

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 2021

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2021**

Trustees	Mr A T Bake Mr K J Batty Mr M Bell (resigned 19 July 2021) Professor S F Brown Mrs B Findlay (appointed 30 November 2021) Mrs E Hadley (appointed 30 November 2021) Professor M C Hannay (resigned 26 January 2022) Mr S J Hatchman Mrs C Jervis Mrs S Kane (appointed 21 October 2020, resigned 20 October 2021) Mr M J Oliver (deceased 5 March 2021) Mr D Reed Mr A K Riley (resigned 28 April 2021) Mrs S M Simpson Mr M A Smith, Chairman (appointed 28 April 2021) Mrs K I Truscott (appointed 12 July 2021)
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 LLP 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 2021

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

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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

The Chairman presents their statement for the year.

I am very pleased to report another successful year for Linkage Community Trust. 2020/2021 continued to see challenges for everyone at the Trust through the COVID-19 pandemic, with a continued emphasis on keeping staff, clients and students safe, but at the same time ensuring that clients could enjoy as many opportunities as possible to thrive.

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". Our mission has not changed; "To provide person centred services that enable individuals to develop skills and behaviours and to live independent lives".

In a challenging environment, Linkage remains in a sound financial position. We achieved a successful financial result which can be attributed to cost controls and improved in efficiencies. The Trust benefited from ongoing government Infection Control Funding in its Residential Care and Community Support services. This helped with on-going costs associated with the pandemic, primarily to fund staff needing to self-isolate, but also for additional resources, PPE and the recruitment and retention of our staff. The new time and attendance system has begun to assist us in the efficient management of resources benefiting Linkage's clients.

The Trust's Residential Care and Community Support provisions served 170 residential clients. Staff clients and their families had to show resilience to changing government guidance around infection control, visiting and testing through the pandemic. The Adult Services teams worked in conjunction with colleagues to bring activities into clients' homes or to offer more activities held outside. A further 131 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 Adult Skills service had to evolve to the circumstances of the pandemic, and as above often offered activities in Residential properties or outside activities such as walking. Limited external day services clients visited the service over the winter, but by summer 2021 almost all were welcomed back. The use of a large marquee at the Toynton campus helped to offer popular performing arts activities to as many clients as possible in a COVID-secure fashion.

The Employment service once again had very limited opportunities to support clients and learners into employment and work-based experiences. Only 18 clients engaged with employers in paid employment – well below target although the employment team continued to build on relationships with local employers for the future. The existing contract with Lincolnshire County Council, delivering their STEP (Specialist Tailored Employment Partnership) programme was also extended to ensure opportunities would be available as the pandemic and its restrictions lift.

2020/2021 saw most learners return to Linkage's college locations, albeit changes in restrictions made teaching and learning challenging for all. With formal teaching observations and student qualifications not possible it was difficult to measure progress, although positive signs were seen in student progress and satisfaction (both slightly lower than the previous year in trying circumstances). The new campus at Beverley in the East Riding of Yorkshire opened in its temporary accommodation close to the town centre, and welcomed ten students in 2020/2021. Work continued in partnership with landlord Wykeland Properties on the permanent home for the campus, which saw a deep refurbishment to meet Linkage's specifications and the needs of the growing student demand to the north of the Humber. This new campus opened to learners in Autumn 2021.

Following investigative works in autumn 2020, Linkage began plans to provide Care to clients higher needs than that seen in its current client base. Extensive research revealed a growing demand in this area, and in summer 2021 a manager was appointed to investigate further potential sites to build/develop tailored accommodation at around six locations to provide high needs care.

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CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

We continued to progress with the Trust's five-year Digitalisation plan which was launched in 2019. In autumn 2020 we commenced the roll out of a new time and attendance system and continued to work on other systems and better ways of working digitally.

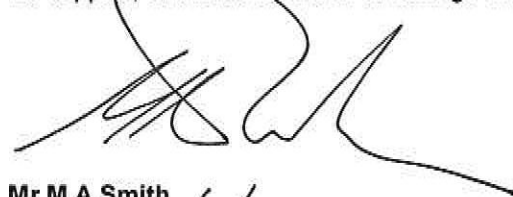
Work continued in the year to develop a potential plan for the campus at Weelsby, and especially for the Victorian Weelsby Hall which stands in woodland at the heart of the campus. The Lottery-funded project has delivered options for the site which are now under consideration.

Linkage's Director of Quality, Safeguarding and Business Development, Rex Richardson decided to retire in December 2020. Rex was one of the founders of Linkage back in 1976. Undoubtedly, knowledge built up over 44 years' of magnificent service will be hugely missed, as will his sense of humour, passion and camaraderie especially with Linkage's clients.

Very sadly, previous 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.

I was appointed as the new Chairman on 28 April 2021 and look to bring a wealth of commercial experience to complement the Board of Trustees.

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.



Mr M A Smith

Date: 20/6/22

LINKAGE COMMUNITY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the audited financial statements of the Trust for the year 1 September 2020 to 31 August 2021. 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).

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.

Linkage Choice (Adult Skills Day Services)

From September 2020 to August 2021 the volume of clients accessing Linkage's "Day" service steadily increased in line with the easing of lockdown measures. As restrictions eased, clients became more confident in the 'new normal'. The success of our continued engagement with clients, which included new initiatives such as weekly challenges, competitions, Zoom sessions for Performing Arts and Walking for Health were key contributing factors in clients feeling confident to return to the service. Successful grant applications to the Angling Trust and the Football Foundation will enhance our offer further in future.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

In June 2021 Linkage's "Day Service" responsibility moved from the Care area of the organisation into a new Directorate, Lifelong Learning and Employability. The new directorate includes all college campuses, the "Day Services" across Linkage (Lincoln, Toynton and Weelsby) and Linkage's Employment Service. Under the new directorate, and Director leading the area, Linkage's "Adult Skills" day service was re-branded "Linkage Choice". As such, the activities clients choose are facilitated based on their wishes and interests and have expanded. Linkage Choice activities are reviewed on a quarterly basis and aligned to the seasons of the year.

As a result of the refreshed offer, the return of clients and the positive feedback Linkage has received from parents and other stakeholders, the number of clients accessing the service is rising significantly. As well as exceeding the Lincolnshire County Council contractual agreement of 200 clients, Linkage's Linkage Choice service now engages with a total of 250 across the three sites, of which 156 are internal, and 94 are external clients.

Care Services

Care Services comprises Residential Care and Community Support Services. During the reporting period Care Services served up to 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. We have seen people connecting in different ways, using Zoom, FaceTime and social media to connect. The introduction of new technology to the care homes has greatly enhanced our delivery of support, we have seen activities such as Performing Arts, Boxercise, Zumba, LEGO®-based therapy, quizzes, discos and job club delivered via Zoom for our clients to enjoy – this has taken a whole new set of skills being developed and our clients have thrived in this greater ability to connect with the wider world, albeit differently and remotely.

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 2021

Despite this challenging 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.

We have continued in our aspiration to provide services rated as 'Outstanding' by the Care Quality Commission across our care provision. Our three registrations that are rated as 'outstanding' have maintained that rating, but unfortunately due to the pandemic we have seen CQC not completing inspections, which has seen us not have the opportunity for other services to be recognised in this way.

The Trust has continued on its journey to digitise 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.

Education

Throughout 2020/21, the college was a safe, secure and inspiring environment in which to work and study at all four campuses. In another academic year affected by the COVID-19 pandemic, the college and its staff were resilient and flexible in ensuring that learners' education remained predominantly unaffected. Linkage learners continued to develop their skills, achieve their goals, and meet many of their aspirations.

Highlights / achievements:

- The college enjoyed its first cohort of commissioned learners at the new East Riding campus.
- Learners at all campuses engaged in a wider range of sport and enrichment activities.
- The college's achievement rates are nearly back to the 'Outstanding' level they were pre-pandemic.
- The college won Natspec's National Award for Partnership Working for the development of its Lincoln campus (the project was undertaken in conjunction with the City of Lincoln Council and Heritage Lottery Fund (HLF)).

The impact of the strategies the college has adopted, the fantastic efforts of all teams at every level, the further development of opportunity and choice for learners, and the positive effects of a wide, broad curriculum meant the college has improved further as a Specialist Further Education provider. During 2020/21, to ensure that it provided a unique curriculum, the college amended its curriculum planning process to ensure there are more opportunities for learners to develop their independence, employability and vocational skills. As part of the wider Trust Digitalisation Strategy, the college has begun to establish its Virtual Learning Environment (VLE) and has received funding from the Karten Trust to upgrade its IT software, assistive technology resources and mobile technology hardware.

The East Riding campus benefited from significant grant awards from Help for Health and the Liz & Terry Bramall Charitable Foundation, which supported the creation of the state of the art drama studio, the independence suite, the sensory room and the installation of an accessible lift.

The monumental efforts and resourcefulness of the college's staff teams ensured learners were further engaged as restrictions eased, which resulted in an achievement rate of 90%. This outstanding achievement maintained Linkage College's stature in the top 5% of specialist colleges nationally.

Linkage College is in good financial health. The financial element of the college is managed well and prioritises spending on areas that directly and positively influence learners' experience. In 2020/21, the college had increased costs associated with the COVID-19 pandemic (relating to cleaning, waste management, and staff time spent on testing, in accordance with Government guidelines). Despite this, the budget was still able to yield a small surplus.

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FOR THE YEAR ENDED 31 AUGUST 2021

The college based its spending on improving facilities and resources to support wider curriculum initiatives: for example, sport and enrichment. The college also committed to the purchase of a Virtual Learning Environment to support online learning, and invested considerably in staff training to support this initiative. In 2020/21, a revised curriculum planning process resulted in some exciting developments for 2021/22, and an approved financial commitment to deliver this.

The college's bursary and discretionary bursary allocations have supported learners, ensuring that their choices and achievements are unaffected by their vulnerability or social background.

The Supported Employment Team continues working and supporting clients and learners safely within the new COVID normal.

Due to the continued outbreak of COVID-19 and to Linkage implementing their Business Continuity Plan, learners and clients were withdrawn from the work place, and the STEP Programme (Specialist Tailored Employment Partnership) was temporarily suspended.

During lockdown we maintained contact with 54 of our 110 local employers, and as we followed Government guidance and started to return to the new normal clients and learners gradually and safely re-engaged in the workplace and the STEP Programme.

Twenty clients were supported to safely re-engage in work experience / voluntary placements and 24 clients to return to paid employment. In addition, 53 clients were actively engaged in the STEP Programme during the year to 31 August 2021.

We developed and continue to roll out COVID-safe working processes to support both employer and clients and risk assessments are completed before the supported return to working environments takes place. The Supported Employment Team has endeavoured to adhere to shifting Government guidance, and is maintaining its COVID-secure person centred approach to safely support individuals to retain and resume their employment, volunteer activities, work experience and internship placements wherever possible.

Linkage Outreach Project (Sensory Bus / Library)

The project delivers work in schools, care homes, early years' groups and community settings on a Sensory Bus. We also loan sensory equipment and deliver LEGO®-based therapy. From December 2020 the Children & Families Development Worker (Young Futures Project) has been part of the team.

COVID caused disruption to delivery by the service, most notably during January to March 2021. However, access to lateral flow tests enabled the Sensory Bus to welcome some clients in Linkage's care onto the Sensory Bus.

During the autumn of 2020 and starting again in Spring 2021, the Sensory Bus was able to run a more normal schedule working with 8 schools, 1 pre-school, 1 care home for adults with learning disabilities and with 14 dementia patients in a nursing home, the latter is now creating its own Sensory Room.

Evaluation showed:

- 89% having improved communication;
- 86% sharing activities on the bus;
- 89% better able to be calm and relaxed;
- 78% better able to concentrate; and
- 98% happier.

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FOR THE YEAR ENDED 31 AUGUST 2021

During the school summer holidays the Sensory Bus established itself back in the wider community working with settings as varied as 5 Children's Centres, 1 Children's Home (a new venture), 3 one-off Community events and joint work with 2 Community Groups (Rainbow Stars in Sleaford and Little Miracles in Spalding). We also loaned equipment to Centrepoin in Boston to trial with homeless people some of whom remember it from their time in special schools.

Loans from the Sensory Library continued throughout, with the greatest benefit remaining the opportunity for families to try out equipment to see what worked for their children to help them decide what would be worth purchasing.

Delivery of LEGO®-based therapy was completely disrupted.

We usually include a quote from a setting working with children but, as the Sensory Bus also positively impacts on older clients, please see the following:

"Our activities team have gained a lot of insight into the area of sensory and are incorporating it into their daily activities. It was wonderful to see the joy our dementia residents gained from their bus days. The relatives had positive experiences and enjoyed having this personal experience with their loved ones. We are grateful for being given this opportunity. The sensory bus staff were all really accommodating, and it was a pleasure working alongside them". Nursing home

Young Futures Project (Children & Families Development Worker)

During the period to spring 2021, the Children and Families Development Worker (Young Futures Project) kept in touch, and supported, families remotely, and wrote and distributed digests of books relevant to their children's conditions. She then began to meet with families outside, before returning to home visits, undertaking observations in schools, helping families to get the support they need. The families were very pleased to be able to talk to someone face to face again. A spot evaluation was undertaken resulting in some very pleasing feedback including:

"She has been a great help as she believed us when we said our son had problems and no-one else helped" and "A real advocate for the family. Truthful answers and direction. Guidance when felt unsure where to turn".

In the coming period the team will, as far as it is safe to do so:

- work its way through the waiting list for the Sensory Bus caused by Covid related cancellations;
- continue to support individual families, children and young people through one to one support;
- loan sensory library items;
- re-start the delivery of LEGO®-based therapy; and
- build on contacts made as a member of the local Children and Families Voluntary Sector Forum.

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.

To date we have achieved the development of firm foundations, processes review, the cybersecurity of systems, the introduction and roll-out of a scalable time and attendance system (PlanDay), and the launch of a Virtual Learning Environment facilitating the delivery of blended learning.

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FOR THE YEAR ENDED 31 AUGUST 2021

Supported by a further successful funding bid, Year 3 planned activity includes the procurement and roll out of an upgraded digital Finance Solution which will enhance financial control; the creation of a new staff and client Intranet to improve internal communication and promote collaboration and good practice across the organisation; and recruitment to the new post of Head of Business Development & Projects Manager to oversee fulfilment of key Linkage strategies, including the Digitalisation Strategy.

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.

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).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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.

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 Trust 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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 Executive 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.

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 service'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, ensures staff have a voice, and assists the Executive Leadership Team in decision making.

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 final year of implementing the five year plan covering the period from 2016 to 2021. The plan outlined the journey for the five year period and sets out clearly the Trust's vision, mission and values, and the actions the Trust will take to achieve its objectives.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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.

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 2021

Despite the challenging financial background of the pandemic, the Trust continued to post a positive operating surplus for the year before property revaluations and actuarial gains of £940,069 (2020: £270,461).

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 £1,896,041 (2020: £292,632).

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 2021, free reserves were £3,323,710 (2020: £2,501,099) 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.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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 reporting period, the Trust's investment portfolio was managed by jch: management services Limited.

Internal and External Factors

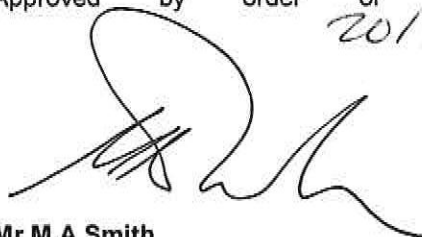
The Trustees have made a full assessment of the internal and external factors that may affect these financial statements and do not deem any factors material enough to have an impact.

Funds held as Custodian for Others

Included in creditor balances is £482,547 (2020: £381,512) 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
and signed on their behalf by:

2015/22



Mr M A Smith
Chairman

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

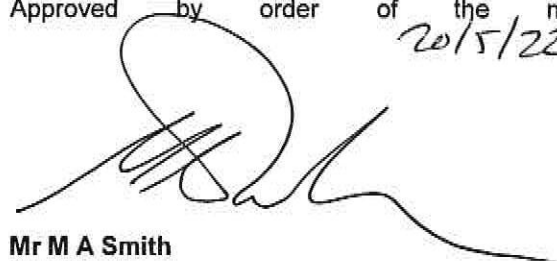
The Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted 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
20/5/22
and signed on its behalf by:



Mr M A Smith
Chairman

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 2021 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 2021 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

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

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

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

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

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

Other information

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

We have nothing to report in this regard.

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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the trust through discussions with trustees and other management, and from our commercial knowledge and experience of the trust and sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the trust, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

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

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed a sample of grants in the year to ensure accurate recognition;
- agreed a sample of fee income as being accurately invoiced and recognised;
- reviewed the claims of Government and local authority support to determine accuracy and eligibility;
- agreed a sample of employees on the trust payroll to existence and agreed the accuracy of their pay;
- assessed and reviewed the appropriateness and effectiveness of the key systems and controls;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, relevant regulators and the trust's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

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

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: 26/5/22

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations, grants and legacies:	4				
Donations		34,081	4,066	38,147	9,339
Grants		366,252	-	366,252	438,203
Charitable activities	6	-	15,185,996	15,185,996	14,506,448
Other trading activities	8	300	34,811	35,111	43,619
Investments	9	-	-	-	2,880
Total income		400,633	15,224,873	15,625,506	15,000,489
Expenditure on:					
Raising funds:	10				
Expenditure of voluntary income		388,956	-	388,956	474,344
Fundraising expenses		-	102,485	102,485	61,318
Charitable activities	11	-	14,636,872	14,636,872	14,069,499
Other expenditure	13	-	(124,411)	(124,411)	113,697
Total expenditure		388,956	14,614,946	15,003,902	14,718,858
Net income before net gains/(losses) on investments		11,677	609,927	621,604	281,631
Net gains/(losses) on investments		-	318,465	318,465	(11,170)
Net income		11,677	928,392	940,069	270,461
Transfers between funds	23	(3,041)	3,041	-	-
Net movement in funds before other recognised gains		8,636	931,433	940,069	270,461
Other recognised gains:					
Gains on revaluation of fixed assets		-	912,972	912,972	-
Actuarial gains on defined benefit pension schemes	30	-	43,000	43,000	22,171
Net movement in funds		8,636	1,887,405	1,896,041	292,632

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Note				
Reconciliation of funds:				
Total funds brought forward	3,239,389	16,822,041	20,061,430	19,768,798
Net movement in funds	8,636	1,887,405	1,896,041	292,632
Total funds carried forward	<u><u>3,248,025</u></u>	<u><u>18,709,446</u></u>	<u><u>21,957,471</u></u>	<u><u>20,061,430</u></u>

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

The notes on pages 26 to 51 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	17	20,316,660	19,571,116
		<u>20,316,660</u>	<u>19,571,116</u>
Current assets			
Debtors	19	1,752,791	2,059,244
Investments	20	2,480,264	2,161,799
Cash at bank and in hand		2,352,134	1,374,672
		<u>6,585,189</u>	<u>5,595,715</u>
Creditors: amounts falling due within one year	21	(3,049,367)	(2,938,058)
Net current assets		<u>3,535,822</u>	<u>2,657,657</u>
Total assets less current liabilities		<u>23,852,482</u>	<u>22,228,773</u>
Creditors: amounts falling due after more than one year	22	(1,150,011)	(1,283,343)
Net assets excluding pension liability		<u>22,702,471</u>	<u>20,945,430</u>
Defined benefit pension scheme liability	30	(745,000)	(884,000)
Total net assets		<u><u>21,957,471</u></u>	<u><u>20,061,430</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Charity funds			
Restricted funds	23	3,248,025	3,239,389
Unrestricted funds			
Designated funds	23	144,000	144,000
General funds	23	13,892,243	12,924,070
Revaluation reserve		5,418,203	4,637,971
Unrestricted funds excluding pension asset	23	19,454,446	17,706,041
Pension reserve	23	(745,000)	(884,000)
Total unrestricted funds	23	18,709,446	16,822,041
Total funds		21,957,471	20,061,430

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 20/5/22 and signed on their behalf by:



Mr M A Smith
Chairman

The notes on pages 26 to 51 form part of these financial statements.

General funds analysis

	2021 £	2020 £
Amounts Invested in Land and Buildings	11,851,876	11,839,646
Loans Secured on Property	(1,283,343)	(1,416,675)
Free Reserves	3,323,710	2,501,099
	<u>13,892,243</u>	<u>12,924,070</u>

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	859,069	980,431
	<hr/>	<hr/>
Cash flows from investing activities		
Proceeds from the sale of tangible fixed assets	330,850	500
Purchase of tangible fixed assets	(79,125)	(52,120)
	<hr/>	<hr/>
Net cash provided by/(used in) investing activities	251,725	(51,620)
	<hr/>	<hr/>
Cash flows from financing activities		
Repayments of borrowing	(133,332)	(133,332)
	<hr/>	<hr/>
Net cash used in financing activities	(133,332)	(133,332)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	977,462	795,479
Cash and cash equivalents at the beginning of the year	1,374,672	579,193
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	2,352,134	1,374,672
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 26 to 51 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 2021

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 2021

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 2021

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 2021

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 2021.

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 2021

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 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Donations	34,081	4,066	38,147	9,339
Grants	366,252	-	366,252	438,203
	<u>400,333</u>	<u>4,066</u>	<u>404,399</u>	<u>447,542</u>
<i>Total 2020</i>	<u>447,488</u>	<u>54</u>	<u>447,542</u>	

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5. Analysis of grants

	2021 £	2020 £
ESFA	112,126	75,767
Big Lottery Fund	85,774	141,031
Children in Need	34,717	35,867
Forbes Trust	25,000	25,000
Tolkien Trust	50,000	50,000
Karten Trust	-	24,820
Baily Thomas	5,947	23,125
British Airways Carbon Fund	-	25,000
Heritage Lottery	29,900	29,900
Other	22,788	7,693
	<u>366,252</u>	<u>438,203</u>

6. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Education and Adult Skills	3,692,600	3,692,600	3,565,926
Care	11,286,381	11,286,381	10,650,323
Employment	39,746	39,746	122,857
Corporate and Cafes	167,269	167,269	167,342
	<u>15,185,996</u>	<u>15,185,996</u>	<u>14,506,448</u>
<i>Total 2020</i>		<u>14,506,448</u>	<u>14,506,448</u>

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7. Analysis of income from charitable activities by category

	2021 £	2020 £
Education and Adult Skills		
Fees Receivable	3,591,025	3,533,082
Training Outlet Income	250	3,326
Other Income	101,325	29,518
	<u>3,692,600</u>	<u>3,565,926</u>
Care		
Fees Receivable	10,746,605	10,173,764
Other Income	539,776	476,559
	<u>11,286,381</u>	<u>10,650,323</u>
Employment		
Fees Receivable	39,746	122,857
	<u>39,746</u>	<u>122,857</u>
Corporate and Cafes		
Fees Receivable	-	9,552
Training Outlet Income	159,829	74,594
Other Income	7,440	83,196
	<u>167,269</u>	<u>167,342</u>

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8. Income from other trading activities

Income from fundraising events

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from Fundraising	300	34,811	35,111	43,619
<i>Total 2020</i>	<u>3,417</u>	<u>40,202</u>	<u>43,619</u>	

9. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank Interest	-	-	2,880
<i>Total 2020</i>	<u>2,880</u>	<u>2,880</u>	

10. Expenditure on raising funds

Expenditure of voluntary income

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Other Costs	201,959	201,959	275,464
Payroll Costs	186,997	186,997	198,880
	<u>388,956</u>	<u>388,956</u>	<u>474,344</u>
<i>Total 2020</i>	<u>474,344</u>	<u>474,344</u>	

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10. Expenditure on raising funds (continued)

Fundraising expenses

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Other Fundraising Costs	12,601	12,601	11,028
Fundraising Salaries	80,078	80,078	44,700
Fundraising National Insurance	7,404	7,404	4,127
Fundraising Pension	2,402	2,402	1,463
	<u>102,485</u>	<u>102,485</u>	<u>61,318</u>
<i>Total 2020</i>	<u>61,318</u>	<u>61,318</u>	

11. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Education and Adult Skills	3,392,309	3,392,309	3,236,873
Care	10,992,598	10,992,598	10,528,590
Employment	84,696	84,696	133,814
Corporate and Cafes	167,269	167,269	170,222
	<u>14,636,872</u>	<u>14,636,872</u>	<u>14,069,499</u>
<i>Total 2020</i>	<u>14,069,499</u>	<u>14,069,499</u>	

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12. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Corporate overhead allocation 2021 £	Total funds 2021 £	Total funds 2020 £
Education and Adult Skills	2,910,639	481,670	3,392,309	3,236,873
Care	9,511,887	1,480,711	10,992,598	10,528,590
Employment	79,447	5,249	84,696	133,814
Corporate and Cafes	2,134,899	(1,967,630)	167,269	170,222
	<u>14,636,872</u>	<u>-</u>	<u>14,636,872</u>	<u>14,069,499</u>
<i>Total 2020</i>	<u>14,069,499</u>	<u>-</u>	<u>14,069,499</u>	

Analysis of direct costs

	Education and Adult Skills 2021 £	Care 2021 £	Employment 2021 £	Corporate and Cafes 2021 £	Total funds 2021 £	Total funds 2020 £
Staff Costs	2,285,802	7,865,751	70,100	1,206,649	11,428,302	11,121,564
Other Direct Costs	624,837	1,646,136	9,347	928,250	3,208,570	2,947,935
	<u>2,910,639</u>	<u>9,511,887</u>	<u>79,447</u>	<u>2,134,899</u>	<u>14,636,872</u>	<u>14,069,499</u>
<i>Total 2020</i>	<u>2,734,148</u>	<u>9,299,037</u>	<u>133,814</u>	<u>1,902,500</u>	<u>14,069,499</u>	

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13. Other expenditure

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Property Impairment	(154,690)	(154,690)	-
Property Profit on Disposal	(55,000)	(55,000)	-
Pension Scheme - Interest on Liabilities	63,000	63,000	81,000
Pension Scheme - Interest on Assets	(51,000)	(51,000)	(64,000)
Write-Off of Subsidiary Loan Balance	73,279	73,279	96,697
	<u>(124,411)</u>	<u>(124,411)</u>	<u>113,697</u>
<i>Total 2020</i>	<u>113,697</u>	<u>113,697</u>	

14. Auditors' remuneration

	2021 £	2020 £
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:		
Taxation compliance services	900	-
All non-audit services not included above	<u>2,800</u>	<u>2,800</u>
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)	<u>1,650</u>	<u>1,614</u>

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15. Staff costs

	2021 £	2020 £
Wages and salaries	10,659,931	10,392,624
Social security costs	770,005	708,908
Contribution to defined contribution pension schemes	275,247	269,202
	<u>11,705,183</u>	<u>11,370,734</u>

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

	2021 No.	2020 No.
Education and Occupational & Recreation	112	106
Care	260	259
ORS	93	96
Corporate Services	47	44
Bank Staff - Headcount	75	88
	<u>587</u>	<u>593</u>

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	1	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 £379,000 (2020 - £408,000).

16. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £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 2020	19,399,822	17,905	661,929	3,476,823	23,556,479
Additions	-	-	-	66,602	66,602
Disposals	(275,000)	-	(60,558)	(1,085,589)	(1,421,147)
Revaluations	1,067,662	-	-	-	1,067,662
At 31 August 2021	<u>20,192,484</u>	<u>17,905</u>	<u>601,371</u>	<u>2,457,836</u>	<u>23,269,596</u>
Depreciation					
At 1 September 2020	4,683	17,905	591,194	3,371,581	3,985,363
Charge for the year	200	-	43,320	66,707	110,227
On disposals	-	-	(60,558)	(1,082,096)	(1,142,654)
At 31 August 2021	<u>4,883</u>	<u>17,905</u>	<u>573,956</u>	<u>2,356,192</u>	<u>2,952,936</u>
Net book value					
At 31 August 2021	<u>20,187,601</u>	<u>-</u>	<u>27,415</u>	<u>101,644</u>	<u>20,316,660</u>
At 31 August 2020	<u>19,395,139</u>	<u>-</u>	<u>70,735</u>	<u>105,242</u>	<u>19,571,116</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.

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:

	2021 £	2020 £
Freehold property	<u>14,939,485</u>	<u>15,081,745</u>

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.

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19. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	569,268	673,257
Amounts owed by group undertakings	50,545	76,803
Other debtors	87,828	131,483
Prepayments and accrued income	1,045,150	1,177,701
	1,752,791	2,059,244

Trade debtors are stated after provisions for impairment of £184,660 (2020 - £33,968).

20. Current asset investments

	2021 £	2020 £
Investment portfolio	2,480,264	2,161,799
	2,480,264	2,161,799

21. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	133,332	133,332
Trade creditors	375,620	472,095
Other taxation and social security	199,854	195,453
Student and resident monies held	482,547	381,512
Other creditors	465,779	872,884
Accruals and deferred income	1,392,235	882,782
	3,049,367	2,938,058

	2021 £	2020 £
Deferred income at 1 September	633,272	196,121
Resources deferred during the year	860,844	614,903
Amounts released from previous periods	(450,262)	(177,752)
Deferred income at 31 August	1,043,854	633,272

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

	2021 £	2020 £
Bank loans	900,011	1,033,343
Other loans	250,000	250,000
	<u>1,150,011</u>	<u>1,283,343</u>

Included within the above are amounts falling due as follows:

	2021 £	2020 £
Between one and two years		
Bank loans	<u>133,332</u>	<u>133,332</u>
Between two and five years		
Bank loans	<u>399,996</u>	<u>399,996</u>
Over five years		
Bank loans	366,683	500,015
Other loans	<u>250,000</u>	<u>250,000</u>

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

	2021 £	2020 £
Payable or repayable by instalments	366,683	500,015
Payable or repayable other than by instalments	250,000	250,000
	<u>616,683</u>	<u>750,015</u>

Bank loans are secured by legal charges over four freehold properties owned by the Trust with a total net book value of £4,465,000 (2020 - £4,465,000). The total bank loan balance of £1,033,343 (2020 - £1,166,675) is 23% (2020 - 26%) 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 (2020 - £275,000). The loan balance is 91% (2020 - 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 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted Funds						
Designated Funds						
Digitalisation Reserve	144,000	-	-	-	-	144,000
General Funds						
Free Reserves	2,501,099	15,224,873	(14,757,436)	36,709	318,465	3,323,710
Property Fund	10,422,971	-	154,490	(8,928)	-	10,568,533
Revaluation Reserve	4,637,971	-	-	(132,740)	912,972	5,418,203
Pension Reserve	(884,000)	-	(12,000)	108,000	43,000	(745,000)
	<u>16,678,041</u>	<u>15,224,873</u>	<u>(14,614,946)</u>	<u>3,041</u>	<u>1,274,437</u>	<u>18,565,446</u>
Total Unrestricted Funds	<u>16,822,041</u>	<u>15,224,873</u>	<u>(14,614,946)</u>	<u>3,041</u>	<u>1,274,437</u>	<u>18,709,446</u>
Restricted Funds						
ESFA Maintenance	51,034	99,471	(28,412)	-	-	122,093
Bursary Funds	24,422	12,655	(18,513)	741	-	19,305
Big Lottery Fund	64,941	85,774	(95,829)	(8,000)	-	46,886
Forbes Trust	5,002	25,000	(24,000)	-	-	6,002
Children in Need	8,704	34,717	(35,040)	-	-	8,381
Tolkien Trust	-	50,000	(50,000)	-	-	-
Karten Trust	939	-	-	(939)	-	-
Baily Thomas	21,249	5,947	(22,689)	-	-	4,507
Lottery Heritage Fund	21,000	29,900	(50,161)	(739)	-	-

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23. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Other Restricted Funds	93,030	57,169	(38,165)	5,896	-	117,930
Fixed Assets Acquired	2,949,068	-	(26,147)	-	-	2,922,921
	<u>3,239,389</u>	<u>400,633</u>	<u>(388,956)</u>	<u>(3,041)</u>	<u>-</u>	<u>3,248,025</u>
Total of Funds	<u><u>20,061,430</u></u>	<u><u>15,625,506</u></u>	<u><u>(15,003,902)</u></u>	<u><u>-</u></u>	<u><u>1,274,437</u></u>	<u><u>21,957,471</u></u>

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23. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2020</i>
	£	£	£	£	£	£
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	113,606	43,171	(95,263)	(10,480)	-	51,034
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

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23. Statement of funds (continued)

Statement of funds - prior year (continued)

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Tolkien Trust	-	50,000	(50,000)	-	-	-
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	2,953,735	-	(15,147)	10,480	-	2,949,068
	<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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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 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Designated funds	144,000	-	-	-	-	144,000
General funds	16,678,041	15,224,873	(14,614,946)	3,041	1,274,437	18,565,446
Restricted funds	3,239,389	400,633	(388,956)	(3,041)	-	3,248,025
	<u>20,061,430</u>	<u>15,625,506</u>	<u>(15,003,902)</u>	<u>-</u>	<u>1,274,437</u>	<u>21,957,471</u>

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25. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 September 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2020</i>
	£	£	£	£	£	£
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>

26. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021	Unrestricted funds 2021	Total funds 2021
	£	£	£
Tangible fixed assets	2,922,921	17,393,739	20,316,660
Current assets	502,779	6,082,410	6,585,189
Creditors due within one year	(177,675)	(2,871,692)	(3,049,367)
Creditors due in more than one year	-	(1,150,011)	(1,150,011)
Provisions for liabilities and charges	-	(745,000)	(745,000)
Total	<u>3,248,025</u>	<u>18,709,446</u>	<u>21,957,471</u>

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FOR THE YEAR ENDED 31 AUGUST 2021

26. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
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	3,239,389	16,822,041	20,061,430

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

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	940,069	270,461
Adjustments for:		
Depreciation charges	110,227	84,007
Property impairment	(154,690)	-
(Gain) / loss on investments	(318,465)	11,170
Profit on the sale of fixed assets	(52,357)	(500)
Decrease/(increase) in debtors	306,453	(152,812)
Increase in creditors	123,832	866,934
Pension finance and administration costs	12,000	17,000
Contributions to defined benefit pension schemes	(108,000)	(115,829)
Net cash provided by operating activities	859,069	980,431

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

28. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	1,869,587	993,160
Residents money bank accounts	482,547	381,512
Total cash and cash equivalents	2,352,134	1,374,672

29. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	Changes in market value £	Other non- cash changes £	At 31 August 2021 £
Cash at bank and in hand	1,374,672	977,462	-	-	2,352,134
Debt due within 1 year	(133,332)	133,332	-	(133,332)	(133,332)
Debt due after 1 year	(1,283,343)	-	-	133,332	(1,150,011)
Liquid investments	2,161,799	-	318,465	-	2,480,264

30. 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 £275,247 (2020 - £269,202).

The Trust operates a defined benefit pension scheme.

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 2021, the scheme makes payments to six pensioners.

The following disclosures are taken from the report prepared as at 31 August 2021 by Barnett Waddingham LLP, the Plan's actuary.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

30. Pension commitments (continued)

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

	At 31 August 2021 %	At 31 August 2020 %
Discount Rate	1.60	1.50
Retail Prices Index (RPI) Inflation	3.60	3.20
LPI Pension Increases	3.60	3.20
Assumed Percentage of Pension Taken as Tax Free Cash	20.00	20.00
	<hr/>	<hr/>
	At 31 August 2021 Years	At 31 August 2020 Years
Mortality rates (in years)		
- for a male aged 65 now	22.4	22.3
- at 65 for a male aged 45 now	24.2	24.1
- for a female aged 65 now	24.3	24.2
- at 65 for a female aged 45 now	26.2	26.1
	<hr/>	<hr/>

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

	At 31 August 2021 £	At 31 August 2020 £
Cash	83,000	142,000
Funds	1,498,000	2,307,000
Annuity Policies	-	1,450,000
Insured Assets	1,402,000	-
Total fair value of assets	<hr/> 2,983,000 <hr/>	<hr/> 3,899,000 <hr/>

The actual return on scheme assets was £105,000 (2020 - £223,000).

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

	2021 £	2020 £
Interest on assets	(51,000)	(64,000)
Interest on liabilities	63,000	81,000
Total amount recognised in the Statement of financial activities	<hr/> 12,000 <hr/>	<hr/> 17,000 <hr/>

LINKAGE COMMUNITY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

30. Pension commitments (continued)

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

	2021 £
Opening defined benefit obligation	4,783,000
Changes to actuarial assumptions	11,000
Benefits paid	(1,129,000)
Interest on liabilities	63,000
Closing defined benefit obligation	3,728,000

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

	2021 £
Opening fair value of scheme assets	3,899,000
Interest on assets	51,000
Return on assets less interest	54,000
Contributions	108,000
Benefits paid	(1,129,000)
Closing fair value of scheme assets	2,983,000

31. Operating lease commitments

At 31 August 2021 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	7,471	6,655
Later than 1 year and not later than 5 years	5,918	4,285
	13,389	10,940

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NOTES TO THE FINANCIAL STATEMENTS
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32. 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 £47,021 (2020 - £65,956).

During the year, the trustees agreed to write down the amount owing by the company to the Trust by £73,279 (2020 - £96,697).

The balance outstanding at the year-end is £50,545 (2020 - £76,803) and included within amounts owed by group undertakings.

