

Community Links Trust Limited

Report and financial statements
For the year ended 31 August 2023

Company number: 2661182
Charity number: 1018517

Classification : Official

Community Links Trust Limited

Contents

Company no. 2661182

As at 31 August 2023

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Community Links Trust Limited

Reference and administrative details

Company no. 2661182

As at 31 August 2023

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:

Naomi Hulston
Chibweka Kavindele
Nigel Richards

Company Secretary Nigel Richards

Community Links Trust Limited

Trustees' annual report

For the year ended 31 August 2023

The Trustees present their report and the financial statements for the year ended 31 August 2023.

The 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 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (the FRS 102 Charities SORP).

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 set out 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 Naomi Hulston, Chief Executive of Catch22, is on the Board of Trustees of Community Links.

On first becoming part of the Catch22 group, Community Links had access to a range of support services and a strategic framework to operate within. Community Links simultaneously remained close to its community roots, retained its charity registration, appointed its lead officer/(s) and set its own values and strategic direction. The principal objects of the charitable company (Community Links Trust) 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 the organisation) in any part of England and Wales with particular reference to health, housing, safety, education, training, rehabilitation and recreation of the sections of 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 resources with a view to ensuring that the maximum benefit to the community is obtained therefrom.

On 1 February 2021, the then trustees agreed that, in the best interests of the complementary charitable objects of Community Links Trust Limited and Catch22 Charity Limited and the integrated operations of the Catch22 group, for the public benefit, the charitable undertaking of Community Links Trust should be transferred, as a going concern, from Community Links Trust to Catch22 Charity Limited. All assets and trade of Community Links Trust were transferred to Catch22 Charity on this date and Community Links Trust Limited ceased to trade as a separate company on 1 February 2021. The merger brought tangible benefits to both organisations and ultimately benefitted the service users supported each year, in Newham, across Greater London, and further afield. The merger realised benefits in three broad areas:

Community Links Trust Limited Trustees' annual report

For the year ended 31 August 2023

- **Sustainability** – merging with Catch22 gave Community Links more protection in an uncertain environment, in which many charities of all sizes faced an uncertain future.
- **Scope** – merging with Catch22 opened more opportunities for Community Links' service users and staff.
- **Scale** – merging with Catch22 gave the opportunity to build upon and apply a place-based community approach to Catch22's many services across England and Wales.

Community Links' brand (our name, logo etc) and history established over 40 years continues within Catch22, as will its commitment (through our mission) to the community and to sharing local lessons to influence wider policy. There is a ring-fenced Community Links team within Catch22, and Community Links continues to fundraise within Catch22 for much needed funds to carry on its important work. The activities within Catch22 are overseen by an Advisory Committee tasked with safeguarding the legacy and future of Community Links. The Committee also help ensure local knowledge, experience and expertise continues to drive what we do.

Changes this Year

In collaboration with the Catch22 trustees, the trustees decided that from 1 December 2022 Community Links Trust Limited should begin operating again to deliver regulated Advice services on behalf of Catch22 and should seek to grow this important service offer by raising funds and seeking new contracts.

Board of Trustees

The Board is currently appointed by Catch22, but if the current Advice service delivery can be expanded then new trustees will be recruited in line with good practice within the Charities sector. 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 and 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 Community Links' Board, and such Trustees are required to act in the best interests of the organisation.

Day-to-day management of the Charity was delegated to the Director and Assistant Director and other employees who operated within defined terms of reference and delegated authorities and were seconded from Catch22. The current Director of the Charity, Liz Booker, was appointed on 1 August 2023, prior to that day-to-day management was the responsibility of Fahad Baig, Assistant Director. Catch22's Strategic Director for Young People, Families and Communities is responsible for further leadership oversight.

Achievements and performance in the delivery of public benefit

The Charities Act 2011 sets out twelve kinds of activity that are recognised as 'charitable' provided 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 Charity's current main activities are described below:

- 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 support and legal support, housing support, and support to deal with debt and other disadvantage.
- The advice team works with families in crisis through a number of supportive interventions.

Our advice services help with the following:

- Welfare and benefits
- Housing
- Accredited Debt advice

We connect people to the support they need, enable people to support each other and build capacity within the community to identify and overcome issues and prevent them from occurring again.

Our service approach is fourfold: **Support, Guide, Impact & Empower.**

The purpose of our Advice Services is to:

- Support the people who seek us out
- Guide them toward the most efficient path to alleviate the difficulties they face
- Impact their circumstances in a positive manner
- Empower them with the confidence to subsequently remedy difficult circumstances independently

Our focus is on Early Action interventions which support people at the earliest possible point, to prevent problems occurring before the issue escalates.

There is an emphasis on building Deep Value relationships with our clients and we tailor the service approach in such a way that our service users feel understood and supported. We ensure they feel heard and acknowledged, we guide them through the process of alleviating their stress, building their confidence and inspiring self-esteem. Our advisors become someone they can trust and thus they are more likely to engage in the positive steps we support them to take.

Community Links Trust Limited
Trustees' annual report

For the year ended 31 August 2023

Overview of specific activities and achievements in 2022/23

The charity began delivering regulated advice services on behalf of Catch22 from 1 December 2022, including delivering accredited debt advice to offenders on probation as part of Catch22's Finance, Benefit and Debt Commissioned Rehabilitative Services contract which operates across London.

Employees

All employees were seconded from Catch 22 Charity Limited.

Financial Review, Income and Expenditure and Reserves

Total income for the year was £123k (2022: £nil). Total expenditure for the year was £120k (2022: £nil). At the balance sheet date the charity had Total Funds of £3k (2022: £nil), which were all Unrestricted Funds and were all considered to be Free Reserves.

Reserves

The Finance, Growth & External Audit Committee of Catch22 conducts an annual review of the level of consolidated unrestricted reserves in the general fund by considering risks associated with the various income streams, expenditure plans and balance sheet items. This enables an estimate to be made of the level of reserves that are sufficient:

- to allow time for re-organisation in the event of a downturn in income or asset values
- to protect ongoing work programmes
- to allow the group of charities to meet its objectives.

Community Links Trust's reserves are considered as part of the group of charities rather than in isolation. Combined reserves of the Catch22 group of charities are considered by the Trustees to be adequate as at 31st August 2023.

Risk management

The Trustees have in place a robust risk management process, based on the processes put in place by its parent charity, Catch22. The process identifies the types of risk that the Charity faces, priorities them in terms of likelihood of occurrence and potential impact, identifies the means of managing these risks and monitors how the mitigations are managed. Development and review of risk management arrangements are the responsibility of the Trustee Board and are reviewed every six months.

The key organisational risks and key mitigations are divided into categories, the main risks in each category are drawn to the attention of the Board and scored for impact and likelihood before and after mitigations are applied. The categories are as follows: Financial, Commercial, Operational, Legal and Reputational.

Plans for the future

The trustees are seeking to secure additional funding to continue the Charity's advice work, particularly accredited debt advice, a valuable service that we would like to offer to more service users.

Community Links Trust Limited

Trustees' annual report

For the year ended 31 August 2023

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 the 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 of the incoming resources and application of resources, including the income and expenditure 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.

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 2023 was 1. Catch22 is the sole member of the Charity. The Trustees have no beneficial interest in the Charity.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Signature on behalf of the Board of Trustees on 29 May 2024



Nigel Richards
Trustee

INDEPENDENT AUDITOR'S 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 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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.

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

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 course of 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 themselves. 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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Other matters

The corresponding figures in the financial statements of Community Links Trust Limited were not audited as the charity did not require a statutory audit under the Charities Act 2011.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, 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.

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

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.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations. or through collusion.

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.

Moore Kingston Smith LLP.

James Saunders (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

29 May 2024

9 Appold Street
London
EC2A 2AP

Community Links Trust Limited

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

For the year ended 31 August 2023

				2023	2022
	Note	Restricted £	Unrestricted General £	Total £	Total £
Income from:					
Donations and legacies	3	-	-	-	-
Grants	3	43,048	-	43,048	-
Charitable activities	4	52,388	27,913	80,301	-
Advice					
Total income		95,436	27,913	123,349	-
Expenditure on:					
Charitable activities	5,6	95,566	24,724	120,290	-
Advice					
Total expenditure		95,566	24,724	120,290	-
Net (losses) on investments		-	-	-	-
Net (expenditure) /income for the year		(130)	3,189	3,059	-
Transfers between funds		130	(130)	-	-
Net movement in funds	11	-	3,059	3,059	-
Reconciliation of funds:					
Total funds brought forward		-	-	-	-
Total funds carried forward		-	3,059	3,059	-

Balance sheet

Company no. 2661182

As at 31 August 2023

	Note	2023 £	2022 £
Fixed assets:			
Tangible assets		-	-
		<u>-</u>	<u>-</u>
Current assets:			
Debtors	9	3,059	-
Cash at bank and in hand		-	-
		<u>3,059</u>	<u>-</u>
Liabilities:			
Creditors: amounts falling due within one year		-	-
		<u>-</u>	<u>-</u>
Net current assets		<u>3,059</u>	<u>-</u>
Total net assets		<u><u>3,059</u></u>	<u><u>-</u></u>
Funds:			
Restricted income funds		-	-
Unrestricted income funds:		3,059	-
		<u>3,059</u>	<u>-</u>
Total funds	11	<u><u>3,059</u></u>	<u><u>-</u></u>

The Financial Statements were approved by the Trustees on 29 May 2024 and signed on their behalf by



Nigel Richards
Trustee

Statement of cash flows

For the year ended 31 August 2023

	Note	2023 £	2022
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	13	-	-
Net cash provided by / (used in) investing activities		-	-
Cash flows from financing activities:			
Change in cash and cash equivalents in the year		-	-
Cash and cash equivalents at the beginning of the year		-	-
Cash and cash equivalents at the end of the year		-	-

Notes to the financial statements

For the year ended 31 August 2023

1 Accounting policies

Community Links Trust Limited is a charitable company limited by guarantee and registered in England and Wales, company number 2661182. The address of the registered office is 105 Barking Road, London, E16 4HQ.

a) Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102). The Charitable Company is a public benefit entity for the purposes of FRS102 and therefore the charity has prepared its financial statements in accordance with the 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 (The FRS102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

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 have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable group to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the trustees have considered the charitable company's forecast and projections and have considered the potential impact of the wider economic environment on the viability of the charitable group. The charitable company delivers regulated advice services on behalf of its ultimate parent company, Catch 22 Charity Limited, an area of delivery that Catch22 is looking to expand and has a confirmed contract with the Ministry of Justice until March 2025. Support services are provided by Catch22 and the cost is scaled up and down depending on the level of activity delivered. After making enquiries with Catch22 and confirming that Catch22's financial position is robust, the trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

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 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.

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 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.

Notes to the financial statements

For the year ended 31 August 2023

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.

h) **Expenditure and irrecoverable VAT**

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

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of Advice work undertaken 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 allocated to the activity.

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

- Advice 100%

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

j) **Operating leases**

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

2 Detailed comparatives for the statement of financial activities

	Unrestricted General £	2022 Total £
Income from:		
Donations and legacies	-	-
Grants	-	-
Charitable activities		
Advice	-	-
	<hr/>	<hr/>
Total income	-	-
Expenditure on:		
Charitable activities		
Advice	-	-
	<hr/>	<hr/>
Total expenditure	-	-
	<hr/>	<hr/>
Net expenditure for the year	-	-
Transfers between funds	-	-
	<hr/>	<hr/>
Net movement in funds	-	-
Total funds brought forward	-	-
	<hr/>	<hr/>
Total funds carried forward	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements

For the year ended 31 August 2023

3 Income from donations, legacies and grants

	Restricted £	Unrestricted £	2023 Total £	2022 Total £
Advice Grants:				
City Bridge	43,048	-	43,048	-
	<u>43,048</u>	<u>-</u>	<u>43,048</u>	<u>-</u>

4 Income from charitable activities

	Restricted £	Unrestricted £	2023 Total £	2022 Total £
City Bridge	431	-	431	-
Catch 22 Charity Limited (Finance, Benefit & Debt)	51,957	-	51,957	-
Arhag Homes	-	21,501	21,501	-
Newham Homes	-	6,412	6,412	-
Sub-total for Advice	<u>52,388</u>	<u>27,913</u>	<u>80,301</u>	<u>-</u>
Total income from charitable activities	<u>52,388</u>	<u>27,913</u>	<u>80,301</u>	<u>-</u>

5 Analysis of Expenditure

	Restricted £	Unrestricted £	2023 Total £	2022 Total £
Advice:				
Direct activity costs	91,218	21,933	113,151	-
Support Costs	4,348	2,791	7,139	-
	<u>95,566</u>	<u>24,724</u>	<u>120,290</u>	<u>-</u>

Catch 22 Charity Limited provides the support services to all entities within the group; including finance, IT, governance and risk management, HR, health & safety, safeguarding, facilities, procurement, marketing and communications and development activity.

Notes to the financial statements

For the year ended 31 August 2023

6 Expenditure for the year

This is stated after charging / (crediting):

	2023 £	2022 £
Auditors' remuneration (excluding VAT):		
Audit	-	-

Audit fees are charged to the ultimate parent company, Catch 22 Charity Limited.

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

No staff were directly employed by the charity, they were seconded from the ultimate parent company, Catch 22 Charity Limited. None of the staff seconded were paid over £60,000.

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2022: £nil), incurred by 0 (2022: 0) trustees relating to attendance at meetings of the trustees.

Aggregate donations from trustees was £nil (2022: £nil).

8 Staff numbers

	2023 No.	2022 No.
Average number of employees during the year was as follows:	-	-

No staff were directly employed by the charity, they were seconded from the ultimate parent company, Catch 22 Charity Limited.

9 Debtors

	2023 £	2022 £
Amounts owed by other group companies	3,059	-
	3,059	-

10 Related party Transactions

During the year the charitable company had income receivable from Catch 22 Charity Limited of £123,349 (2022: £nil).

Also during the year Catch22 incurred the following costs on behalf of the charitable company:

- Staff costs £82,953 (2022: £nil)
- Other direct costs £30,198 (2022: £nil)
- Support costs £7,139 (2022: £nil)

These costs totalling £120,290 (2022: £nil) had not been invoiced by Catch22 at the year-end.

At the balance sheet date £3,059 (2022: £nil) was owed to the charitable company by Catch22.

Notes to the financial statements

For the year ended 31 August 2023

11 Movements in funds

Movements in funds 2023

	At 1 September 2022 £	Income £	Expenditure £	Transfers £	At 31 August 2023 £
Restricted funds:					
Advice	-	95,436	(95,566)	130	-
Total restricted funds	-	95,436	(95,566)	130	-
Unrestricted funds:					
General funds	-	27,913	(24,724)	(130)	3,059
Total unrestricted funds	-	27,913	(24,724)	(130)	3,059
Total funds	-	123,349	(120,290)	-	3,059

Purposes of restricted funds

The charity receives restricted income from a 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.

The Transfer of funds is in relation to a small deficit incurred on restricted activities transferred to General Funds.

Unrestricted 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 2022

	At 1 September 2021 £	Income £	Expenditure £	Transfers £	At 31 August 2022 £
Restricted funds:					
Advice	-	-	-	-	-
Total restricted funds	-	-	-	-	-
Unrestricted funds:					
General funds	-	-	-	-	-
Total unrestricted funds	-	-	-	-	-
Total funds	-	-	-	-	-

Notes to the financial statements

For the year ended 31 August 2023

12	Reconciliation of net (expenditure) /income to net cash flow from operating activities	2023 £	2022 £
	Net (expenditure)/income for the reporting period (as per the statement of financial activities)	3,059	-
	(Increase) in debtors	(3,059)	-
	Net cash provided by / (used in) operating activities	-	-

13 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.

14 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, incorporated as a charity, 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.