

Community Links Trust Limited

Report and financial statements
For the year ended 31 August 2018

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Community Links Trust Limited

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Company no. 2661182

As at 31 August 2018

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Community Links Trust Limited

Reference and administrative details

Company no. 2661182

As at 31 August 2018

Company number 2661182

Charity number 1018517

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

Trustees The Trustees, who are also directors under company law, and who served during the period and up to the date of this report, were as follows:
Gillian Budd
Radhika Bynon
Chris Wright
Alan Lazarus (Chair from 4 February 2019)
Javid Canteenwala
Pria Rai (appointed 6 June 2018)
Babu Bhattacharjee (appointed 1 November 2017 and resigned 28 February 2019)
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)
David Tomlinson (resigned 30 November 2017)
Paul Williams (appointed 23 November 2018)
Carl Cramer (appointed 23 November 2018)
Elaine Bailey (appointed 23 November 2018)

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

Bankers	The Co-operative Bank 70-80 Cornhill London EC3V 3RD	Barclays Bank Level 27, 1 Churchill Place London E14 5HP
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Auditors Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

Community Links Trust Limited Trustees' annual report

For the year ended 31 August 2018

The Trustees present their report and the audited financial statements for the year ended 31 August 2018.

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

Structure, governance and management

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

Through becoming part of the Catch22 group, Community Links has access to a range of central support services and a strategic framework to operate within, allowing 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

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. The Catch22 Board have the right to appoint Trustees to the Community Links Board as they see fit.

During 2017/18, the Charity undertook a full review of its governance and recruited one new Trustee to replace those that retired through long service. The new trustee, Pria Rai, brings a wealth of knowledge on people capital, organisational development and effectiveness. 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.

Community Links Trust Limited Trustees' annual report

For the year ended 31 August 2018

The Board currently has one committee and a subsidiary Board for the Trading Company. The Resources Committee is now chaired by Javid Canteenwala (Treasurer) as from 4 February 2019, and previously by Alan Lazarus (Chair). 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 the Chief Executive and other full-time employees who operate within defined terms of reference and delegated authority.

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 dashboard and monthly management accounts, 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. The charity owns one ordinary £1 share representing 100% of the share capital of the company. 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.
- It works with families in crisis through a number of support interventions.
- Its employment work supports those who are furthest from the labour market to secure and maintain employment.
- Its work with young people focuses on the issues affecting them including the challenges of gun and knife crime and drugs on our streets.
- Working with the 50+ population, the Charity enables them to learn about how technology can enhance their lives and provide new opportunities.

For the year ended 31 August 2018

- Its health and well-being programmes take an Early Action approach in building resilience in young people around their mental health, working with schools and youth centres;
- The Charity's national research and policy work addresses the need to design better policy that prevents people from being trapped in poverty and makes the case for system change;
- 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 social or public benefit are conducted by the Charity's subsidiary company.

Strategic Report: Activities and Achievements 2017–18

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 12 months to August 2018. The Trustees report the success of each key activity and the benefits that the Charity has brought to those groups of people that it is set up to help, through regular reports to the Board using a performance dashboard. The review also helps the Trustees ensure the Charity's aims, objectives and activities remained focused on its stated purposes.

During the year, the Trustees achieved its ambitions against the organisations strategy, 'Ready for Everything Communities'. Of particular note are the following achievements:

- 2,292 people attended our advice services for help with debt, welfare benefits, housing, consumer and employment issues.
- 425 people attended our employment programmes.
- 1,080 people participated in activities at our community hubs.
- 392 young people participated in our mental health peer to peer mentoring programme.
- We called 29,493 patients to encourage uptake of bowel and breast cancer screening.
- We hosted meetings with nine members of government, including Cabinet ministers, local MPs, and local councillors at our community hub.
- We started a relationship with the Victoria and Albert Museum to support our Create Your Future employability programme for Black, Asian and minority ethnic women.
- We hosted an Employability Fair for the local community, attended by 230 jobseekers, 20 employers, 2 local MPs, 2 local Councillors and 6 representatives from the Department for Work and Pensions. We offered attendees help with CVs, interview practice, and the opportunity to have formal interviews with employers on the day.

Community Links Trust Limited Trustees' annual report

For the year ended 31 August 2018

- We launched the Valuing Social Infrastructure report at an event with 35 senior policymakers and third sector representatives.
- We celebrated 40 years of Community Links with an event involving 160 third sector leaders, including a keynote speech by the CEO of the Big Lottery Fund.

In addition we have achieved the following impact in the last twelve months:

- We worked with 11 clients to help them appeal decisions about their Employment Support Allowance or Personal Independence Payment; 97% of our advice appeals were successful.
- We helped 75 people move into sustainable employment, and an additional 39 people closer to employment through further education or training.
- Participants in our More than Mentors programme experienced sizeable improvements in their mental health, family connection, self-esteem and wellbeing. All of these improvements were measured on validated scales and were statistically significant.
- Our bowel cancer screening calling service led to a 16% increase in screening uptake.

Volunteers

During 2017–18, the Charity was supported by 302 volunteers. The Charity's volunteers come from four different groups: 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, an ability to contribute and give back 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 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, we have developed a new volunteering programme with a dedicated team member as volunteer coordinator. The programme includes induction, recognition and alumni contact, designed to ensure that volunteers play a key role in delivery of the work. We are very grateful to all our volunteers for their contributions.

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.

Our staff survey results show:

95% of staff feel they are sometimes or always making a difference in the community.
87% of staff sometimes or always feel they are supported and motivated to do their best work.
95% of people feel that their line manager sometimes or always cares about their well-being.
34% of staff grew up in our east London community, and 39% currently live there.

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.

Community Links Trust Limited
Trustees' annual report

For the year ended 31 August 2018

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, regular 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 and statutory income from a range of funders, including local government, health services, private companies, charitable trusts, foundations, and individuals. The strength of the Charity's relationships with its supporters is key to raising funds in a challenging and 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. The Charity's privacy policy, published on our website, clearly states what personal data Community Links Trust will hold in relation to supporters and how this data will be used. It sets out how individuals can raise concerns or complaints. The Charity received no complaints about its fundraising activities either during the financial year or subsequently.

During the period, the Charity also benefited from expert support on a pro bono basis from six companies, and received a gift in kind from one company.

Financial review

The financial and operational context in which the Charity operates remains very demanding. Ensuring a strong future pipeline remains a key priority for the organisation.

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. Catch22 has assisted greatly in this.

Income

Total income for the year to 31 August 2018 was £3.761m, compared with £5.35m (restated) for the 17 months to 31 August 2017.

Expenditure

Total expenditure for the 12 month period to 31 August 2018 was £3.206m compared with £5.56m for the 17 months to 31 August 2017.

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. From September 2018, all these costs will be funded through a Service Level Agreement.

Community Links Trust Limited Trustees' annual report

For the year ended 31 August 2018

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 £0.56m, calculated as 25% of annual budgeted unrestricted expenditure.

At 31 August 2018 the Charity's total reserves amounted to £2.89m (2017: £2.34m restated) of which £1.39m was restricted (2017: £.8m) and £1.5m was unrestricted (2017: £1.5m restated), including £0.12m (2017: £0.36m) of Designated Reserves (to complete the transition of the charity) and a Revaluation Reserve of £0.89m. Therefore of the unrestricted amount £0.5m (2017: £0.27m restated) is deemed to be free reserves, this is £0.06m short of the minimum target.

Risk management

The Trustees have in place a robust risk management process. The process identifies the types of risks the Charity faces, prioritises them in terms of likelihood of occurrence and potential impact, identifies the means of managing these risks and monitors how they are managed. Development and review of the risk management arrangements are the responsibility of the Resources Committee and is reviewed every six months.

The key risks identified, together with the actions taken or intended to be taken in response to these risks are as follows:

- **Loss of income due to public sector spending cuts, increased competition and over-reliance on a single source of funding leading to organisational and financial vulnerability.** The Charity's response is that the Senior team continue to build relationships with Local Authorities and other potential funders, at officer and political level, using opportunities to showcase success and value added and continue to focus resources in our business development team. Regular reviews of the pipeline undertaken and risk assessment against funding streams.
- **Short term sustainability obscures the need to fill longer/medium term requirements.** The Charity's response is that work under way to diversify funding streams and to spread the financial risk, keep our quality high and our costs competitive to ensure that our cost basis is sustainable over the longer-term.
- **Loss of control of personal or sensitive data.** Mitigated by robust data protection and information security policies, in line with the General Data Protection Regulation (GDPR), supported by staff briefings and compulsory training. We review the risk of a breach of our IT platforms on an ongoing basis and take appropriate mitigating action to keep them secure.

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.

Community Links Trust Limited
Trustees' annual report

For the year ended 31 August 2018

Our achievements towards realising this vision are highlighted elsewhere in this report.

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

The Charity's 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 is characterised by designing a model with 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 and expand this offer into other boroughs of east London where this provision is lacking;
- Continue to deliver and grow the early cancer screening programs;
- Deliver health awareness programmes, including mental health;
- Increase our reach with young people, including working to help them avoid gun and knife crime;
- 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 The condition of the building, and the lack of regular and planned maintenance over the years, has deteriorated the asset; however, the Board have targeted funding for this in future years. A substantial amount of work has been carried out to ensure the building meets all health and safety requirements, which means that it now requires capital to carry out major works. The charity is currently working with an architect and looking at funding sources to realise its ambitions of creating a space that is fit for the 21st century, whilst highlighting its history and considerable heritage;
- Develop strong partnerships with Local Authorities in the areas where we work; and
- Actively engage with the media, offering and amplifying a voice for communities on local issues.

We also plan to 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. In particular, we have carried out an audit of the Early Action Practitioners Network and are exploring ways to increase capacity nationally to enable organisations to embrace and employ Early Action approaches.

For the year ended 31 August 2018

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.

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 2018 was 1 (31 March 2017 – 1). 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

16/5/19



Alan Lazarus

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

Opinion

We have audited the financial statements of Community Links Trust Limited ('the company') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Use of our report

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

Neil Finlayson *SA* *LLP*

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

Date 17/5/2014
Devonshire House
60 Goswell Road
London
EC1M 7AD

Community Links Trust Limited

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

For the year ended 31 August 2018

		12 months to August 2018		As restated 17 months to August 2017
	Note	Restricted £	Unrestricted General £	Total £
Income from:				
Donations and legacies	3	1,245,292	593,324	1,838,616
Charitable activities				
Advice and Health	4	340,339	271,510	611,849
Youth and Employability	4	867,632	132,586	1,000,218
Policy and Learning	4	223,012	-	223,012
Transition Funding	4	-	-	-
Other trading activities	5	-	87,615	87,615
Investments	6	-	419	419
Total Income		2,676,275	1,085,454	3,761,729
Expenditure on:				
Raising funds	7	22,126	397,966	420,092
Charitable activities				
Advice and Health	7	392,272	110,026	502,298
Youth and Employability	7	1,407,080	282,934	1,690,014
Policy and Learning	7	223,012	13,514	236,526
Transition Costs	7	39,349	318,506	357,855
Loss on disposal of fixed asset		-	-	-
Total expenditure		2,083,839	1,122,946	3,206,785
Net Income/ (expenditure) for the year	8	592,436	(37,492)	554,944
Transfers between funds		-	-	-
Net movement in funds	19	592,436	(37,492)	554,944
Reconciliation of funds:				
Total funds brought forward		801,627	1,533,603	2,335,230
Total funds carried forward		1,394,063	1,496,111	2,890,174

Community Links Trust Limited

Balance sheet

Company no. 2661182

As at 31 August 2018

	Note	2018 £	As restated 2017 £
Fixed assets:			
Tangible assets	12	1,355,095	1,424,332
Investments	13	10,548	10,548
		<u>1,365,643</u>	<u>1,434,880</u>
Current assets:			
Debtors	15	561,444	1,173,817
Cash at bank and in hand	16	1,423,343	7,881
		<u>1,984,787</u>	<u>1,181,698</u>
Liabilities:			
Creditors: amounts falling due within one year	17	(460,256)	(281,348)
Net current assets		<u>1,524,531</u>	<u>900,350</u>
Total net assets	19	<u>2,890,174</u>	<u>2,335,230</u>
Funds:	19		
Restricted income funds		1,394,063	801,627
Unrestricted income funds:			
Designated funds		105,312	361,722
Revaluation reserve		891,000	900,000
General funds		499,799	271,881
Total unrestricted funds		<u>1,496,111</u>	<u>1,533,603</u>
Total funds		<u>2,890,174</u>	<u>2,335,230</u>

Approved by the trustees on 16 May 19 and signed on their behalf by



Alan Lazarus
Chairman

Community Links Trust Limited

Statement of cash flows

For the year ended 31 August 2018

	Note	2018	As restated 2017
		£	£
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	20	1,415,881	(627,065)
Cash flows from investing activities:			
Dividends, interest and rents from investments		(419)	(1,701)
Purchase of fixed assets		-	(30,456)
Net cash provided by / (used in) investing activities		(419)	(32,157)
Change in cash and cash equivalents in the year		1,415,462	(659,222)
Cash and cash equivalents at the beginning of the year	21	7,881	667,103
		<u>1,423,343</u>	<u>7,881</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 recorded to the nearest pound.

b) Public benefit entity

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

c) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

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. Income is recognised net of value added tax.

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

e) Donations of gifts, services and facilities

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

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

1 Accounting policies (continued)

f) Interest receivable

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

g) Fund accounting

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

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

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

h) Expenditure and Irrecoverable VAT

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

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

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

i) Allocation of support costs

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

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

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

● Raising Funds	11%
● Advice and Health	13%
● Youth and Employability	44%
● Policy and Learning	6%
● Support	17%

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	13%
● Advice and Health	16%
● Youth and Employability	53%
● 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.

1 Accounting policies (continued)

j) Operating leases

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

k) Tangible fixed assets

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

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

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

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

l) Listed Investments

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

Investments in subsidiaries

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

m) Debtors

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

1 Accounting policies (continued)

n) Cash at bank and in hand

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

o) Creditors and provisions

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

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

p) Pensions

The charitable company makes pension contributions to the Flexible Retirement Plan, a multi-employer defined contribution pension scheme which is operated by the Pensions Trust. The charitable company became a member of the Pensions Trust effective 1 October 2012. The charitable company pays employer's contributions of 3% of pensionable salary provided that an employee pays employee contributions of at least 2% of pensionable salary. Employer's pension contributions are charged to the Statement of Financial Activities as incurred.

2 Detailed comparatives for the statement of financial activities

	17 Months to 31 August 2017 As restated		
	Restricted £	Unrestricted General £	Total £
Income from:			
Donations and legacies	233,479	753,141	986,620
Charitable activities			
Advice and Health	591,197	724,962	1,316,159
Youth and Employability	1,612,587	242,532	1,855,119
Policy and Learning	354,775	-	354,775
Transition funding	-	750,000	750,000
Other trading activities	-	80,707	80,707
Investments	-	1,701	1,701
Total income	2,792,038	2,553,043	5,345,081
Expenditure on:			
Raising funds	-	549,144	549,144
Charitable activities			
Advice and Health	532,034	594,802	1,126,835
Youth and Employability	1,914,869	662,727	2,577,596
Policy and Learning	354,775	(36,586)	318,189
Transition Costs	-	443,628	443,628
Loss on disposal of fixed assets	548,595	-	548,595
Total expenditure	3,350,273	2,213,715	5,563,987
Net income / expenditure	(558,235)	339,328	(218,906)
Transfers between funds	-	-	-
Net movement in funds	(558,235)	339,328	(218,906)
Total funds brought forward	1,359,862	1,194,274	2,554,136
Total funds carried forward	801,627	1,533,602	2,335,230

Community Links Trust Limited

Notes to the financial statements

For the year ended 31 August 2018

3 Income from donations and legacies

			12 months to 31 August 2018 Total £	17 months to 31 August 2017 Total £
	Restricted £	Unrestricted £		
Gifts	1,245,292	593,324	1,838,616	986,620
	<u>1,245,292</u>	<u>593,324</u>	<u>1,838,616</u>	<u>986,620</u>

4 Income from charitable activities

			12 months to 31 August 2018 Total £	17 months to 31 August 2017 Total £
	Restricted £	Unrestricted £		
Legal Aid Agency	-	13,532	13,532	13,188
Screening Project	-	231,922	231,922	-
NHS England	-	-	-	200,181
Help Through Crisis	129,356	-	129,356	-
Department for Health	-	-	-	217,302
NHS Newham CCG	-	-	-	72,550
NHS Shared Business Services	-	-	-	18,732
Other	210,983	26,056	237,039	794,206
Sub-total for Advice and Health	<u>340,339</u>	<u>271,510</u>	<u>611,849</u>	<u>1,316,159</u>
BIG Lottery Fund	-	-	-	1,151,551
London Borough of Newham	-	-	-	63,658
More than Mentors	228,597	-	228,597	-
Talent Match	289,357	-	289,357	-
Other income	349,678	132,586	482,264	639,910
Sub-total for Youth and Employability	<u>867,632</u>	<u>132,586</u>	<u>1,000,218</u>	<u>1,855,119</u>
BIG Lottery Fund	-	-	-	201,550
Other income	223,012	-	223,012	153,225
Sub-total for Policy and Learning	<u>223,012</u>	<u>-</u>	<u>223,012</u>	<u>354,775</u>
BIG Lottery Fund	-	-	-	350,000
Woodroffe Benton Foundation	-	-	-	200,000
City Bridge Trust	-	-	-	50,000
Esmee Fairbairn	-	-	-	150,000
Sub-total for Transition Funding	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,000</u>
Total income from charitable activities	<u>1,430,983</u>	<u>404,096</u>	<u>1,835,079</u>	<u>4,276,053</u>

Community Links Trust Limited

Notes to the financial statements

For the year ended 31 August 2018

5 Income from other trading activities

	12 months to 31 August 2018 Total £	17 months to 31 August 2017 Total £
Unrestricted		
Other income	87,615	80,707
	87,615	80,707

6 Income from investments

	12 months to 31 August 2018 Total £	17 months to 31 August 2017 Total £
Unrestricted		
Dividends	–	43
Interest	419	1,658
	419	1,701

7 Analysis of expenditure

	Cost of raising funds £	Loss on disposal of fixed assets £	Charitable activities				Support costs £	12 Months	17 months
			Transition costs £	Advice and Health £	Youth and Employability £	Policy and Learning £		2018 Total £	2017 Total £
Staff costs (Note 9)	112,968	-	20,870	347,856	530,332	152,235	258,617	1,422,877	2,859,087
Other staff costs	35	-	45,456	2,402	3,003	1,279	37,292	89,467	301,616
Direct project costs	95,464	-	5,043	(13,097)	708,853	29,699	4,987	830,949	906,831
Travel and subsistence	645	-	-	975	5,136	502	449	7,707	33,065
Rent and rates	-	-	-	68	913	-	635	1,616	23,440
Legal and professional	7,114	-	33,478	32,857	5,185	1,269	8,305	88,208	93,992
Office costs	130,868	-	191,017	44,061	115,361	10,569	185,836	677,710	636,748
Postage and stationery	-	-	-	-	-	-	-	-	24,344
Audit and accountancy	-	-	-	-	-	-	22,561	22,561	20,200
Depreciation	227	-	-	165	28,472	-	36,826	65,690	116,069
Loss on disposal of fixed assets	-	-	-	-	-	-	-	-	548,595
	347,320	-	295,864	415,286	1,397,255	195,553	555,508	3,206,785	5,563,987
Support costs	72,772	-	61,991	87,012	292,759	40,973	(555,508)	-	-
Total expenditure for the 12 month period to 31 August 2018	420,092	-	357,855	502,298	1,690,014	236,526	-	3,206,785	5,563,987
Total expenditure for the 17 month period to 31 August 2017	549,144	548,595	443,628	1,126,835	2,527,596	368,189	-	5,563,987	

Community Links Trust Limited

Notes to the financial statements

For the year ended 31 August 2018

8 Expenditure for the year

This is stated after charging / (crediting):

	12 months to 31 August 2018 £	17 months to 31 August 2017 £
Depreciation	65,689	116,069
Loss or profit on disposal of fixed assets	-	548,595
Interest payable	1,460	3,752
Operating lease rentals:		
Property	-	12,086
Auditors' remuneration (excluding VAT):		
Audit	15,975	20,200

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

Staff costs were as follows:

	12 months to 31 August 2018 £	17 months to 31 August 2017 £
Salaries and wages	1,283,639	2,542,014
Redundancy and termination costs	-	273,131
Social security costs	119,954	37,584
Employer's contribution to defined contribution pension schemes	19,284	6,358
	1,422,877	2,859,087

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

	2018 No.	2017 No.
£60,000 – £69,999	1	1
£70,000 – £79,999	1	-
£80,000 – £89,999	1	-

Pension costs in respect of these employees was £3,850 (2017: £550).

The total employee benefits including pension contributions and employers NI of the key management personnel for 12 months ended 31 August 2018 was £247,533 (For the 17 month period ended 31 August 2017: £306,314).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2017: £nil). No charity trustee received payment for professional or other services supplied to the charity (2017: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2017: £nil) incurred by 0 (2017: 0) members relating to attendance at meetings of the trustees.

Aggregate donations from trustees was £nil (2017: £37,250).

10 Staff numbers

	2018 No.	2017 No.
	88.0	109.0

11 Related party transactions

During the year, Catch22 Charity Limited, its parent charity, transferred cash balances back to Community Links Trust and recharged for costs to the net value of £258,881. At 31 August 2018, £14,877 (2017: £943,298 owed from Catch22) was owed to Catch22 Charity Limited.

During the year, the charity had transactions of £269,737 relating to salaries and other costs recharged to Community Links Trading Limited, its wholly owned subsidiary. It also received a donation of £141,819 (2017: £15,182) from Community Links Trading. At 31 August 2018, £192,614 (2017: £76,367) was owed from Community Links Trading Limited.

12 Tangible fixed assets

	Long leasehold	Short leasehold	Leasehold improvements £	Computer equipment, fixtures & fittings £	Motor vehicles £	Total £
Cost						
At the start of the year	900,000	540,797	267,521	729,674	68,698	2,506,690
Additions in year	-	-	-	-	-	-
Disposals in year	-	-	(10,110)	(643,291)	(51,818)	(705,218)
At the end of the year	900,000	540,797	257,411	86,383	16,880	1,801,472
Depreciation						
At the start of the year	-	238,402	83,345	701,812	58,799	1,082,358
Charge for the year	9,000	27,852	8,323	15,808	4,706	65,689
Eliminated on disposal	-	-	(10,110)	(643,292)	(48,271)	(701,672)
At the end of the year	9,000	266,254	81,558	74,328	15,234	446,375
Net book value						
At the end of the year end	891,000	274,543	175,853	12,054	1,646	1,355,095
At the start of the year	900,000	302,395	184,176	27,862	9,899	1,424,332

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

Community Links Trust Limited

Notes to the financial statements

For the year ended 31 August 2018

13 Investments

	2018 £	2017 £
Fair value at the start and end of the year	10,548	10,548
Historic cost at the end of the year	12,295	12,295
Investments comprise:		
	2018 £	2017 £
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:

	2018 No	2018 £
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:-

Community Links Trading Limited

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

The company generated operating profit of £147,159 (2017: profit of £137,155) during the year. £141,819 was gift aided to the charity in the year (2017: £15,182 restated).

Allia Ltd

The charity purchased 5,000 ordinary £1 shares in the company on 3 September 2009. The shares represented 3.9% of the issued share capital of the company at 31 August 2018 based on information contained in the statutory accounts for the period ended 31 August 2018. 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.

Historypin

The charity 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. The shares are valued at zero.

Community Links Trust Limited

Notes to the financial statements

For the year ended 31 August 2018

14 Subsidiary undertaking

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

	12 months to 31 August 2018 £	Restated 17 months to 31 August 2017 £
Turnover	775,122	1,072,091
Cost of sales	(590,985)	(912,422)
Gross profit	184,137	159,669
Administrative expenses	(36,978)	(22,527)
Operating profit	147,159	137,142
Interest receivable	-	13
Profit for the financial year	147,159	137,155
Corporation Tax	-	-
Profit after Tax	147,159	137,155
Retained profit brought forward	137,155	15,182
Profit after Tax	147,159	137,155
Amount distributed to Community Links Trust	(141,819)	(15,182)
Retained profit	142,495	137,155
The aggregate of the assets, liabilities and funds was:		
Fixed Assets	13,903	3,565
Current Assets	457,270	279,023
Current Liabilities	(328,677)	(145,432)
Funds	142,496	137,156

The financial statements of Community Links Trading Limited have been restated as a result of a recent interpretation of FRS102 as clarified by the Financial Reporting Council which has resulted in the annual gift aid payment being treated as a distribution from equity. The impact of this is that the 2017 retained earnings have increased by £137,155 and 2017 amounts due to parent undertaking have reduced by £137,155.

Community Links Trust Limited

Notes to the financial statements

For the year ended 31 August 2018

15 Debtors	2018 £	2017 £
Trade debtors	149,995	30,925
Long-term contract balances	-	35,000
Accrued income	213,701	79,767
Prepayments	15,248	45,615
Amount owed by group undertaking	182,401	982,510
Other debtors	100	-
	<u>561,444</u>	<u>1,173,817</u>

16 Cash at bank and in hand	2018 £	2017 £
Cash at bank and in hand	<u>1,423,343</u>	<u>7,881</u>

At 31 August 2017, £943k of cash was held by Catch22 Charity Limited, its parent charity, on behalf of Community Link Trust. During the year this was repaid to Community Links Trust which has lead to the increase in cash balances at the year end and decrease in amounts due from group undertakings shown in debtors above.

17 Creditors: amounts falling due within one year	2018 £	2017 £
Trade creditors	107,959	43,856
Taxation and social security	49,107	41,102
Other creditors	247	5,402
Accruals and deferred income	302,944	190,988
	<u>460,256</u>	<u>281,348</u>
Amounts included in deferred income:	£	
Balance at 1 September 2017	-	
Amounts deferred in year	<u>99,322</u>	
Balance at 31 August 2018	<u>99,322</u>	

18 Analysis of group net assets between funds

	Restricted Funds £	Designated Funds £	General Funds £	Revaluation reserve £	Total Funds £
Tangible fixed assets	408,745	55,350	-	891,000	1,355,095
Investments	-	-	10,548	-	10,548
Net current assets	985,318	49,962	489,251	-	1,524,531
Net assets at the end of the year	1,394,063	105,312	499,799	891,000	2,890,174

19 Movements in funds

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

Transfers out

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 less depreciation charge.

Fixed assets

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

Transition Funding

This represents funds to be used in the transition of the charity. 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.

Movements in funds 2017 (restated)

	At 1 April 2016 £	Income £	Expenditure £	Transfers £	At 31 August 2017 £
Restricted funds:					
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
Total restricted funds	1,359,862	2,792,038	(3,350,273)	-	801,627
Unrestricted funds:					
Designated funds:					
Transition Funding	-	750,000	(443,628)	-	306,372
Fixed Assets	89,310	-	-	(33,960)	55,350
Revaluation reserve	900,000	-	-	-	900,000
Total designated funds	989,310	750,000	(443,628)	(33,960)	1,261,722
Fair value reserve	-	-	-	-	-
General funds	204,964	1,803,043	(1,770,086)	33,960	271,881
Non-charitable trading funds	-	-	-	-	-
Total unrestricted funds	1,194,274	2,553,043	(2,213,714)	-	1,533,603
Total funds	2,554,136	5,345,081	(5,563,987)	-	2,335,230

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

	12 months to 31 August 2018 £	17 months to 31 August 2017 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	554,944	(218,906)
Depreciation charges	65,689	116,069
Dividends, interest and rent from investments	419	1,701
(Profit)/loss on the disposal of fixed assets	-	548,595
Decrease/(Increase) in debtors	612,373	(794,755)
(Increase)/ (decrease) in creditors	182,456	(279,769)
Net cash provided by / (used in) operating activities	1,415,881	(627,065)

21 Analysis of cash and cash equivalents

	At 1 September 2017 £	Cash flows £	At 31 August 2018 £
Cash at bank and in hand	7,881	1,415,462	1,423,343
Total cash and cash equivalents	7,881	1,415,462	1,423,343

22 Legal status of the charity

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

23 Ultimate parent charity

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

23 Prior year adjustments

The financial statements of Community Links Trust and its subsidiary, Community Links Trading Limited have been restated as a result of the recent interpretation of FRS102 as clarified by the Financial Reporting Council which has resulted in the annual gift aid payment being treated as a distribution from equity.

Accordingly, gift aid payments from Community Links Trading Limited to Community Links Trust of £141,819 paid in 2018 and £15,182 paid in 2017 have been included in the year paid. The impact of this is that the unrestricted reserve brought forward has decreased by £137,155 and the debtors (amount due from subsidiary) have decreased by £137,155.