

Registered number: 01240377
Charity number: 504913

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

LINKAGE COMMUNITY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2020**

Trustees	Mr A T Bake Mr K J Batty (appointed 30 October 2019) Mr M Bell Professor S F Brown Professor M C Hannay (appointed 29 January 2020) Mr S J Hatchman Mrs C Jervis Mrs S Kane (re-appointed 21 October 2020, resigned 3 November 2019) Mr A J Morgan (resigned 30 December 2019) Mr A S Najmaldin (resigned 29 April 2020) Mr M J Oliver (deceased 5 March 2021) Mr D Reed (appointed 29 January 2020) Mr A K Riley (resigned 28 April 2021) Mrs S M Simpson Mr M A Smith (appointed 28 April 2021) Mrs S J Stewart (resigned 4 October 2019)
Company Registered Number	01240377
Charity Registered Number	504913
Registered Office	Toynton Hall Main Road Toynton All Saints Spilsby Lincolnshire PE23 5AE
Independent Auditors	Streets Audit LLP Chartered Accountants & Statutory Auditor Tower House Lucy Tower Street Lincoln LN1 1XW
Bankers	Lloyds Bank plc High Street Lincoln LN5 7AP
Solicitors	Bridge McFarland 9 Cornmarket Louth Lincolnshire LN11 9PY

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Investment Advisers jch: investment management limited
1 Henley Way
Doddington Road
Lincoln
LN6 3QR

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CHAIRPERSON'S STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

The Chair presents their statement for the year.

I am very pleased to report another successful year for Linkage Community Trust, in spite of the trying circumstances of the COVID-19 pandemic from Spring 2020. This naturally saw the cancellation of a number of showpiece annual events such as the performing arts summer show and graduation ceremonies. However, the resilience of both staff and clients meant that services continued wherever possible and only a small number of isolated cases of COVID-19 were reported.

The Trust remains focussed on its vision that "People with learning difficulties and disabilities have opportunities and choice, and are supported to achieve their aspirations", and its mission "To provide person-centred services that enable individuals to develop skills and behaviours and to live independent lives".

In a challenging financial environment, Linkage remains in a sound financial position and achieved a successful financial result in the period thanks to continued control of costs and efficiency gains.

The Trust's Residential Care provision served 163 clients. Using technology to stay connected, a wide range of activities have been accessed by the people we support as everyone adapted to changing way of living. A further 121 clients were supported through the Community Support service, living in the community in either their own properties or through Linkage's ongoing partnership with Platform Housing and Local Housing Associations. The Trust benefited from additional government funding via the Infection Prevention and Control Fund, which helped provide additional staffing and reduce cross-site working and the use of agency staff.

The Adult Skills service continued to thrive and offered a growing range of opportunities to up to 75 external clients as well as to its Residential clients. This has had to adapt during the pandemic, with activities organised into secure 'bubbles' and with opportunities for users to access sessions virtually.

The Employment service worked with over 110 local employers, supporting over 50 clients and learners into work-based opportunities. The employment team has also been engaged in a new initiative with Lincolnshire County Council, delivering their Specialist Tailored Employment Partnership (STEP) programme. During the pandemic, this switched to a reduced offer, with electronic advice meetings available to Linkage clients.

March 2020 saw Linkage College inspected by Ofsted, who reported that Linkage is a "Good" College with some Outstanding features. In a positive report, Ofsted said that Linkage "provides learners with opportunities which are life changing, and support them to achieve more than they thought they could". Linkage College ended 2020 with 140 learners, a slight reduction on the previous year, but had to react to the fast-changing legislation and ways of working during the pandemic. This saw achievement fall to 84.5% (still in line with usual national benchmarking), and cemented Linkage's position in the top 5% of specialist colleges nationally. Efforts from Spring 2020 centred on preparations for the exciting new campus to be opened at Beverley in the East Riding of Yorkshire, with work ongoing with property agents and with the Local Authority. Linkage will occupy temporary accommodation (which has recently seen a deep refurbishment), before moving into larger neighbouring accommodation in September 2021, which will be refurbished to Linkage's specifications and will meet the growing student demand in this area.

The Trust's five-year Digitalisation plan that was launched in 2019 continues at a pace. It accelerated further during the pandemic with the requirement for staff to work remotely and with face-to-face visits and meeting largely eliminated. Of note, an ambitious project to deliver an electronic time/attendance and rota system began, which will remove administrative burden from managers and their staff, and help to drive efficiencies in planning and organising staffing resources.

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CHAIRPERSON'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

A study was launched in early 2020 to look at the future of the Trust's campus at Weelsby. A spectacular (but currently under-used) Victorian hall with links the local shipping industry stands in a five acre site comprising mainly woodland/parkland, but also housing some outbuildings and some more modern Linkage facilities, including the largest of the College buildings (McKenzie Building), serving North East Lincolnshire. Following a successful bid for National Lottery Heritage funding, a partner was appointed to help deliver an options appraisal for Weelsby Hall and the wider site. Summer 2020 saw the opportunity to invite stakeholders and the community to (socially distanced) events outside the Hall. Work on the options appraisal continues, and it is hoped that a secure future for Weelsby Hall serving Linkage and the community can be delivered.

Very sadly, Chairman Michael Oliver passed away in March 2021 following a long illness. Michael was a valued Trustee for 12 years and was appointed as Chair in September 2010. Like all Linkage's Trustees, he was extremely generous with his time on a voluntary basis. His enthusiastic support and passion for Linkage will be greatly missed.

Finally, I must pay tribute to the skills and dedication of staff in especially trying times who have cared for those we support, and have made all of Linkage's achievements possible in the past year.



Mrs S M Simpson

Date:

25 May 2021

LINKAGE COMMUNITY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the audited financial statements of the Trust for the year 1 September 2019 to 31 August 2020. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (SORP), 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) as amended by Update Bulletin 1 (effective 1 January 2015) and Update Bulletin 2 (effective 1 January 2019).

STRUCTURE

The Trust is both a company limited by guarantee as defined by the Companies Act 2006 and a registered charity. Its governing document is the Articles of Association adopted on 1 May 2019.

OBJECTIVES AND ACTIVITIES

Aims and Objectives

The objects of the Trust are set out in the Articles of Association. More specifically, the Trust provides specialist further education, residential care and community support, adult skills and a range of employment services which, taken together, are intended to enable people with learning difficulties and other disabilities to realise their full potential and achieve independence. There has been no substantive change in the charitable objects during the period under review.

Significant Activities

During the year, the Trust operated from college campuses in Toynton, Grimsby and Lincoln, residential and day care services based in Toynton, Scremby, Skegness, Louth, Grimsby, Alford, Lincoln and Mablethorpe. It also operated from more than 30 'satellites' (residential care homes, student residences, workshops, cafes etc) situated in East Lindsey, North East Lincolnshire and the City of Lincoln.

Related Parties

Linkage Trading Limited is a company limited by guarantee established in the year 2000 to provide a vehicle for the conduct of commercial activities that support, promote or otherwise enhance the aims and objectives of the Trust.

Linkage Trading Limited is governed by its own board of directors, although by deed of covenant dated 30 March 2001, the whole of the annual surplus of Linkage Trading Limited, if any, is to be paid to the Trust. An option deed dated 30 March 2001 exists whereby at any time Linkage Community Trust has the right to acquire the assets and undertakings of Linkage Trading Limited.

ACHIEVEMENT AND PERFORMANCE

Linkage Community Trust continues to strive to reach and bring choice and opportunity to as many individuals as possible. In order to do this it provides a number of core services in order to maximise its offer to the communities it serves. An overview of their activities during this period is provided below.

Adult Skills

From the beginning of the 2019 financial year Adult Skills continued to move forward with new initiatives, with plans made throughout the year and in what was to be a year like no other, Adult Skills has endeavoured to adapt and revise delivery so that we can continue to provide support to those that we provide services to.

Providing our clients with opportunities and guidance on well-being and living healthy lifestyles was showcased in our 3rd Annual Adult Skills Health and Well-being Awards in November and throughout the year clients have shared their own healthy lifestyle choices through social media relating to cooking, exercise and outdoor activities supported by the Adult Skills Team including outdoor excursions and activities.

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FOR THE YEAR ENDED 31 AUGUST 2020

From March 2020 and the beginning of the first national lockdown there was a decrease of external clients attending the centres. Adult Skills was deemed an essential service and we therefore stayed open for some of our clients for whom being at home was not a feasible option. Toynton and Grimsby delivered a reduced service, and Lincoln temporarily closed its doors as all families there made the decision to keep their son/daughter at home. Adult Skills staff were successfully redeployed to residential homes to supplement the staff there and provide support as clients were now not accessing the centres and staff remaining took up the opportunity to make regular contact with families and ensure they were kept up to date and were supported throughout this challenging period.

As we came out of the first lockdown numbers accessing the centres began to rise as people became more comfortable with the 'new normal'. We reviewed how we could deliver activities to keep people engaged, and new initiatives such as weekly challenges, competitions, Zoom sessions for Performing Arts and Walking for Health were introduced.

We had 75 external clients accessing across the service on a face-to-face basis with additional outreach and Zoom sessions introduced for all residential care homes.

Care Services

Care Services comprises Residential Care, Community Support and Employment Services. During the period under review Care Services served almost 163 clients within its 23 residential care homes and 121 clients through its Community Support service, with others benefitting from access to our Respite service.

Community Support services supports clients in the community either in their own private accommodation or in managed properties provided through our ongoing partnership work with Platform Housing (previously Waterloo) and Local Housing Authorities.

The last year has seen a time of drastic change for our care services across residential and community support as the trust responded to the COVID-19 pandemic. People within receipt of our care will have experienced new ways of receiving their support, such as:

- the introduction of PPE at all times when support is provided;
- the requirements for the staff who support them to be tested weekly, and to receive a test monthly themselves;
- ever changing Government guidance has seen great impact in the choice and control for our clients on how they live their lives;
- not being able to see or have physical contact with family members and friends;
- the introduction of the concept of 'bubbles' and needing to stay within a group of identified people in one location;
- the opportunities and relationships with the local community have become cut off as shops, local cafes, pubs and other hospitality services have been closed; and
- cross-site movement of people has also prevented people within our care services being able to access activities provided by our adult skills centres from the main sites in which we operate.

Despite these implications, the clients we support and our colleagues who support them have demonstrated an amazing resilience in the face of such adversity

As Government guidance has changed we have maximised the opportunities for people to be able to connect with their families and to provide activities in person. This has seen a variety of focused activities delivered to each care home bubble, such as walking group, cross country cycling, couch to 1k and regular trips to safe local spaces – at times for only 45 minutes a day.

Linkage Care services has received additional grants through the Infection Prevention & Control (IPC) fund to support its response to the COVID-19 pandemic.

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FOR THE YEAR ENDED 31 AUGUST 2020

Despite the challenging second half of the year, new processes have continued to be introduced that have enabled us to be more responsive, more tailored to the needs, wishes and vulnerabilities of the people Linkage supports, and to ensure that our clients have the skills they need to lead a life that is safe and makes sense to them.

The Trust has continued on its journey to digitalise systems and processes that will directly benefit and modernise the service it provides for the people we support, which will enable the Trust to be as efficient as possible with its resources, as well as ensuring that clients have all the accessible technology in place they need to lead an engaged, interactive and independent life.

The Employment Team again worked with over 110 local employers, supporting over 50 clients and learners to access opportunities in volunteering, work experience, community engagement, supported internships and paid employment.

During this year the team has also been engaged in the delivery of the STEP service (Specialist Tailored Employment Partnership), which is a new venture between Lincolnshire County Council and Linkage Community Trust fully in tune with our own objectives.

We have endeavoured to adhere to shifting Government guidance, and are maintaining our COVID-secure person centred approach to safely support individuals to retain and resume their employment, volunteer activities, work experience and internship placements wherever possible.

Education

The 2019/2020 academic year at the college was unique. The coronavirus pandemic meant that learners enjoyed two terms of normal college life and one term in total lockdown. Just prior to the national lockdown in March 2020 the College was inspected by Ofsted, one of the final inspections by Ofsted before the pandemic struck. The college received a superb report regarding its provision and the endorsement by Ofsted that Linkage is a "Good" college with some outstanding features.

Ofsted stated in their report, "Linkage provide learners with opportunities which are life changing, and support them to achieve more than they thought they could."

The monumental efforts and resourcefulness of the college's staff teams ensured learners were still engaged, which resulted in an achievement rate of 84.5%. Despite the pandemic the college's achievement rate was still in line with national averages in a non-pandemic year which is a phenomenal result in the circumstances. This outstanding achievement maintained Linkage College's stature in the top 5% of specialist colleges nationally. The college's retention rate of its 140 learners remained high at 96.8%.

The college began the academic year in September 2019 with a new, comprehensive curriculum strategy that was linked directly to curriculum goals. The strategy was praised by Ofsted for its vision, ambition and flexibility. However, during March 2020, the implementation of the curriculum changed significantly due to the pandemic. Staff had to quickly find a different way of working and effectively tailor the curriculum to ensure that learners could still meet their learning objectives. Staff developed bespoke work packs that mirrored each individual's timetable as well as introducing virtual sessions. Weekly challenges and interactive activities were introduced along with support hotlines for learners and parents, leading to 87% engagement of learners. The weekly challenge competition, in line with weekly themes, was extremely popular. On average there were 25-30 entrants across all campuses and the judging panel of managers regularly chose a number of winners each week, such was the standard of learners' work.

Ofsted stated in their report: "Staff celebrate diversity, and learners work well together, respect their peers, and have empathy towards each other's disabilities."

Health and well-being are effectively embedded into all areas of the curriculum. In November 2019 a cohort of 25 (18%) learners across all campuses participated in a residential trip through the National Citizen Service.

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Activities included: abseiling, kart building, rock climbing, zip wire, high ropes and archery. Sessions relating to online safety have supported the introduction of virtual learning environments. In December 2019, Chris Arnold from the local police visited to discuss how to keep safe during dark nights, and Anna Wooster CEO of Greenio Ltd visited to discuss climate change. All learners are given the same opportunities and supported to enter various competitions, such as a Boccia tournament in Leicestershire, and an Arts skills competition hosted by Landmarks College.

A range of continuous improvement initiatives were undertaken with the support of the Board in 2019/2020. Linkage was awarded a £25,000 grant from the Karten Trust to upgrade ICT kit and software for learners. Linkage also received a grant which helped our Lincoln campus to purchase IT equipment and provided laptops for staff to work from home and facilitate virtual learning. The Board held a strategy day in November 2019 which approved plans for the East Riding campus following the presentation of a Suitability, Feasibility and Accessibility report plus risk assessment and business plan. The Linkage College East Riding campus was made ready to open to deliver an initial service and raise profile from September 2020.

Linkage Outreach Project (Sensory Bus/Library)

During this year under review the Linkage Outreach Project was created, with a second grant from the National Lottery Community Fund (formerly the Big Lottery Fund) and a wider remit.

The core remains work delivered on the Sensory Bus which during the year worked with 22 organisations, predominantly primary schools, and 425 children and adults including sessions in 3 nursing homes, a special school and a Children's Centre. Most beneficiaries were pupils with special educational needs and the outcomes were:

97% happier
31% improved ability to share and interact
46% calmer and better able to sleep
48% more independent
16% better concentration

One of the most useful aspects of the work remains the beneficiaries' teachers and carers being able to observe what those in their care respond to and to take away ideas. The Development Workers have advised schools on creating their own Sensory Spaces.

We began delivery of LEGO®-based therapy to schools to build team work and co-operation, and was delivered to 40 children working alongside teachers or support staff so that the schools could continue delivery at the end of the sessions. This has been an unqualified success and very popular with both children and staff.

The project also delivered:

- Training days on the bus for 97 trainee teachers at Bishop Grosseteste University, and for trainee nursery teachers in Sleaford.
- Devolution of the Sensory Library to Rainbow Stars.
- A link to the Block Bus in Norfolk to learn from each other's work.

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FOR THE YEAR ENDED 31 AUGUST 2020

Young Futures Project (Children & Families Development Worker)

The Young Futures Project, supported by BBC Children in Need, entered its third year of funding. The project works with children across Greater Lincolnshire, all of whom have special educational needs and disabilities, who struggle to access the same opportunities in education, training, within the community and social activities as their non-disabled peers. Over the last year the Development Worker has supported 75 young people and their families.

Many of the families are within the lowest income group and living in poverty so are doubly disadvantaged, and a number of the young people have experienced abuse and/or live in chaotic circumstances which has impacted upon their development.

The support offered to young people and their family varies depending upon their individual needs. There has been an increase of referrals from parents, carers and professionals regarding children who have Autism, ADHD and/or Tourette syndrome. Many are struggling to address and manage anxiety, resulting in the parent/carer feeling unable to support their child at home or in the community. The project has supported parents and schools to put strategies in place which has enabled the children to speak out when feeling anxious, and also provide environments which have helped to relieve some of their anxieties. The project works in partnership with the Sensory Library/Linkage Outreach Project, offering the loan of sensory equipment to support relaxation, and to enable the children to feel more secure and confident.

The level and period of time the young person is supported is bespoke, and can range from advice being given over the phone to weekly visits to the home or school over several months. Both parents and young people state that as a direct result of the Children & Families Development Worker's support they are being "listened to".

Following a second successful application, BBC Children in Need have agreed to continue to fund the Project for a further three years.

Digitalisation

The objective of the comprehensive Linkage-wide Five-Year Linkage Digital Strategy is to coordinate and update the many manual systems in use across Linkage used to collate, process and secure essential information, and become a digitally mature organisation. The fulfilment of the strategy will not only secure our systems and data against cyber-attack, but also increase efficiency, allowing more time to be spent with clients and students and lead to significant savings to enhance the financial sustainability of the Trust. It will also embed the critically important adaptation to COVID-secure blended learning by Linkage College by offering a Virtual Learning Environment.

We have completed the successful implementation of Year 1 of the strategy. This focused on a process review, and the selection and implementation of software solution Planday to drive efficiencies in processes such as Planning, Scheduling, Time and Attendance, Timesheets and Reporting, and has already resulted in significant cost savings and efficiencies being realised.

Supported by a further successful funding bid, Year 2 planned activity includes the primary aims to establish the cybersecurity of systems and data: complete the roll-out of Planday to 500 Linkage staff; and to create a Virtual Learning Environment (VLE) to serve all learners across our college campuses. The VLE will facilitate the delivery of blended learning (a diverse offer of face-to-face, remote, and virtual teaching) to ensure that we continue to deliver a comprehensive learning experience to our learners that is engaging and enjoyable as well as effective. This will strengthen our COVID-secure practice and also support and engage learners when they cannot attend college.

At the conclusion of our Five-Year Digital Strategy a transformational change that will positively impact our clients, learners, parents, staff, partners and stakeholders will have occurred. In short, the Digital Strategy aims to improve the experience of all those who come into contact with Linkage in any way.

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GOVERNANCE AND MANAGEMENT

Trustees and Directors / The Board and its Sub-Committees

The Trust is governed by a Board of Trustees which meets six times a year on a pre-planned basis, and more frequently if required. In addition the Board has an annual strategy day and Trustees receive financial and other updates between board meetings. All Trustees give of their time freely. Trustees are required to disclose all relevant interests and to withdraw from any decisions where a conflict of interest arises. No notice was received of any changes to Trustees' interests in the year. In addition to meeting as a full board, Trustees also contribute to the governance process through the Care and Employment, Education and Finance Committees.

The Trustees who served the Trust during the year are listed on page 1 of this report.

Recruitment and Appointment of New Trustees

Subject always to the requirements of the law and the Trust's Articles of Association, the Board is empowered to appoint as a trustee any person who is willing to act, either to fill a casual vacancy or by way of an addition to the Trustees.

Induction and Training of Trustees

A programme of induction and development has been available to all the Trustees, covering all the main features of the Trust's activities and the duties and responsibilities of Trustees. In addition most meetings of the Board are preceded by a Trustee Development Session, where presentations are made to the Trustees on various aspects of the Trust's activities and on developments in the environment in which the Trust operates.

Organisational Structure

Responsibility for each major area of activity (Care, Education and Finance) is delegated to what Linkage (but not Companies House) describes as a 'Director', each of whom reports to the Chief Executive. The Chief Executive and the Directors make up the Senior Management Team (SMT), which reports regularly and routinely to the Board of Trustees.

Remuneration of Key Management Personnel

The remuneration of key management personnel is reviewed on an annual basis by the Finance Committee.

Wider Networks

Membership

The Trust is a full member of the Association of Colleges (providing an umbrella over the entire FE sector), the Association for Real Change (providing an umbrella over the care sector), the British Association for Supported Employment, the National Association for Special Educational Needs, the National Association of Specialist Further Education Colleges, the National Council of Voluntary Organisations, Voluntary Organisations Disability Group and the Lincolnshire Chamber of Commerce.

Key Stakeholders

Other organisations with which the Trust works closely include the Education and Skills Funding Agency, local authority Social Services and other departments, various inspection regimes (especially Ofsted and the Care Quality Commission) and a number of quality assurance organisations (such as Investors in People).

Working in Partnership

Both formally and informally, the Trust works closely and collaboratively with a wide range of other service providers, including mainstream and specialist FE colleges, housing associations, local authorities, other care providers and local employers, both individually and through a variety of professional networks.

Risk Management

The Trustees are satisfied that adequate systems are in place to identify and manage those risks to which the Trust is from time to time exposed.

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External Risks

The funding of further education for those with a learning disability has been in a state of flux for a number of years. The functions of the Learning and Skills Council were transferred to the Young Persons Learning Agency ("YPLA") in April 2010 and then to the Education and Skills Funding Agency in April 2012. In 2011 the allocation of funds from YPLA was largely transferred to local authorities and in 2013 funding of general and independent specialist further education changed again with local authorities gaining greater powers, although broadly putting the funding of general and independent specialist further education colleges on a very similar basis. Potential students, particularly from outside Lincolnshire, are finding it increasingly difficult to obtain funding, especially for residential placements and for tuition on more than three days per week.

Those who secure funding for a place at the Trust's college are tending to present with more complex needs and require significant levels of support. To address this issue the college is implementing and will continue to seek more flexible models of staff employment.

Costs continue to rise throughout the Trust, due to inflation, increases in the minimum wage and the National Living Wage, but, in past years, income has not matched that, with very few commissioners agreeing to increases in fees, and indeed with decline in average College fees. The Trust continues to make efficiency gains.

The Trust is required to operate within a regulatory environment that is also continually changing.

For these reasons and others, strategic plans have been reviewed, and it is the Trust's intention to permit and encourage the diversification of each of the Trust's core services (Education, Care and Employment), to take those services 'out of county' and to provide opportunities for the generation of non-fee based income through targeted funding and fundraising campaigns.

Internal Risks

The Board always ensures that the charity has strong 'control procedures' in place to safeguard its assets. At a governance level, these include a formal programme of trustee induction and development, bi-monthly board meetings, the inclusion of 'standing items' on each board meeting's agenda (including equality and diversity, health and safety, safeguarding and legal compliance), a formal review of board information needs and the committee structure which permits increased delegation of board-level scrutiny.

Financial Risk

Financial risk is minimised by the strict adherence to policies and of procedures governing all aspects of financial management. These policies and procedures are regularly and routinely reviewed to ensure that they continue to meet the needs of the Trust.

Risk Assessment

The Board has adopted a corporate risk management framework that enables the Trustees to monitor the status of identified risks to the Trust, to be assured that suitable plans and provisions are made by management and to be associated regularly and routinely with the production of a corporate risk register. Given the vulnerable nature of the Trust's service users, risk assessment is an integral part of the day-to-day activity of many staff and managers. It is the higher level, strategic risk analysis that is the current focus of the Board of Trustees and the Senior Management Team.

Public Benefit Reporting

When reviewing the Trust's objectives and aims and in planning future activities, the Trustees confirm that they have complied with relevant legislation and have paid due regard to guidance published by the Charity Commission. The Trustees have referred to the guidance and have aimed to summarise the activities in this report and to demonstrate that they have helped further the Trust's aims and objectives as detailed above.

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LINKAGE STAFF

Major Achievements

The staff at Linkage remains its greatest asset. Their commitment to the education, care and welfare of the Trust's clients has remained consistently high. Year on year, the achievements of all the staff are reflected in personal targets and reviewed in annual appraisals. Performance against targets built into each division's operating plan is also monitored routinely and reviewed annually. During the period under review, the Trust's care services continued to obtain consistently high grades from the Care Quality Commission and the Linkage College Ofsted maintained its rating of 'Good' with outstanding elements' in its last inspection.

Employee Involvement and Staff Development

Linkage has possessed Investor in People (IIP) status since November 1995, and was successfully re-assessed in 2017.

The Trust's commitment to training and development is considerable and seeks both to enhance the quality of its work and to maintain its enviable market position. Various means are employed to ensure that staff at all levels and at all sites are informed of and able to contribute to developments occurring across the organisation. Although there is no formal trade union involvement, a Linkage-wide consultative body, the Staff Representatives Group, has actively assisted the Trust during recent restructure initiatives.

Disabled Persons

The Trust's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Disabled employees receive appropriate training to facilitate and encourage career development. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts. The Trust continues to use and develop its commitment to the 'two ticks' disability symbol promoted by the Department for Work and Pensions.

FUTURE DEVELOPMENTS

Strategic Planning

The strategic plan is revised annually and re-submitted to the Board of Trustees for amendment and / or approval. This was the fourth year of implementing the five year plan covering the period from 2016 to 2021. The plan outlines the journey for the next five years and sets out clearly the Trust's vision, mission and values, and the actions the Trust will take to achieve its objectives.

Key Objectives

The plan sets out the Trust vision:

'People with learning difficulties and disabilities have opportunities and choice and are supported to achieve their aspirations'.

The Trust's mission:

'To provide person centred services that enable individuals to develop skills and behaviours to live independent lives.'

The plan sets three priorities:

Priority 1: Putting People First - Linkage will focus on helping the people it supports live the life they choose.

Priority 2: Working Together - Linkage will focus on working collaboratively with other organisations, agencies and experts to offer a range of solutions for people, their families and carers.

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Priority 3: Growing our Business - Linkage will develop focus on delivering more services for more people, whether they need a lot of support, or just occasionally.

FINANCIAL REVIEW

Summary of the Results for 31 August 2020

Despite continuing to face significant financial pressures, the restructuring over recent periods in addition to tight control of costs have enabled the Trust to record an operating surplus for the year before revaluations of £270,461 (2019: £422,654).

The results for the year further include the effects of the property revaluations and the actuarial movement on the Trust's defined benefit pension scheme. Overall, the accounts show a net positive movement of funds of £292,632 (2019: £267,199).

Reserves Policy

The Board of Trustees has reviewed its reserves policy and re-examined the Trust's requirements for free reserves in light of both the predominant risks to the Trust and its need for working capital. In completing this review Trustees analysed existing funds, assessed the reliability of future income streams, reviewed committed expenditure and the extent to which it is controllable and assessed the risk, to identify potential commitments and contingencies, together with the likelihood that these risks will materialise and give rise to new commitments. This assessment placed the minimum requirement of free reserves at £1.5million.

As at 31 August 2020, free reserves were £2,501,099 (2019: £2,453,385) based upon calculations which exclude the unrealised pension liability.

Principal Funding Sources

The Trust's principal funding source has always been the public purse: with various agencies of government funding its education and care services. In recent years, Linkage College has been funded by a succession of national funding agencies, most recently, the Education and Skills Funding Agency, but now with decision making and an important element of funding devolved to local authorities. Funding of Linkage's care services continues to be delivered by local authority social service departments.

Funds in Deficit

The Trustees are not aware of any funds being overspent. As the balance sheet illustrates, the Trust has assets which are sufficient to meet the Trust's obligations on a fund by fund basis. It is also worth noting that budgetary controls are in place which do not permit funds to go into deficit.

Fundraising Activities

For most of its history, the Trust has been able to rely upon fee income from activities. In recent years, however, it has become increasingly clear that, if the Trust wishes to maintain its pursuit of excellence and to benefit from opportunities to explore new markets and test new services, it will need to develop a non-fee based income stream. For this reason, it has embarked upon a fundraising campaign.

Investment Policy and Objectives

The Trustees' investment powers are prescribed in the Trust's Articles of Association. The Trustees are permitted to invest any monies of the Trust not immediately required for its purpose in or upon such investments, securities or property as the management committee shall think fit and is allowed by law. During the year under review, the Trust's investment portfolio that was managed by J M Finn & Co was transferred to a new portfolio managed by jch: management services limited.

Internal and External Factors

The Trustees have made a full assessment of the internal and external factors that may affect these financial statements and do not deem any factors material enough to have an impact.

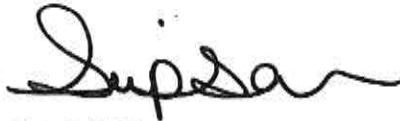
LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Funds held as Custodian for Others

Included in creditor balances is £381,512 (2019: £385,156) due to students and residents in respect of monies held on their behalf in bank accounts in the Trust's name. This amount is also included in the figure for cash at bank and in hand on the balance sheet.

Approved by order of the members of the Board of Trustees on
25 May 2021 and signed on their behalf by:



Mrs S M Simpson

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

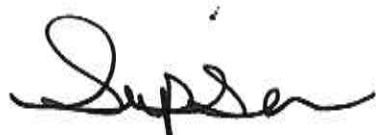
The Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . 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 Trust and of its incoming resources and application of resources, including its 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the Board of Trustees on and signed on its behalf by:



Mrs S M Simpson

25 May 2021

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKAGE COMMUNITY TRUST

Opinion

We have audited the financial statements of Linkage Community Trust (the 'trust') for the year ended 31 August 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKAGE COMMUNITY TRUST
(CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which 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.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKAGE COMMUNITY TRUST
(CONTINUED)

Responsibilities of trustees

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Anderson (Senior statutory auditor)
for and on behalf of
Streets Audit LLP
Chartered Accountants & Statutory Auditor

Tower House
Lucy Tower Street
Lincoln
LN1 1XW

Date: 25 May 2021

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations, grants and legacies:	4				
Donations		9,285	54	9,339	18,303
Grants		438,203	-	438,203	323,792
Charitable activities	6	-	14,506,448	14,506,448	14,352,758
Other trading activities	8	3,417	40,202	43,619	48,733
Investments	9	-	2,880	2,880	3,271
Total income		450,905	14,549,584	15,000,489	14,746,857
Expenditure on:					
Raising funds:	10				
Expenditure of voluntary income		474,344	-	474,344	399,583
Fundraising expenses		-	61,318	61,318	62,037
Charitable activities	11	-	14,069,499	14,069,499	14,164,264
Other expenditure	13	-	113,697	113,697	(230,533)
Total expenditure		474,344	14,244,514	14,718,858	14,395,351
Net (expenditure)/income before net (losses)/gains on investments		(23,439)	305,070	281,631	351,506
Net (losses)/gains on investments		-	(11,170)	(11,170)	71,148
Net movement in funds before other recognised gains/(losses)		(23,439)	293,900	270,461	422,654
Other recognised gains/(losses):					
Gains on revaluation of fixed assets		-	-	-	305,000
Actuarial gains/(losses) on defined benefit pension schemes	31	-	22,171	22,171	(460,455)
Net movement in funds		(23,439)	316,071	292,632	267,199

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Reconciliation of funds:					
Total funds brought forward		3,262,828	16,505,970	19,768,798	19,501,599
Net movement in funds		(23,439)	316,071	292,632	267,199
Total funds carried forward		<u><u>3,239,389</u></u>	<u><u>16,822,041</u></u>	<u><u>20,061,430</u></u>	<u><u>19,768,798</u></u>

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

The notes on pages 24 to 53 form part of these financial statements.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 01240377

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	17	19,571,116	19,564,404
		<u>19,571,116</u>	<u>19,564,404</u>
Current assets			
Debtors	19	2,059,244	1,919,335
Investments	20	2,161,799	2,174,291
Cash at bank and in hand		1,374,672	579,193
		<u>5,595,715</u>	<u>4,672,819</u>
Creditors: amounts falling due within one year	21	(2,938,058)	(2,046,750)
Net current assets		<u>2,657,657</u>	<u>2,626,069</u>
Total assets less current liabilities		<u>22,228,773</u>	<u>22,190,473</u>
Creditors: amounts falling due after more than one year	22	(1,283,343)	(1,416,675)
Net assets excluding pension liability		<u>20,945,430</u>	<u>20,773,798</u>
Defined benefit pension scheme liability	31	(884,000)	(1,005,000)
Total net assets		<u><u>20,061,430</u></u>	<u><u>19,768,798</u></u>

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 01240377

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Charity funds			
Restricted funds	23	3,239,389	3,262,828
Unrestricted funds			
Designated funds	23	144,000	144,000
General funds	23	12,924,070	12,728,999
Revaluation reserve		4,637,971	4,637,971
Unrestricted funds excluding pension asset	23	17,706,041	17,510,970
Pension reserve	23	(884,000)	(1,005,000)
Total unrestricted funds	23	16,822,041	16,505,970
Total funds		20,061,430	19,768,798

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 25 May 2021 and signed on their behalf by:


Mrs S M Simpson

The notes on pages 24 to 53 form part of these financial statements.

General funds analysis

	2020 £	2019 £
Amounts Invested in Land and Buildings	11,839,646	11,825,621
Loans Secured on Property	(1,416,675)	(1,550,007)
Free Reserves	2,501,099	2,453,385
	<u>12,924,070</u>	<u>12,728,999</u>

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	2020 £	2019 £
Cash flows from operating activities		
Net cash used in operating activities	980,431	(454,095)
Cash flows from investing activities		
Proceeds from the sale of tangible fixed assets	500	185,508
Purchase of tangible fixed assets	(52,120)	(344,766)
Net cash used in investing activities	(51,620)	(159,258)
Cash flows from financing activities		
Repayments of borrowing	(133,332)	(66,666)
Net cash used in financing activities	(133,332)	(66,666)
Change in cash and cash equivalents in the year	795,479	(680,019)
Cash and cash equivalents at the beginning of the year	579,193	1,259,212
Cash and cash equivalents at the end of the year	1,374,672	579,193

The notes on pages 24 to 53 form part of these financial statements

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. General information

The Trust is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £1 per member of the Trust.

The Trust's registered office is Toynton Hall, Main Road, Toynton All Saints, Spilsby, Lincolnshire, PE23 5AE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Linkage Community Trust 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.

2.2 Consolidation

These financial statements represent the figures of the Trust only. Consolidated financial statements have not been prepared on the basis that the subsidiary company is not material to the financial statements.

2.3 Income

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on raising funds includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes the direct costs incurred in relation to restricted voluntary income received.

Expenditure on charitable activities is incurred on undertaking the activities which further the Trust's objectives. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and an allocation of a corporate overhead.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Freehold Property is initially recognised at cost. After recognition, under the revaluation model, tangible fixed assets whose fair value can be measured reliably shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Fair values are determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. If there is no market-based evidence of fair value because of the specialised nature of the tangible fixed asset and it is rarely sold, except as part of a contributing business, a Trust may need to estimate fair value using an income or depreciated replacement cost approach.

Gains and losses on revaluation are recognised in the Statement of financial activities, with a separate revaluation reserve being shown in the Statement of funds note.

Other tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold Property	- no depreciation - see below
Leasehold Property	- over the remaining lease term
Movable Buildings	- straight line over 10 years
Motor Vehicles	- straight line over 4 years
Fixtures and Fittings	- straight line over 3 years

Freehold Property is not depreciated on the grounds of immateriality. Freehold Property is subject to regular maintenance and repair such that in the Trustees opinion the residual value is not materially different from the value in the financial statements and has a long useful economic life. The Trustees consider the need for impairment at each period end.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

2.7 Debtors

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

2.8 Current asset investments

Investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

2.9 Cash at bank and in hand

Cash at bank and 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.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.10 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.11 Financial instruments

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

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

2.13 Pensions

The Trust operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Trust to the fund in respect of the year.

The Trust operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 August 2020.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Trust and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Trust for particular purposes. The costs 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.

Investment income, gains and losses are allocated to the appropriate fund.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Tangible fixed assets are recognised at cost or valuation, less accumulated depreciation and any impairments. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the Trust's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

The recoverability of trade debtors and associated provisioning is considered on a regular basis. When calculating the debtor provision, the Trustees consider the age of the debts and the financial position of its service users.

The present value of the defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost / (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 30, will impact the carrying amount of the pension liability.

4. Income from donations and legacies

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Donations	9,285	54	9,339
Grants	438,203	-	438,203
	<u>447,488</u>	<u>54</u>	<u>447,542</u>
	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	18,323	(20)	18,303
Grants	323,792	-	323,792
	<u>342,115</u>	<u>(20)</u>	<u>342,095</u>

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Analysis of grants

	2020 £	2019 £
ESFA	75,767	84,834
Big Lottery Fund	141,031	137,531
Children in Need	35,867	26,927
Forbes Trust	25,000	24,500
Tolkien Trust	50,000	50,000
Karten Trust	24,820	-
Baily Thomas	23,125	-
British Airways Carbon Fund	25,000	-
Heritage Lottery	29,900	-
Other	7,693	-
	<u>438,203</u>	<u>323,792</u>

6. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £
Education and Adult Skills	3,565,926	3,565,926
Care	10,650,323	10,650,323
Employment	122,857	122,857
Corporate and Cafes	167,342	167,342
	<u>14,506,448</u>	<u>14,506,448</u>

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. Income from charitable activities (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Education and Adult Skills	3,657,443	3,657,443
Care	10,322,936	10,322,936
Employment	140,465	140,465
Corporate and Cafes	231,914	231,914
	<u>14,352,758</u>	<u>14,352,758</u>

7. Analysis of income from charitable activities by category

	2020 £	2019 £
Education and Adult Skills		
Fees Receivable	3,533,082	3,610,099
Training Outlet Income	3,326	6,302
Other Income	29,518	41,042
	<u>3,565,926</u>	<u>3,657,443</u>
Care		
Fees Receivable	10,173,764	9,865,986
Other Income	476,559	456,950
	<u>10,650,323</u>	<u>10,322,936</u>
Employment		
Fees Receivable	122,857	140,465
	<u>122,857</u>	<u>140,465</u>
Corporate and Cafes		
Fees Receivable	9,552	40,311
Training Outlet Income	74,594	162,838
Other Income	83,196	28,765
	<u>167,342</u>	<u>231,914</u>

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Income from other trading activities

Income from fundraising events

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Income from Fundraising	3,417	40,202	43,619

	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Income from Fundraising	2,021	46,712	48,733

9. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Bank Interest	2,880	2,880

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Bank Interest	3,271	3,271

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10. Expenditure on raising funds

Expenditure of voluntary income

	Restricted funds 2020 £	Total funds 2020 £
Other Costs	275,464	275,464
Payroll Costs	198,880	198,880
	<u>474,344</u>	<u>474,344</u>

	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Other Costs	151,479	151,479
Payroll Costs	248,104	248,104
	<u>399,583</u>	<u>399,583</u>

Fundraising expenses

	Unrestricted funds 2020 £	Total funds 2020 £
Other Fundraising Costs	11,028	11,028
Fundraising Salaries	44,700	44,700
Fundraising National Insurance	4,127	4,127
Fundraising Pension	1,463	1,463
	<u>61,318</u>	<u>61,318</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Expenditure on raising funds (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Other Fundraising Costs	13,732	13,732
Fundraising Salaries	43,873	43,873
Fundraising National Insurance	3,197	3,197
Fundraising Pension	1,235	1,235
	<u>62,037</u>	<u>62,037</u>

11. Analysis of expenditure on charitable activities

Summary by fund type

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Education and Adult Skills	3,236,873	3,236,873
Care	10,528,590	10,528,590
Employment	133,814	133,814
Corporate and Cafes	170,222	170,222
	<u>14,069,499</u>	<u>14,069,499</u>

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11. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Education and Adult Skills	3,422,598	3,422,598
Care	10,360,282	10,360,282
Employment	146,199	146,199
Corporate and Cafes	235,185	235,185
	<u>14,164,264</u>	<u>14,164,264</u>

12. Analysis of expenditure by activities

	<i>Activities undertaken directly 2020 £</i>	<i>Corporate overhead allocation 2020 £</i>	<i>Total funds 2020 £</i>
Education and Adult Skills	2,734,148	502,725	3,236,873
Care	9,299,037	1,229,553	10,528,590
Employment	133,814	-	133,814
Corporate and Cafes	1,902,500	(1,732,278)	170,222
	<u>14,069,499</u>	<u>-</u>	<u>14,069,499</u>

	<i>Activities undertaken directly 2019 £</i>	<i>Corporate overhead allocation 2019 £</i>	<i>Total funds 2019 £</i>
Education and Adult Skills	2,877,984	544,614	3,422,598
Care	8,966,144	1,394,138	10,360,282
Employment	146,199	-	146,199
Corporate and Cafes	2,173,937	(1,938,752)	235,185
	<u>14,164,264</u>	<u>-</u>	<u>14,164,264</u>

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12. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Education and Adult Skills 2020 £	Care 2020 £	Employment 2020 £	Corporate and Cafes 2020 £	Total funds 2020 £
Staff Costs	2,163,421	7,737,698	118,949	1,101,496	11,121,564
Other Direct Costs	570,727	1,561,339	14,865	801,004	2,947,935
	<u>2,734,148</u>	<u>9,299,037</u>	<u>133,814</u>	<u>1,902,500</u>	<u>14,069,499</u>
	<i>Education and Adult Skills 2019 £</i>	<i>Care 2019 £</i>	<i>Employment 2019 £</i>	<i>Corporate and Cafes 2019 £</i>	<i>Total funds 2019 £</i>
Staff Costs	2,326,966	7,283,575	128,219	1,285,134	11,023,894
Other Direct Costs	551,018	1,682,569	17,980	888,803	3,140,370
	<u>2,877,984</u>	<u>8,966,144</u>	<u>146,199</u>	<u>2,173,937</u>	<u>14,164,264</u>

13. Other expenditure

	Unrestricted funds 2020 £	Total funds 2020 £
Pension Scheme - Interest on Liabilities	81,000	81,000
Pension Scheme - Interest on Assets	(64,000)	(64,000)
Write-Off of Subsidiary Loan Balance	96,697	96,697
	<u>113,697</u>	<u>113,697</u>

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13. Other expenditure (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Property (Profit) / Loss on Disposal	(71,153)	(71,153)
Pension Scheme - Interest on Liabilities	105,000	105,000
Pension Scheme - Interest on Assets	(90,000)	(90,000)
Contingency Expenditure	(174,380)	(174,380)
	(230,533)	(230,533)

14. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Trust's auditor and its associates for the audit of the Trust's annual accounts	11,600	11,600
Fees payable to the Trust's auditor and its associates in respect of:		
Audit-related assurance services	-	720
All non-audit services not included above	2,800	2,800
	1,614	1,578
Fees payable to the Trust's auditor and its associates in connection with the Trust's pension scheme(s) in respect of:		
The auditing of accounts of the scheme(s)	1,614	1,578
	1,614	1,578

15. Staff costs

	2020 £	2019 £
Wages and salaries	10,392,624	10,374,384
Social security costs	708,908	697,556
Contribution to defined contribution pension schemes	269,202	248,363
	11,370,734	11,320,303

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15. Staff costs (continued)

The average number of persons employed by the Trust during the year was as follows:

	2020 No.	2019 No.
Education and Occupational & Recreation	88	89
Care	259	258
ORS	96	97
Corporate Services	62	67
Bank Staff - Headcount	88	110
	<u>593</u>	<u>621</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	-
In the band £100,001 - £110,000	1	1

The key management personnel of the Trust are considered to be the senior leadership team. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the Trust was £408,000 (2019 - £361,500).

16. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

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17. Tangible fixed assets

	Freehold and Leasehold Property £	Moveable Buildings £	Motor Vehicles £	Fixtures and Fittings £	Total £
Cost or valuation					
At 1 September 2019	19,385,597	17,905	712,918	3,412,583	23,529,003
Additions	14,225	-	12,254	64,240	90,719
Disposals	-	-	(63,243)	-	(63,243)
At 31 August 2020	<u>19,399,822</u>	<u>17,905</u>	<u>661,929</u>	<u>3,476,823</u>	<u>23,556,479</u>
Depreciation					
At 1 September 2019	4,483	17,905	591,294	3,350,917	3,964,599
Charge for the year	200	-	63,143	20,664	84,007
On disposals	-	-	(63,243)	-	(63,243)
At 31 August 2020	<u>4,683</u>	<u>17,905</u>	<u>591,194</u>	<u>3,371,581</u>	<u>3,985,363</u>
Net book value					
At 31 August 2020	<u>19,395,139</u>	<u>-</u>	<u>70,735</u>	<u>105,242</u>	<u>19,571,116</u>
At 31 August 2019	<u>19,381,114</u>	<u>-</u>	<u>121,624</u>	<u>61,666</u>	<u>19,564,404</u>

Properties are revalued on a five-year cycle. Valuations have been carried out to revalue properties on a market value basis. The valuations were undertaken by suitably qualified independent valuers.

However, due to the pandemic, it has not been possible to obtain the round of valuations for the year ended 31 August 2020 from qualified independent valuers. The trustees confirm that the property valuations remain an appropriate estimate of current market value and are not aware of any factors that would suggest impairment of any property.

The Trust has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows:

	2020 £	2019 £
Freehold property	<u>15,081,745</u>	<u>15,067,520</u>

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18. Fixed asset investments

The Trust deems Linkage Trading Ltd a subsidiary undertaking due to the control it exerts over the company. The results for the subsidiary are not consolidated on the grounds of immateriality.

The accounts for Linkage Trading Ltd for the year ended 31 August 2020 show a profit of £35,164 and net liabilities of £58,489.

19. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	673,257	625,918
Amounts owed by group undertakings	76,803	107,544
Other debtors	131,483	109,103
Prepayments and accrued income	1,177,701	1,076,770
	<u>2,059,244</u>	<u>1,919,335</u>

Trade debtors are stated after provisions for impairment of £33,968 (2019 - £16,993).

20. Current asset investments

	2020 £	2019 £
Investment portfolio	<u>2,161,799</u>	<u>2,174,291</u>

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21. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	133,332	133,332
Trade creditors	472,095	169,928
Other taxation and social security	195,453	199,476
Student and resident monies held	381,512	385,156
Pension contributions due	57,878	51,707
Other creditors	815,006	796,625
Accruals and deferred income	882,782	310,526
	<u>2,938,058</u>	<u>2,046,750</u>
	2020 £	2019 £
Deferred income at 1 September	196,121	170,297
Resources deferred during the year	614,903	196,121
Amounts released from previous periods	(177,752)	(170,297)
Deferred income at 31 August	<u>633,272</u>	<u>196,121</u>

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22. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	1,033,343	1,166,675
Other loans	250,000	250,000
	1,283,343	1,416,675

Included within the above are amounts falling due as follows:

	2020 £	2019 £
Between one and two years		
Bank loans	133,332	133,332
	133,332	133,332
Between two and five years		
Bank loans	399,996	399,996
	399,996	399,996
Over five years		
Bank loans	500,015	633,347
Other loans	250,000	250,000
	750,015	883,347

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020 £	2019 £
Payable or repayable by instalments	500,015	633,347
Payable or repayable other than by instalments	250,000	250,000
	750,015	883,347

Bank loans are secured by legal charges over four freehold properties owned by the Trust with a total net book value of £4,310,000 (2019 - £4,310,000). The total bank loan balance of £1,166,675 (2019 - £1,300,007) is 27% (2019 - 30%) of the property value based on the most recent valuations.

The other loan is secured by a legal charge over one freehold property owned by the Trust which has a net book value of £275,000 (2019 - £275,000). The loan balance is 91% (2019 - 91%) of the value of the security held.

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NOTES TO THE FINANCIAL STATEMENTS
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23. Statement of funds

Statement of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Designated funds						
Digitalisation Reserve	144,000	-	-	-	-	144,000
General funds						
Free Reserves	2,453,385	14,549,584	(14,227,314)	(263,386)	(11,170)	2,501,099
Property Fund	10,275,614	-	(200)	147,557	-	10,422,971
Revaluation Reserve	4,637,971	-	-	-	-	4,637,971
Pension Reserve	(1,005,000)	-	(17,000)	115,829	22,171	(884,000)
	<u>16,361,970</u>	<u>14,549,584</u>	<u>(14,244,514)</u>	<u>-</u>	<u>11,001</u>	<u>16,678,041</u>
Total Unrestricted funds	<u>16,505,970</u>	<u>14,549,584</u>	<u>(14,244,514)</u>	<u>-</u>	<u>11,001</u>	<u>16,822,041</u>
Restricted funds						
ESFA						
Maintenance	113,607	43,171	(95,263)	(10,480)	-	51,035
Bursary Funds	13,839	19,492	(8,909)	-	-	24,422
Promoting Independence / Developing Employment Opportunities	2,208	-	-	(2,208)	-	-
Big Lottery Fund	58,590	141,031	(137,960)	3,280	-	64,941
Forbes Trust	32,002	25,000	(52,000)	-	-	5,002
Children in Need	1,515	35,867	(28,688)	10	-	8,704
Tolkien Trust	-	50,000	(50,000)	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS
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23. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Karten Trust	-	24,820	(23,881)	-	-	939
Baily Thomas	-	23,125	(4,876)	3,000	-	21,249
British Airways Carbon Fund	-	25,000	(25,000)	-	-	-
Lottery Heritage Fund	-	29,900	(9,900)	1,000	-	21,000
Other Restricted Funds	87,333	33,499	(22,720)	(5,082)	-	93,030
Fixed Assets Acquired	2,953,734	-	(15,147)	10,480	-	2,949,067
	<u>3,262,828</u>	<u>450,905</u>	<u>(474,344)</u>	<u>-</u>	<u>-</u>	<u>3,239,389</u>
Total of funds	<u><u>19,768,798</u></u>	<u><u>15,000,489</u></u>	<u><u>(14,718,858)</u></u>	<u><u>-</u></u>	<u><u>11,001</u></u>	<u><u>20,061,430</u></u>

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23. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds						
Designated funds						
Digitalisation Reserve	-	-	-	144,000	-	144,000
General funds						
Free Reserves	2,219,073	14,402,721	(13,978,669)	(260,888)	71,148	2,453,385
Property Fund	10,284,172	-	(2,099)	(6,459)	-	10,275,614
Revaluation Reserve	4,332,971	-	-	-	305,000	4,637,971
Pension Reserve	(642,000)	-	(15,000)	112,455	(460,455)	(1,005,000)
	<u>16,194,216</u>	<u>14,402,721</u>	<u>(13,995,768)</u>	<u>(154,892)</u>	<u>(84,307)</u>	<u>16,361,970</u>
Total Unrestricted funds	<u>16,194,216</u>	<u>14,402,721</u>	<u>(13,995,768)</u>	<u>(10,892)</u>	<u>(84,307)</u>	<u>16,505,970</u>
Restricted funds						
Boultham Park ESFA Maintenance	-	7,817	(18,709)	10,892	-	-
Bursary Funds	115,602	47,704	(33,246)	(16,453)	-	113,607
Promoting Independence / Developing Employment Opportunities	1,896	28,774	(16,831)	-	-	13,839
Big Lottery Fund	22,149	-	(19,941)	-	-	2,208
Forbes Trust	20,498	138,408	(100,316)	-	-	58,590
Masonic Trust	31,502	24,500	(24,000)	-	-	32,002
	51,738	-	(51,738)	-	-	-

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23. Statement of funds (continued)

Statement of funds - prior year (continued)

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Children in Need	7,696	26,927	(33,108)	-	-	1,515
Tolkien Trust	-	50,000	(50,000)	-	-	-
Karten Trust	88,016	20,006	(20,689)	-	-	87,333
Fixed Assets Acquired	2,968,286	-	(31,005)	16,453	-	2,953,734
	<u>3,307,383</u>	<u>344,136</u>	<u>(399,583)</u>	<u>10,892</u>	<u>-</u>	<u>3,262,828</u>
Total of funds	<u><u>19,501,599</u></u>	<u><u>14,746,857</u></u>	<u><u>(14,395,351)</u></u>	<u><u>-</u></u>	<u><u>(84,307)</u></u>	<u><u>19,768,798</u></u>

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24. Funds details

Unrestricted funds:

For clarity of presentation, the Trustees choose to show the value of property and the accumulated gains and losses as separate funds. Free Reserves above therefore represents the accumulated surplus on charitable activities.

Restricted funds:

Most of the Trust's income is in the form of fees but it also receives grants and raises funds for specific purposes. These restricted funds are described below:

ESFA Maintenance - represents funding received from the Education and Skills Funding Agency ("ESFA") to be spent on the maintenance of educational facilities.

Bursary Fund - these represent funds provided by the ESFA to financially support young people in learning at the discretion of the Trust.

Big Lottery Fund - relates to unspent funds provided by the Big Lottery Fund for the acquisition of a sensory library and its associated running costs.

Forbes Trust, Children in Need, Tolkien Trust, Karten Trust, Baily Thomas, British Airways Carbon Fund and Lottery Heritage Funds - relates to funding provided to be spent for the purposes imposed by the donor.

Other Restricted Funds - relates to various smaller donations and funds which are subject to restrictions imposed by the donor which have been combined for year-end accounting purposes.

Fixed Assets Acquired with Restricted Funds - represents the net book value of assets acquired with restricted funding streams, in particular relating to Boutham Park, Big Lottery Fund and Karten Trust.

Transfers have been recognised in the restricted funds analysis where funds have been reclassified, for the acquisition of fixed assets and also to recognise where other funds received have been allocated to other projects.

25. Summary of funds

Summary of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Designated funds	144,000	-	-	-	-	144,000
General funds	16,361,970	14,549,584	(14,244,514)	-	11,001	16,678,041
Restricted funds	3,262,828	450,905	(474,344)	-	-	3,239,389
	<u>19,768,798</u>	<u>15,000,489</u>	<u>(14,718,858)</u>	<u>-</u>	<u>11,001</u>	<u>20,061,430</u>

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NOTES TO THE FINANCIAL STATEMENTS
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25. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 September 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2019</i>
	£	£	£	£	£	£
Designated funds	-	-	-	144,000	-	144,000
General funds	16,194,216	14,402,721	(13,995,768)	(154,892)	(84,307)	16,361,970
Restricted funds	3,307,383	344,136	(399,583)	10,892	-	3,262,828
	<u>19,501,599</u>	<u>14,746,857</u>	<u>(14,395,351)</u>	<u>-</u>	<u>(84,307)</u>	<u>19,768,798</u>

26. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2020	Unrestricted funds 2020	Total funds 2020
	£	£	£
Tangible fixed assets	2,949,068	16,622,048	19,571,116
Current assets	467,996	5,127,719	5,595,715
Creditors due within one year	(177,675)	(2,760,383)	(2,938,058)
Creditors due in more than one year	-	(1,283,343)	(1,283,343)
Provisions for liabilities and charges	-	(884,000)	(884,000)
Total	<u>3,239,389</u>	<u>16,822,041</u>	<u>20,061,430</u>

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26. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	2,953,735	16,610,669	19,564,404
Current assets	486,768	4,186,051	4,672,819
Creditors due within one year	(177,675)	(1,869,075)	(2,046,750)
Creditors due in more than one year	-	(1,416,675)	(1,416,675)
Provisions for liabilities and charges	-	(1,005,000)	(1,005,000)
Total	3,262,828	16,505,970	19,768,798

27. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	270,461	422,654
Adjustments for:		
Depreciation charges	84,007	108,070
Gains/(losses) on investments	11,170	(71,148)
Profit on the sale of fixed assets	(500)	(74,828)
Increase in debtors	(152,812)	(389,686)
Increase/(decrease) in creditors	866,934	(351,702)
Pension finance and administration costs	17,000	15,000
Contributions to defined benefit pension schemes	(115,829)	(112,455)
Net cash provided by/(used in) operating activities	980,431	(454,095)

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FOR THE YEAR ENDED 31 AUGUST 2020**

28. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	993,160	194,037
Residents money bank accounts	381,512	385,156
Total cash and cash equivalents	1,374,672	579,193

29. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	Other non- cash changes £	At 31 August 2020 £
Cash at bank and in hand	579,193	795,479	-	1,374,672
Debt due within 1 year	(185,039)	-	-	(185,039)
Debt due after 1 year	(1,416,675)	133,332	-	(1,283,343)
Liquid investments	2,174,291	-	(12,492)	2,161,799
	579,193	795,479	(12,492)	1,374,672

30. Reconciliation of cashflows from operating activities

	2020 £	2019 £
Net cash (used in) / provided by operating activities	980,431	(454,095)
Exceptional movements in creditors	-	523,000
	980,431	68,905

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

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

31. Pension commitments

Linkage Community Trust operates two separate pension schemes - a Group Savings Plan and an Executive Pension Plan. The assets of both schemes are held separately from those of the Trust in independently administered funds.

Group Savings Plan:

The Group Savings Plan is a defined contribution scheme. The pension cost in the accounts represents the total pension cost for the year which amounted to £269,202 (2019 - £248,363).

Executive Pension Plan:

This is a defined contribution plan with underlying guarantees of a defined benefit nature. It is therefore accounted for in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The scheme is closed to further accrual of benefits. At 31 August 2020, the scheme makes payments to six pensioners.

The following disclosures are taken from the report prepared by Barnett Waddingham LLP, the Plan's actuary.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 August 2020	<i>At 31 August 2019</i>
	%	%
Discount Rate	1.50	1.75
Retail Prices Index (RPI) Inflation	3.20	3.40
LPI Pension Increases	3.20	3.40
Percentage of Pension Taken as Tax Free Cash	20.00	20.00
	<hr/> <hr/>	<hr/> <hr/>
	At 31 August 2020	<i>At 31 August 2019</i>
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	22.2	22.2
- at 65 for a male aged 45 now	24.0	23.9
- for a female aged 65 now	24.2	24.1
- at 65 for a female aged 45 now	26.0	25.9
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LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

31. Pension commitments (continued)

The Trust's share of the assets in the scheme was:

	At 31 August 2020 £	At 31 August 2019 £
Funds	2,307,000	2,147,000
Cash	142,000	87,000
Annuity Policies	1,450,000	1,430,000
Total fair value of assets	3,899,000	3,664,000

The actual return on scheme assets was £223,000 (2019 - £215,000).

The amounts recognised in the Statement of financial activities are as follows:

	2020 £	2019 £
Interest income	(64,000)	(90,000)
Interest cost	81,000	105,000
Total amount recognised in the Statement of financial activities	17,000	15,000

Movements in the present value of the defined benefit obligation were as follows:

	2020 £
Opening defined benefit obligation	4,669,000
Interest cost	81,000
Losses/(gains) from changes to financial assumptions	138,000
Benefits paid	(105,000)
Closing defined benefit obligation	4,783,000

LINKAGE COMMUNITY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

31. Pension commitments (continued)

Movements in the fair value of the Trust's share of scheme assets were as follows:

	2020 £
Opening fair value of scheme assets	3,664,000
Interest income	64,000
Return on assets less interest	160,171
Contributions by employer	115,829
Benefits paid	(105,000)
Closing fair value of scheme assets	3,899,000

32. Operating lease commitments

At 31 August 2020 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	8,103	6,912
Later than 1 year and not later than 5 years	8,747	11,366
	16,850	18,278

LINKAGE COMMUNITY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

33. Related party transactions

Linkage Trading Ltd:

Linkage Trading Ltd is a company limited by guarantee which is controlled by Linkage Community Trust.

The Trust collects monies and incurs expenses on behalf of the company. Net expenses and repayments during the year were £65,956 (2019 - £22,551).

During the year, the trustees agreed to write down the amount owing by the company to the Trust by £96,697.

The balance outstanding at the year-end is £76,703 (2019 - £107,544) and included within amounts owed by group undertakings.

TFM Networks Limited:

TFM Networks Limited is a subsidiary company of Tfm Gh Limited. Mr M Bell, a Trustee, was a director of Tfm Gh Limited between September 2017 and November 2019.

TFM Networks Limited provides communications services to the Trust. The contract between the Trust and TFM Networks Limited pre-dated the directorship and continues post year-end.

Up to the date of resignation during the year, TFM Networks Limited invoiced the Trust a total of £2,100 for the services provided.

During the previous year, TFM Networks Limited invoiced the Trust a total of £8,911 for the services provided. The balance outstanding at the previous year-end was £nil.