424,332</b>
At 31 March 2016	2,014,471	23,918	20,151	2,058,540

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

# Community Links Trust Limited

## Notes to the financial statements

For the period ended 31 August 2017

### 13 Investments

	31 August 2017 £	31 March 2016 £
Fair value at the start of the year	10,548	11,144
Net gain / (loss) on change in fair value	–	(596)
Fair value at the end of the year	10,548	10,548
Historic cost at the end of the year	12,295	12,295
Investments comprise:		
	31 August 2017 £	31 March 2016 £
Listed investments	5,547	5,547
Unlisted investments	5,001	5,001
	10,548	10,548
Investments representing over 5% by value of the portfolio comprise:		
	2017 No	2017 £
Royal Bank of Scotland £1 Ordinary	1,000	2,218
The Co-operative Bank PLC £1.00 9.25% Non-Cumulative Irredeemable Preference	1,000	1,278
Ecclesiastical Insurance Office PLC £1.00 8.625% Non-Cumulative Irredeemable Preference Shares	2,000	1,355
The Mersey Docks and Harbour Company £1.00 3.625% Irredeemable Debenture Stock	1,000	650
Millwall Holdings PLC £10 Ordinary	26	46
		5,547

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

#### Historypin Community Interest Company (formerly Shift Design Community Interest Company)

The charity owns 21,300 class 'A' £0.01 shares in the company. These shares entitle the charity to appoint one Director to the Board of Directors. These shares represented 19.99% of the allotted, called-up and fully-paid share capital at 31 March 2015.

The company promotes the "We are what we do" movement which believes that ordinary people can change the world by changing the way they act. The company finances its activities through the sale of books and products.

The charity has provided for 100% of the cost of its investment in the company.

The shares are valued at £nil (2016: £nil).

#### Allia Ltd

The charity purchased 5,000 ordinary £1 shares in the company on 3 September 2009. The shares represented 3.42% of the issued share capital of the company at 31 August 2012 based on information contained in the statutory accounts for the period ended 31 August 2012. Allia Ltd is a community benefit society registered with the Financial Conduct Authority. Allia Ltd's business is to undertake research and practical initiatives into the relief of poverty within the United Kingdom, particularly by using social investment schemes. The investment was made in order to enable the charity to access fundraising support. The charity may request that the shares are redeemed in full at 6 months' notice. The shares are valued at the cost of the investment.

#### Community Links Trading Limited

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

The company generated operating profits of £137,142 (2016: £31,837) during the period. £137,155 was gift aided to the charity.

## Community Links Trust Limited

### Notes to the financial statements

For the period ended 31 August 2017

#### 14 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of Community Links Trading Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	Period ended 31 August 2017 £	Year ended 31 March 2016 £
Turnover	1,072,091	682,693
Cost of sales	(912,422)	(619,042)
Gross profit	159,669	63,651
Administrative expenses	(22,527)	(31,815)
Operating profit / (loss)	137,142	31,836
Interest receivable	13	-
Profit / (loss) on ordinary activities	137,155	31,836
Gift Aid to parent undertaking	(137,155)	(15,182)
Profit / (loss) for the financial year	-	16,654
Corporation Tax	-	(3,029)
Profit after Tax	-	13,625
The aggregate of the assets, liabilities and funds was:		
Fixed Assets	3,565	15,992
Current Assets	279,023	56,110
Current Liabilities	(282,587)	(72,102)
Funds	1	-

**Community Links Trust Limited**

**Notes to the financial statements**

**For the period ended 31 August 2017**

**15 Debtors**

	<b>31 August 2017 £</b>	31 March 2016 £
Trade debtors	<b>30,925</b>	177,809
Long-term contract balances	<b>35,000</b>	101,857
Accrued income	<b>79,767</b>	49,633
Deferred expenses	<b>45,615</b>	44,080
Amount owed by group undertakings	<b>1,119,665</b>	20,865
	<b>1,310,972</b>	394,244

Long-term contract balances represent expenditure estimated to be recovered against future claimable outcomes arising on payment-by-results contracts. The movements in long-term contract balances are presented below:

	<b>31 August 2017 £</b>	31 March 2016 £
Balance at start of period	<b>101,857</b>	250,815
Expenditure incurred	<b>244,997</b>	330,007
Expenditure attributed to claimable outcomes	<b>(311,854)</b>	(478,965)
	<b>35,000</b>	101,857

**16 Cash**

	<b>31 August 2017 £</b>	31 March 2016 £
Cash at bank and in hand	<b>7,881</b>	667,103
	<b>7,881</b>	667,103

At the year end, £943k of cash is being held by Catch22, its parent charity, on behalf of Community Links Trust. This has led to a decrease in cash balances at the year end and increase in amounts owed by group undertakings shown in Debtors note 15 above.

**17 Creditors: amounts falling due within one year**

	<b>31 August 2017 £</b>	31 March 2016 £
Trade creditors	<b>43,856</b>	316,513
Taxation and social security	<b>41,102</b>	81,510
Other creditors	<b>5,402</b>	(14,891)
Accruals	<b>190,988</b>	173,795
Deferred income	<b>-</b>	4,190
	<b>281,348</b>	561,117

Community Links Trust Limited

Notes to the financial statements

For the period ended 31 August 2017

18 Analysis of group net assets between funds

	Restricted Funds £	Designated Funds £	General Funds £	Revaluation Reserve	Total Funds £
Tangible fixed assets	468,982	55,350	–	900,000	1,424,332
Investments	–	–	10,548	–	10,548
Net current assets and long term debtors	332,645	306,372	398,488	–	1,037,505
<b>Net assets at the end of the year</b>	<b>801,627</b>	<b>361,722</b>	<b>409,036</b>	<b>900,000</b>	<b>2,472,385</b>

19 Movements in funds 2017

	At 1 April 2016 £	Income £	Expenditure £	Transfers £	At 31 August 2017 £
<b>Restricted funds:</b>					
Youth and employability	1,230	591,197	(532,034)	–	60,393
Advice and Health	289,402	1,846,066	(1,863,216)	–	272,252
Policy and Learning	–	354,775	(354,775)	–	–
Fixed Assets	1,069,230	–	(600,248)	–	468,982
<b>Total restricted funds</b>	<b>1,359,862</b>	<b>2,792,038</b>	<b>(3,350,273)</b>	<b>–</b>	<b>801,627</b>
<b>Unrestricted funds:</b>					
<b>Designated funds:</b>					
Transition Funding	–	750,000	(443,628)	–	306,372
Fixed Assets	89,310	–	–	(33,960)	55,350
Revaluation reserve	900,000	–	–	–	900,000
<b>Total designated funds</b>	<b>989,310</b>	<b>750,000</b>	<b>(443,628)</b>	<b>(33,960)</b>	<b>1,261,722</b>
<b>General funds</b>	<b>220,146</b>	<b>1,925,016</b>	<b>(1,770,086)</b>	<b>33,960</b>	<b>409,036</b>
<b>Total unrestricted funds</b>	<b>1,209,456</b>	<b>2,675,016</b>	<b>(2,213,714)</b>	<b>–</b>	<b>1,670,758</b>
<b>Total funds</b>	<b>2,569,318</b>	<b>5,467,054</b>	<b>(5,563,987)</b>	<b>–</b>	<b>2,472,385</b>

# Community Links Trust Limited

## Notes to the financial statements

For the period ended 31 August 2017

### Transfers

The transfers out of designated funds to unrestricted relate to the movement in fixed assets in the period which have not been purchased with restricted funds.

### Purposes of restricted funds

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

### Fixed Assets

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

### Purposes of designated funds

#### Revaluation Reserve

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

#### Fixed assets

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

#### Transition Funding

This represents costs to be used in the transition of the charity. These funds will be spent in the coming year.

### Unrestricted Funds

#### General funds

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

## 19 Movements in funds 2016

	At 1 April 2015 £	Income £	Expenditure £	Transfers £	At 31 March 2016 £
<b>Restricted funds:</b>					
Early Action	301,791	846,332	(800,466)	(57,023)	<b>290,634</b>
Education	2,340	-	-	(2,340)	-
Employment Links	138,237	406,089	(489,126)	(55,200)	-
Links UK	28,331	211,292	(262,701)	23,078	-
Projects	21,900	94,332	(1,079)	(115,153)	-
Fixed Assets	1,118,275	9,368	(58,415)	-	<b>1,069,228</b>
<b>Total restricted funds</b>	<b>1,610,874</b>	<b>1,567,413</b>	<b>(1,611,787)</b>	<b>(206,638)</b>	<b>1,359,862</b>
<b>Unrestricted funds:</b>					
<b>Designated funds:</b>					
Fixed Assets	154,259	-	(64,949)	-	<b>89,310</b>
Revaluation reserve	900,000	-	-	-	<b>900,000</b>
<b>Total designated funds</b>	<b>1,054,259</b>	<b>-</b>	<b>(64,949)</b>	<b>-</b>	<b>989,310</b>
<b>General funds</b>	<b>755,428</b>	<b>2,362,955</b>	<b>(3,104,875)</b>	<b>206,638</b>	<b>220,146</b>
<b>Total unrestricted funds</b>	<b>1,809,687</b>	<b>2,362,955</b>	<b>(3,169,824)</b>	<b>206,638</b>	<b>1,209,456</b>
<b>Pension fund</b>	<b>(42,995)</b>	<b>42,995</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total funds including pension fund</b>	<b>3,377,566</b>	<b>3,973,363</b>	<b>(4,781,611)</b>	<b>-</b>	<b>2,569,318</b>

# Community Links Trust Limited

## Notes to the financial statements

For the period ended 31 August 2017

### 20 Reconciliation of net (expenditure) to net cash flow from operating activities

	2017 £	2016 £
<b>Net (expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>(96,933)</b>	<b>(851,243)</b>
Depreciation charges	116,069	107,582
(Gains)/losses on investments	–	(213)
Dividends, interest and rent from investments	1,701	1,580
(Profit)/loss on the disposal of fixed assets	548,595	–
(Increase)/Decrease in debtors	(916,728)	626,603
(Decrease) in creditors	(279,769)	(445,653)
<b>Net cash provided by / (used in) operating activities</b>	<b>(627,065)</b>	<b>(561,344)</b>

### 21 Analysis of cash and cash equivalents

	At 1 April 2016 £	Cash flows £	At 31 August 2017 £
Cash at bank and in hand	667,103	(659,222)	7,881
<b>Total cash and cash equivalents</b>	<b>667,103</b>	<b>(659,222)</b>	<b>7,881</b>

The decrease in cash balances at the year end is due to £943k held by Catch22, its parent charity on behalf of Community Links Trust.

### 22 Legal status of the charity

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

### 23 Ultimate Parent Charity

The charity's ultimate parent company is Catch22 Charity Limited, incorporated in England and Wales, company number, Charity number. The principal purpose of Catch22 Charity Limited is a social business that designs and delivers services that build resilience and aspiration in people and communities. Catch 22 Charity Limited is the sole member of Community Links Trust and approves all Trustee appointments.

