

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

**CHILDREN'S LINKS**

(a company limited by guarantee)

**TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

## CHILDREN'S LINKS

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## CHILDREN'S LINKS

### REFERENCE AND ADMINISTRATIVE DETAILS

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<b>CHARITY REGISTRATION NUMBER</b>	1071058
<b>COMPANY REGISTRATION NUMBER</b>	03484661
<b>TRUSTEES</b>	T Maione (resigned 31/01/2019) R Croft - Vice-chair K Truscott - Chair A Wright T Nicholds A Brook (appointed 08/05/2019)
<b>CHIEF EXECUTIVE OFFICER</b>	K Parsons
<b>PRINCIPAL / REGISTERED OFFICE</b>	Suite 1 & 4 Gymphlex Buildings Boston Road Horncastle LN9 6HU
<b>INDEPENDENT AUDITORS</b>	Bostockwhite Limited Cabourn House Station Street Bingham Nottinghamshire NG13 8AQ
<b>BANKERS</b>	Santander UK plc Bridle Road Bootle Merseyside L30 4GB
<b>SOLICITORS</b>	Browne Jackson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

# CHILDREN'S LINKS

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 MARCH 2019**

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The Trustees present their report and the financial statements for the year ended 31 March 2019.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing Document and Structure

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

The company is a registered charity, number 1071058.

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

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

### OBJECTIVES AND ACTIVITIES

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

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

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

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

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

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

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

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

# CHILDREN'S LINKS

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 MARCH 2019**

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### **OBJECTIVES AND ACTIVITIES (continued)**

Lincolnshire - To support the care and wellbeing of early years children within nursery provision as well as to provide education and training for professionals across children's services. To support vulnerable families, improve conditions of life through working within children's centres and community. Providing community based services for children and young people with complex needs as well as community based play and leisure time occupation in areas of deprivation. To support voluntary and community sectors to engage in strategic partnerships that enhance and improve conditions of life in the interests of social welfare national contracts. For the advancement of the education and training of persons providing such care and educational and recreational facilities. To support vulnerable families to reduce the likelihood of poverty by supporting development of skills and employability prospects.

### **Delivering Public Benefit**

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

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

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

### **ACHIEVEMENTS AND PERFORMANCE**

#### Corporate objectives for 2017-2020

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

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

How we achieved our targets:

- By diversifying across England.
- By diversifying our service delivery to young people and families.
- By demonstrating positive outcomes from our services.

The year ended 31 March 2019 has been a successful year for the Charity in promoting the care and education of children, young people and adults with excellent results across our key target areas.

## **CHILDREN'S LINKS TRUSTEES' REPORT**

***FOR THE YEAR ENDED 31 MARCH 2019***

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### **ACHIEVEMENTS AND PERFORMANCE (continued)**

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

- 100% of the learners on our Level 2 Early Years Educator and Level 2 Supporting Teaching and Learning courses delivered in Southampton showed personal progression and 46% moved into employment or further education.
- 100% satisfaction rating from learners on all workshops and short courses.
- 73% of those participating in our Building Better Opportunities programmes reported an increase in confidence and said they were now taking positive steps to achieve their goals.
- Membership of the Children and Young People's Voluntary Sector Forum increased by 42%.

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

- Supported over 400 children during a visit to a family member in prison.
- Made over 200 children happier and more active through summer holiday activities in East Lindsey and North Kesteven.
- In North Lincolnshire provided 26 children with complex needs with positive experiences at a holiday play scheme.
- Provided 4,200 children with play opportunities at the Toy Library.

# CHILDREN'S LINKS

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 MARCH 2019**

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### **ACHIEVEMENTS AND PERFORMANCE (continued)**

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

- Over the last financial year, generated £3,190 through small fundraising events.
- Developed project pilots of Intergenerational work with local care homes.
- Re organized the outdoor play areas of all locations to create greater access for all year-round outdoor play.

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

- Developing a new website.
- Restructuring the management team and central services to be more cost effective and competitive.
- Developing a plan and forecast for meeting the Company Voluntary Arrangements.
- Developed and implemented the second phase of a three-year ICT strategy.
- Developed and implemented a new fundraising strategy for Corporate sponsorship.
- Developed a plan to support an overall more sustainable future through activity against the sustainable development goals.

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

	Target at 31 March 2019	Actual at 31 March 2019
Number of children and young people supported	97,850	23,655

Children's Links has been focused on working with those are most vulnerable and from low social economic backgrounds. We have dedicated our resources to ensure children's social capital is extended to facilitate long term success. This focused approach and reduction in infrastructure services has led to an initial decrease in the number of engagements made. However, through our extensive work with these groups we are now best placed to continue successfully in our sector and increase participation. Our delivery model will enable us to reach out to new partnerships, children, young people and communities and that will increase beneficiary numbers going forward.

### **Risk Management**

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

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

# CHILDREN'S LINKS

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 MARCH 2019**

### ACHIEVEMENTS AND PERFORMANCE (continued)

#### Risk Management (continued)

Key risks identified during the reporting period were:-

Risk	Amelioration	Expected outcome
Ability to replace working capital that has been used on high administration costs.	<p>Monthly monitoring of profit and loss to ensure trading at surplus across group.</p> <p>Monthly monitoring of cashflow to ensure able to meet expectations of CVA.</p>	<p>End of year trading before administration cost is at surplus.</p> <p>No breach of CVA arrangements</p>
Ability of LUL to repay Loan in timely manner.	Develop new products and services for LUL.	<p>Create a marketing plan for the dissemination of information of new products to new markets</p> <p>Undertake business planning to build on new product development in 2019/20.</p> <p>Develop a website to support marketing, new products and reach to new customers.</p>

### FINANCIAL REVIEW

#### Income, Expenditure and Results

The decrease in our income has led to a restructure of leadership and central costs to sustain our charitable activities. Income has reduced across most areas of the charity activities, with £1,692k in 2018 compared to £1,524k in 2019. The reduction in the income is due to two factors, a reduction in childcare income which is as a consequence of closure of all out of school provision and the reduction in local authority grants which was due to a much reduced grant within the sector support service area as the infrastructure work no longer attracts the previous levels of public funding.

The Charity's subsidiary Linking Up Limited also reported a decrease in turnover but has continued to be able to aid the charity's activity with its profits of £2,000.



# CHILDREN'S LINKS

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 MARCH 2019**

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### **FINANCIAL REVIEW (continued)**

#### **Income, Expenditure and Results (continued)**

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

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

#### **Statement of Going Concern**

The Children's Links Board recognises the risk and financial challenges the charity faces but as a result of significant due diligence considers that despite this, the organisation is a going concern. This is based on the following assumptions and actions that have been made during the last 12 months as well as the forecast and new business opportunities over the next twelve months.

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

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

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

#### **REASONS FOR FUTURE SUCCESS**

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

The Board recognised that any potential future trading surplus is not likely to be sufficient enough to meet the CVA terms of 100p in the £ and therefore commenced a process of offering a variation to the original CVA to creditors. The result of which is now known and is as reported in note 19 later in these financial statements.

The Business Plan comprises Summarised Trading and Cashflow Projections as well as Projected Balance Sheets for the Company for the year ending 31 March 2020. This includes the summary of the principal assumptions on which they are based. The projections show:-

- The adequacy of the Company's working capital and reserves to continue operations following the restructuring.

# CHILDREN'S LINKS

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 MARCH 2019**

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### **REASONS FOR FUTURE SUCCESS (continued)**

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

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

### **RESERVES POLICY**

The Charity is an operational organisation and needs to hold sufficient reserves to fund its current operations, to provide for unforeseen events and invest for the future. The policy is monitored by the Trustees and historically has been to endeavour to hold 15% of turnover. The Charity's level of free reserves at 31 March 2019 are well below this targeted level. In light of current circumstances and the need to address the requirements of the CVA, the Board have identified, the charity should as a minimum retain reserves to meet costs associated with the winding down of the charity in the event this should occur. The charity believes that once the requirements of the CVA are met the current and future activity and sustained income will enable it to revise the policy again and increase levels of reserves in coming years.

### **INVESTMENT POLICY**

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

### **PLANS FOR THE FUTURE**

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

# CHILDREN'S LINKS

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 MARCH 2019**

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### RECRUITMENT AND TRAINING OF TRUSTEES

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

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

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

### Arrangements for setting the pay and remuneration of key management personnel

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

Training and development needs are identified and acted on.

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

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

### RESPONSIBILITIES OF THE TRUSTEES

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

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

In preparing those financial statements the trustees are required to:

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

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

## **CHILDREN'S LINKS TRUSTEES' REPORT**

***FOR THE YEAR ENDED 31 MARCH 2019***

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### **PROVISION OF INFORMATION TO AUDITORS**

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

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

This report was approved by the Board on 17 December 2019 and signed on its behalf by:

K Truscott  
Trustee

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

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## Opinion

We have audited the financial statements of Children's Links for the year ended 31 March 2019 which comprise the Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account), the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2019, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Other information

The other information comprises the trustees' report. The trustees are responsible for this other information. Our opinion of the financial statements does not cover the other information and except to the extent otherwise explicitly stated in our report we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

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

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

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

## Responsibilities of trustees

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

## Auditor's responsibilities for the audit of the financial statements

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

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

## Use of our report

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

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

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**Simon Yelland BSc FCA (Senior Statutory Auditor)**

for and on behalf of  
**BOSTOCKWHITE LIMITED**

Chartered Accountants  
Statutory Auditors

Cabourn House  
Station Street  
Bingham  
Nottinghamshire  
NG13 8AQ

Date 17 December 2019

## CHILDREN'S LINKS

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

**FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	Unrestricted £'000	Restricted £'000	2019 Total £'000	2018 Total £'000
<b>INCOME</b>					
Donations	2	11	-	11	18
Charitable activities	3	1,289	235	1,524	1,692
Other trading activities	4	724	-	724	826
<b>Total income</b>		<b>2,024</b>	<b>235</b>	<b>2,259</b>	<b>2,536</b>
<b>EXPENDITURE</b>					
Charitable activities	5	( 1,232)	( 205)	( 1,437)	( 1,782)
Other trading activities	4	( 722)	-	( 722)	( 805)
<b>Total expenditure</b>		<b>( 1,954)</b>	<b>( 205)</b>	<b>( 2,159)</b>	<b>( 2,587)</b>
<b>Net income/(expenditure)</b>		<b>70</b>	<b>30</b>	<b>100</b>	<b>( 51)</b>
<b>Extraordinary items</b>	10	-	-	-	( 92)
<b>Transfers between funds</b>		-	-	-	-
<b>Net movement in funds</b>		<b>70</b>	<b>30</b>	<b>100</b>	<b>( 143)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	21b	( 460)	14	( 446)	( 303)
<b>Total funds carried forward</b>	21a	<b>( 390)</b>	<b>44</b>	<b>( 346)</b>	<b>( 446)</b>

All amounts relate to continuing activities of the company.

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



## CHILDREN'S LINKS

REGISTERED COMPANY NUMBER: 03484661

### CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019

	Notes	2019 £'000	2018 £'000
<b>FIXED ASSETS</b>			
Intangible assets	13	11	22
Tangible fixed assets	14a	53	46
<b>TOTAL FIXED ASSETS</b>		<b>64</b>	<b>68</b>
<b>CURRENT ASSETS</b>			
Debtors	16	47	74
Cash at bank and in hand	24	182	205
<b>TOTAL CURRENT ASSETS</b>		<b>229</b>	<b>279</b>
<b>LIABILITIES</b>			
Creditors: amounts falling due within one year 17		( 414)	( 418)
<b>NET CURRENT LIABILITIES</b>		<b>( 185)</b>	<b>( 139)</b>
Creditors: amounts falling due in over one year 18		( 225)	( 375)
<b>TOTAL NET LIABILITIES</b>		<b>( 346)</b>	<b>( 446)</b>
<b>FUNDS OF THE CHARITY:</b>			
Unrestricted funds	21	( 391)	( 461)
Designated funds	21	1	1
Restricted funds	21	44	14
<b>TOTAL FUNDS</b>		<b>( 346)</b>	<b>( 446)</b>

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

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

The financial statements were approved by the Board of Trustees on 17 December 2019  
and signed on their behalf by:

K Truscott  
Trustee

# CHILDREN'S LINKS

REGISTERED COMPANY NUMBER: 03484661

## COMPANY BALANCE SHEET AS AT 31 MARCH 2019

	Notes	2019 £'000	2018 £'000
<b>FIXED ASSETS</b>			
Tangible fixed assets	14b	52	44
<b>TOTAL FIXED ASSETS</b>		<b>52</b>	<b>44</b>
<b>CURRENT ASSETS</b>			
Debtors	16	124	145
Cash at bank and in hand		72	106
<b>TOTAL CURRENT ASSETS</b>		<b>196</b>	<b>251</b>
<b>LIABILITIES</b>			
Creditors: amounts falling due within one year 17		( 340)	( 346)
<b>NET CURRENT LIABILITIES</b>		<b>( 144)</b>	<b>( 95)</b>
Creditors: amounts falling due in over one year 18		( 225)	( 375)
<b>TOTAL LIABILITIES</b>		<b>( 317)</b>	<b>( 426)</b>
<b>FUNDS OF THE CHARITY:</b>			
Unrestricted funds	21	( 362)	( 441)
Designated funds	21	1	1
Restricted funds	21	44	14
<b>TOTAL FUNDS</b>		<b>( 317)</b>	<b>( 426)</b>

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

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

The financial statements were approved by the Board of Trustees on 17 December 2019

and signed on their behalf by:

K Truscott  
Trustee

## CHILDREN'S LINKS

REGISTERED COMPANY NUMBER: 03484661

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

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	Notes	2019 £'000	2018 £'000
<b>Cash Flows from Operating Activities</b>			
Net cash provided by/used in operating activities	23	5	( 109)
<b>Cash Flows from Investing Activities</b>			
Purchase of property, plant and equipment		( 28)	( 12)
<b>Change in cash and cash equivalents in the reporting period</b>		<b>( 23)</b>	<b>( 121)</b>
Cash and cash equivalents at the beginning of the reporting period		205	326
<b>Cash and cash equivalents at the end of the reporting period</b>	24	<b>182</b>	<b>205</b>

# CHILDREN'S LINKS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies

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

#### a) Basis of preparation and consolidation

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

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

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

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

#### b) Going concern

The Children's Links Board consider that the organisation is a Going Concern. This is based on the following assumptions and actions that have been made in the last twelve months as well as the forecast and new business opportunities over the next twelve months. The charitable group incurred a deficit of £143,000 in the year ended 31 March 2018 and a surplus of £100,000 for the year ended 31 March 2019.

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

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

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

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

#### c) Legal status of the Charity

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

# CHILDREN'S LINKS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies (continued)

#### d) Fund accounting

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

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

#### e) Income

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

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

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

Income from trading activities includes income earned from activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

#### f) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

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

#### g) Intangible assets – goodwill

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

# CHILDREN'S LINKS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies (continued)

#### h) Tangible fixed assets and depreciation

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

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

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

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

#### i) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable are included at the best estimate of the amounts receivable at the balance sheet date.

#### j) Cash at bank and in hand

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

#### k) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due. Concessionary loans received at below market rates are received in order to further the charitable objectives of the organisation and are therefore included at the amount received and are not discounted.

#### l) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

#### m) Pensions

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

#### n) Operating leases

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

## CHILDREN'S LINKS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

#### 2 Donations

	2019 £'000	2018 £'000
Donations	11	18
	<b>11</b>	<b>18</b>

All donations received in 2019 and 2018 relate to unrestricted funds.

#### 3 Income from charitable activities

	2019 £'000	2018 £'000
Childcare fees	1,129	1,081
Membership fees	5	4
Training fees	24	244
Grants (see below)	327	329
Other fees	39	34
	<b>1,524</b>	<b>1,692</b>

Income from charitable activities was £1,524,000 (2018: £1,692,000) of which £235,000 (2018: £99,000) was attributable to restricted and £1,289,000 (2018: £1,593,000) was attributable to unrestricted funds.

#### Grants

	2019 £'000	2018 £'000
Local authority income	56	128
HMPS shared service centre	-	105
Big Lottery and European Social Fund – Building Better Opportunities Move Grant	21	15
Big Lottery and European Social Fund - Building Better Opportunities Engagement into Learning Grant	17	5
Big Lottery and European Social Fund - Building Better Opportunities Steps Forward Grant	118	59
CYPVSF	20	15
The Transformation Foundation	18	-
Big Lottery and European Social Fund – Building Better Opportunities Building Connections Grant	25	-
Other grants and awards	52	2
	<b>327</b>	<b>329</b>

## CHILDREN'S LINKS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

#### 4 Other trading activities

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

	2019 £'000	2018 £'000
Turnover	724	826
Payment to childcare settings	( 689)	( 785)
Wages, salaries and recruitment	( 16)	( 13)
Administrative expenses	( 14)	( 4)
Accountancy fees	( 3)	( 3)
Net profit for the year	<u>2</u>	<u>21</u>

All trading income received in 2019 and 2018 relates to unrestricted funds.

#### 5 Analysis of expenditure on charitable activities expanded by activity

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

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

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

	Direct costs £'000	Support costs £'000	2018 costs £'000
<b>Charitable activities:</b>			
Care and education of young people	1,533	249	1,782
	<u>1,533</u>	<u>249</u>	<u>1,782</u>



## CHILDREN'S LINKS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

#### 6 Analysis of support costs

	2019 £'000	2018 £'000
Staff travel and subsistence	3	2
Staff training	3	2
Stationery and postage	2	4
Premises costs and equipment	18	23
Business development	18	-
ICT costs	5	4
Insurance	11	15
Legal and professional	31	21
Wages and salaries	120	138
Recruitment and other staff costs	2	4
Pension costs	3	3
Amortisation of goodwill	11	11
Governance costs	11	13
Bad debts	-	9
	<b>238</b>	<b>249</b>

#### 7 Analysis of governance costs

	2019 £'000	2018 £'000
Audit fees	10	12
Cost of Trustees' meetings	1	1
	<b>11</b>	<b>13</b>

#### 8 Analysis of staff costs and key management personnel

	2019 £'000	2018 £'000
Wages and salaries	989	1,248
Social security costs	47	62
Pension	11	11
	<b>1,047</b>	<b>1,321</b>

The charity trustees were not paid and did not receive any benefits from the charity or its subsidiary in the year 2019 (2018: £nil). During the year, no trustees were reimbursed travel expenses (2018: One trustee reimbursed £92).

The key management personnel of the charity and the group comprise the Trustees, the Chief Executive and the Deputy Chief Executive. The total employee benefits of the key management personnel of the charity were £90,853 (2018: £109,213).

No employee (2018: 1) had employee benefits in excess of £60,000. Total employee benefits for this individual last year fell between £60,000 - £70,000 for the year.

# CHILDREN'S LINKS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2019**

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

The average monthly head count was as follows:

	2019 Number	2018 Number
Operational	91	119
Administration	6	7
	<b>97</b>	<b>126</b>

### 9 Pension costs

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. Contributions payable by Children's Links amounted to £11,000 (2018: £11,000). No contributions were payable to the pension fund at the balance sheet date (2018: £Nil).

### 10 Extraordinary item

The extraordinary item of expenditure recognised in the comparative on the statement of financial activities are professional fees incurred specifically in relation to the period that Children's Links was under administration and represents the administrators costs, legal fees and other related ad hoc expenditure.

This amount has been separated as an extraordinary item as the amount is material, outside the normal activities of the charity and not expected to recur.

### 11 Net incoming resources

	2019 £'000	2018 £'000
Net incoming resources is stated after charging:		
Depreciation of charitable assets owned by group	21	21
Amortisation of intangible fixed assets	11	11
Operating lease charges	32	45
Auditor's remuneration:		
- for audit services	10	12

### 12 Taxation

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

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

**FOR THE YEAR ENDED 31 MARCH 2019**

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**13 Intangible fixed assets - group**

	<b>Goodwill £'000</b>
<b>Cost less impairment:</b>	
At 1 April 2018 and 31 March 2019	<b>97</b>
	<hr/>
<b>Amortisation:</b>	
At 1 April 2018	75
Charge for the year	11
	<hr/>
At 31 March 2019	<b>86</b>
	<hr/>
<b>Net book value:</b>	
At 1 April 2018	22
	<hr/>
At 31 March 2019	<b>11</b>
	<hr/>

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

## CHILDREN'S LINKS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

#### 14 Tangible fixed assets

##### 14a Tangible fixed assets - group

	Computers £'000	Equipment £'000	Furniture £'000	Vehicles £'000	Total £'000
<b>Cost:</b>					
At 1 April 2018	598	46	149	-	793
Additions	5	-	6	17	28
Disposals	( 468)	( 18)	( 108)	-	( 594)
At 31 March 2019	<u>135</u>	<u>28</u>	<u>47</u>	<u>17</u>	<u>227</u>
<b>Depreciation:</b>					
At 1 April 2018	582	39	126	-	747
Charge for the year	7	5	7	2	21
Eliminated on disposal	( 468)	( 18)	( 108)	-	( 594)
At 31 March 2019	<u>121</u>	<u>26</u>	<u>25</u>	<u>2</u>	<u>174</u>
<b>Net book value:</b>					
At 1 April 2018	16	7	23	-	46
At 31 March 2019	<u>14</u>	<u>2</u>	<u>22</u>	<u>15</u>	<u>53</u>

##### 14b Tangible fixed assets - charity

	Computers £'000	Equipment £'000	Furniture £'000	Vehicles £'000	Total £'000
<b>Cost:</b>					
At 1 April 2018	592	46	149	-	787
Additions	5	-	6	17	28
Disposals	( 468)	( 18)	( 108)	-	( 594)
At 31 March 2019	<u>129</u>	<u>28</u>	<u>47</u>	<u>17</u>	<u>221</u>
<b>Depreciation:</b>					
At 1 April 2018	578	39	126	-	743
Charge for the year	6	5	7	2	20
Eliminated on disposal	( 468)	( 18)	( 108)	-	( 594)
At 31 March 2019	<u>116</u>	<u>26</u>	<u>25</u>	<u>2</u>	<u>169</u>
<b>Net book value:</b>					
At 1 April 2018	14	7	23	-	44
At 31 March 2019	<u>13</u>	<u>2</u>	<u>22</u>	<u>15</u>	<u>52</u>

## CHILDREN'S LINKS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

#### 15 Investment in trading subsidiary

Linking Up Limited is incorporated in England and Wales and is a wholly owned subsidiary of Children's Links. The principal activity of the subsidiary is the provision of a childcare voucher scheme. These activities were considered to be compatible with the aims and charitable objectives of Children's Links.

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

	2019 £'000	2018 £'000
<b>Profit and Loss Account</b>		
Turnover	724	826
Payment to childcare settings	( 689)	( 785)
Wages, salaries and recruitment	( 16)	( 13)
Administrative expenses	( 14)	( 4)
Accountancy fees	( 3)	( 3)
Net profit for the year	<u>2</u>	<u>21</u>
<b>Balance Sheet</b>		
Fixed assets	1	2
Current assets	177	175
Liabilities	( 214)	( 214)
Net liabilities	<u>( 36)</u>	<u>( 37)</u>

#### 16 Debtors

Due within one year	Group		Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Trade debtors	19	50	17	31
Other debtors	-	-	9	24
Prepayments and accrued income	28	24	28	24
	<u>47</u>	<u>74</u>	<u>54</u>	<u>79</u>
<b>Due after one year</b>	<b>Group</b>		<b>Company</b>	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Amounts owed by group undertakings	-	-	70	66

## CHILDREN'S LINKS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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

	2019 £'000	Group 2018 £'000	2019 £'000	Company 2018 £'000
Trade creditors	252	247	122	131
Amounts owed by group undertakings	-	-	65	56
Taxation and social security	110	110	110	110
Other creditors	11	9	6	4
Accruals	26	36	22	29
Deferred income	15	16	15	16
	<b>414</b>	<b>418</b>	<b>340</b>	<b>346</b>

#### Deferred income

Deferred income comprises training fees received in advance, as well as programme deliveries, for which funding has been banked. Amount deferred in year is £15,000 (2018: £16,000). All deferred income brought forward was released during the year.

#### 18 Creditors: amounts falling due over one year

	2019 £'000	Group 2018 £'000	2019 £'000	Company 2018 £'000
Taxation and social security	225	375	225	375
	<b>225</b>	<b>375</b>	<b>225</b>	<b>375</b>

The above amount was the anticipated payments to be made towards the Company Voluntary Arrangement (CVA) in over one year. However, given the developments in note 19 below, these will no longer be payable.

#### 19 Events after the reporting date

In November 2019 a variation to the Company Voluntary Arrangement (CVA) was submitted which was accepted by the creditors in December 2019. The effect of this is that the £389k outstanding payments to the CVA at the reporting date are no longer payable. This is split £64k for trade creditors and £325k for taxation and social security.

#### 20 Leases

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

	Land and Buildings		Other	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
No later than one year	12	48	5	5
Later than one year and not later than five years	40	60	6	12
	<b>52</b>	<b>108</b>	<b>11</b>	<b>17</b>

## CHILDREN'S LINKS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

#### 21 Funds analysis

##### 21 a Funds analysis – current year

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

## CHILDREN'S LINKS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

#### 21b Funds analysis – prior year

	Balance at 1/4/2017 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance at 31/3/2018 £'000
<b>Unrestricted funds</b>					
Children's Links	( 290)	1,611	( 1,762)	-	( 441)
Linking Up Limited	( 30)	826	( 816)	-	( 20)
<b>Total unrestricted funds</b>	<b>( 320)</b>	<b>2,437</b>	<b>( 2,578)</b>	<b>-</b>	<b>( 461)</b>
<b>Designated funds</b>					
Damian fund	1	-	-	-	1
<b>Total designated funds</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>Total unrestricted funds</b>	<b>( 319)</b>	<b>2,437</b>	<b>( 2,578)</b>	<b>-</b>	<b>( 460)</b>
<b>Restricted funds</b>					
Adrian Worsley fund	1	-	-	-	1
Cambridge Small Grants	11	-	( 11)	-	-
Stocken Prison	4	-	( 4)	-	-
Big Lottery and European Social Fund Building Better Opportunities Move Grant	-	15	( 15)	-	-
Big Lottery and European Social Fund Building Better Opportunities Engagement Into Learning Grant	-	5	( 5)	-	-
Big Lottery and European Social Fund Building Better Opportunities Steps Forward Grant	-	59	( 51)	-	8
CYPVSF	-	15	( 10)	-	5
CAFCASS	-	5	( 5)	-	-
<b>Total restricted funds</b>	<b>16</b>	<b>99</b>	<b>( 101)</b>	<b>-</b>	<b>14</b>
<b>Total funds</b>	<b>( 303)</b>	<b>2,536</b>	<b>( 2,679)</b>	<b>-</b>	<b>( 446)</b>



## CHILDREN'S LINKS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

#### 21c Analysis of (liabilities) / assets between funds

	Unrestricted £'000	Restricted £'000	Total 2019 £'000	Unrestricted £'000	Restricted £'000	Total 2018 £'000
<b>General fund:</b>						
Intangible fixed assets	11	-	11	22	-	22
Tangible fixed assets	38	15	53	46	-	46
Current assets	200	29	229	265	14	279
Creditors falling due within one year	( 414)	-	( 414)	( 418)	-	( 418)
Creditors falling due in over one year	( 225)	-	( 225)	( 375)	-	( 375)
	<u>( 390)</u>	<u>44</u>	<u>( 346)</u>	<u>( 460)</u>	<u>14</u>	<u>( 446)</u>

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

#### 21d Funds analysis – description of funds

##### Designated funds

##### Damian fund

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

##### Restricted funds

##### Adrian Worsley fund

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

##### Cambridge Small Grants

Fund held as part of a contract to strengthen and improve both the quality of direct support and the reach to Cambridgeshire's frontline voluntary, community and social enterprise organisations, which is funded by Cambridgeshire County Council. The fund is to be issued in small grants which will be outcome based and capture social benefits.

##### Stocken Prison

This is funded by Children in Need and was set up to provide for additional staff at an existing prison. The additional staff will aid the support of the children, families and visitors of prisoners.

##### Big Lottery and European Social Fund Building Better Opportunities Move Grant

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

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

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

## CHILDREN'S LINKS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

#### 21d Funds analysis – description of funds (continued)

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

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

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

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

##### **CAFCASS (Children and Family Court Advisory and Support Service)**

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

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

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

##### **Act Foundation Grant**

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

##### **The Transformation Foundation**

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

#### 22 Related party transactions

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

There were no other related party transactions.

#### 23 Reconciliation of net expenditure to net cash flow from operating activities

	2019 £'000	2018 £'000
<b>Net expenditure for the reporting period (as per the statement of financial activities)</b>	<b>100</b>	<b>( 143)</b>
<b>Adjustments for:</b>		
Amortisation of intangible fixed assets	11	11
Depreciation of tangible fixed assets	21	21
Loss on disposal of property, plant and equipment	-	13
Decrease in debtors	27	159
Decrease in creditors	( 154)	( 170)
<b>Net cashflow from operating activities</b>	<b>5</b>	<b>( 109)</b>

## CHILDREN'S LINKS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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#### 24 Analysis of cash and cash equivalents

	2019 £'000	2018 £'000
Cash at bank and in hand	182	205
<b>Total cash and cash equivalents</b>	<b>182</b>	<b>205</b>