
LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Trust, its Trustees and advisers	1
Chairman's statement	2 - 3
Trustees' report	4 - 14
Trustees' responsibilities statement	15
Independent auditors' report on the financial statements	16 - 20
Statement of financial activities	21 - 22
Balance sheet	23 - 24
Statement of cash flows	25
Notes to the financial statements	26 - 51

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2022**

Trustees	Mr A T Bake (resigned 27 April 2022) Mr K J Batty Professor S F Brown (resigned 27 April 2022) Mrs B L Findlay (appointed 30 November 2021, resigned 17 October 2022) Mrs E Hadley (appointed 30 November 2021) Professor M C Hannay (resigned 26 January 2022) Mr S J Hatchman Mrs C Jervis (resigned 27 July 2022) Mrs S Kane (resigned 20 October 2021) Mr D Reed (resigned 24 January 2023) Mrs S M Simpson Mr M A Smith, Chairman Mrs K I Truscott Mrs S Wood (appointed 19 January 2023)
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
Investment Advisers	jch: investment management limited 1 Henley Way Doddington Road Lincoln LN6 3QR

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022

The Chairman presents their statement for the year.

I am very pleased to report another successful year for Linkage Community Trust. However, during the year, the Trust experienced ongoing challenges as the world emerged from the COVID-19 pandemic.

From late 2021 the Board of Trustees began work to develop a Corporate Strategy for 2023-2028 entitled "Nothing about you without you". 2022 saw engagement with staff, clients and other stakeholders before this was approved with the vision that the trust will continue to commit to ensuring that people with learning disabilities, autism or both have opportunities and choice and are supported to achieve their aspirations.

The Trust remains focussed on its mission to "provide person centred services that enable individuals to develop skills and behaviours and to live independent lives". The new Strategy identifies four pillars to underpin the Trust's Vision and to deliver success: Impact, Capacity, Sustainability and Growth.

In a difficult financial environment, the Trust remains in a good financial position and achieved a successful financial result in the year thanks to continued control of costs and efficiency gains. The Trust maintains strong relationships with numerous Local Authorities and other funding bodies across the United Kingdom. Relationships with Lincolnshire County Council, North East Lincolnshire Council and East Riding Council are key in successfully delivering high quality services to meet the targets of all stakeholders and needs of clients.

The Trust's Residential Care and Community Supported Living provisions served 170 residential clients and over 130 Supported Living Clients. The Estates Strategy developed in the previous year continued to see investment in a number of residential care locations. Keal View (at Toynton-all-Saints) saw development of en suite facilities in all of its bedrooms. Ferriby Lane (in Grimsby) underwent a significant refurbishment during 2022, as the Trust looks to provide high quality environments. Numerous other improvements to facilities such as kitchens and bathrooms took place across the Trust.

Of note in Education, learners moved into their new state-of-the-art facilities at Flemingate, Beverley in the East Riding of Yorkshire, having spent an initial year in adjacent temporary accommodation. The new campus has seen landlord Wykeland Properties carry out development of formerly derelict property in the town centre with partnership from Linkage to deliver facilities for its learners. Grant funding was secured to supplement the Trust's reserves and produce high end facilities including independence kitchen, sensory rooms, ICT suites and performing arts room complete with sprung floor.

July 2022 saw the return of a Graduation Ceremony in the magnificent setting of Grimsby Minster. Learners from all four campuses and their families celebrated success with some inspiring stories around their journey with Linkage.

The Adult Skills Day Service saw a rebrand in 2021 and become known as Linkage Choices, to reflect the opportunities and choices that the new offer brings to the people we support. A new management team was developed to improve the quality of the service and to work closely with Linkage's services within Care and Education, as well as growing numbers of external people accessing the service. Summer 2022 saw plans to open a new hub for Linkage Choices at Beverley, growing Linkage's offer from its new Flemingate campus.

In June 2022, Linkage Choices was delighted to be able to present its annual show for the first time since 2019 at Skegness' Embassy Theatre. 'One World' saw clients from across the Trust showpiece their performing arts skills during a two-hour show to an audience of over 300 people.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

The Employment service had very limited opportunities to support clients and learners into employment and work-based experiences. 18 people we support engaged with employers in paid employment – below our expectation. Our employment team have continued to build on relationships with local employers which will assist us in securing more employment in future years. 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.

The Trust's five year Digitalisation plan launched in 2019 and continues to develop. Recent work has focussed on the use of cloud technology to change the way staff work in terms of communication and storing / sharing data. Cyber Security remains a key risk. The Trust has recently achieved the Government's Cyber Essentials accreditation and continues to investigate how it can minimise cyber security.

The Board decided in 2020/21 that the Trust would focus some of its activity supporting people with higher acuity levels of care need. Work on business planning and on locating the first location for dwellings has taken place throughout the past year within Lincolnshire and surrounding areas. The Trust has now identified a piece of land on the edge of Hull and will embark on a conversion of an existing barn and construction of individual dwellings in the near future. Work continues around the original plan to source and develop up to six similar facilities over the next five years. The Trust continues to actively source and investigate local land and buildings as possible opportunities for all of its services.

The recruitment and retention of skilled and quality staff has become a significant issue to Linkage over the past year, as it has across other organisations in the care and education sectors and beyond.

I would like to thank all of our staff for their hard work and dedication, often in difficult circumstances which have all made a contribution towards Linkage's achievements in the past year.



Mr M A Smith
Date: 25 May 2023

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the audited financial statements of the Trust for the year 1 September 2021 to 31 August 2022. 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.

Education (Lifelong Learning)

Throughout 2021/22, the college continued to develop its curriculum and provide greater opportunity and choice for its learners, particularly as previous Covid restrictions were lifted and the college could return to "normal" activities on a face-to-face basis. Linkage learners continued to develop their skills, achieve their goals, and meet many of their aspirations.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Highlights / achievements:

- The college continued to grow, representing our commissioning Local Authorities' confidence in the quality of the learners' experience. The college has now doubled in size compared to 4 years ago. Linkage is now the third largest Independent Specialist College in the country.
- There was a successful pilot of the new "Discovery Suite" at our Lincoln Campus. The impact of this way of learning within an immersive classroom environment was so positive in developing learners' communication, dexterity, co-ordination and academic skills that we have taken the decision to establish the "Discovery Suite" learning environment at all campuses. An East Riding facility will be established in 2022/2023 and Weelsby and Toynton in 2023/2024.
- Learners at all campuses enjoyed both a Sports Day and Graduation Ceremony.
- The college also established a Sensory Room at the Toynton and East Riding campuses with a similar facility planned at the Lincoln Campus in the summer of 2023.
- The college's achievement rates are nearly back to the 'Outstanding' level they were pre-pandemic.
- The college were short-listed to the final 3 in the Natspec's National Award for Partnership Working for our work with Fair Trade and the local homeless shelter in Grimsby project where our Catering learners cook meals from the Fair Trade charity food donation and serve it to the homeless.

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 2021/22, the college further developed curriculum planning and introduced Games Development, Music Technology and Relationship & Sex Health Education (RSHE) into its core offer.

The monumental efforts and resourcefulness of the college's staff teams ensured learner achievement rates of 92%. 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' experiences. In 2021/22, the college used its ESFA Capital funding to develop and repair its internal and external learning environments. This included renovating the Conservatory at the Weelsby Campus, updating the Independence Suite and adding a Sensory Room at the Toynton Campus, internal building work at the Lincoln Campus to create a Sensory space and increasing the availability of mobile IT devices for all staff in supporting digital learning.

Due to well-planned and monitored financial management the college's budget delivered a surplus of £193,000.

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. Bursary payments have supported learners' access to education, appropriate specialist clothing for their vocational studies and a range of assistive technology equipment which have removed barriers to learning.

Employability Service

The vision of the Employability Service is to provide opportunities, experiences and key skills that will support clients and learners to engage with a variety of employment opportunities. The team works to ensure that the person-centred service provided increases the opportunity for all those that we support to access paid employment. It offers the wrap-around care and support for employability that increases independence and helps maintain positive employer relationships.

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

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

The service provided remote guidance on developing key employment skills through online workshops where appropriate, and ensured that we maintained our employer engagement during this time. As a result, we have proactively re-established the employability service post-pandemic, re-engaging with our employers, and supporting our clients in accessing the support they need to return to employment, volunteer activities, work experience and internships.

Successes to date include:

- Post-pandemic: 20 clients were supported to safely re-engage in work experience and voluntary placements.
- A further 24 clients were supported to return to paid employment.
- Fifty-three clients were actively engaged in the STEP Programme during the year to 31st August 2022. Whilst the STEP Programme has now finished, we have continued to engage with these clients and have established robust working relationships with the stakeholders involved in the programme. Linkage Employability Service is signposted by these stakeholders to provide support in the absence of the programme.
- Our partnership work with local employers, such as Pipe Tools Specialists, continues to increase the support and experiences for those we support into paid employment.
- Learners re-engaged with work experience opportunities across all four campuses, completing Information Advice & Guidance sessions, skills workshops, work experience reviews and achieved positive outcomes within Education Health & Care Plan reviews.

Moving forward, the service is looking at developing the apprenticeship and supported internship provisions; including Project Search, where Linkage is the education lead working with NHS Grimsby as the host business. This initiative supports young adults with a learning disability as interns with placements in different departments at the hospital, with the aim of securing paid employment once the internship ends. In addition to this, there will be new initiatives that focus upon increasing our partnership work with local employers; developing our transitional support to learners and clients moving from education to adult services and/or employment; and increasing our engagement with Access to Work funding. Through this, we will endeavour to support more of our learners and clients into paid employment.

Linkage Choices

September 2021 to August 2022 was a very exciting year for Linkage Choices, and one built on new opportunities and experiences for our clients. Following the continued disruption of COVID, we have now welcomed back our clients and closely supported them in returning to the 'new normal'. Despite the challenges COVID has presented, client numbers have continued to increase steadily. We are now exceeding the Lincolnshire County Council contractual agreement of 200 clients and engaging with 265 clients across three sites; an increase of 6%.

Early 2022 saw the introduction of our new Senior Management Team, with the appointment of a Head of Day Services as we reviewed the way our day services operate. With the new senior team in place, we delivered upon an exciting re-brand of our services in June 2022, moving from our old name of 'Adult Skills' to 'Linkage Choices'. The re-branding of our name to Linkage Choices will be the start of a piece of work that will reflect the wider range of choices and opportunities we will be offering through the day service; whilst also reflecting that the service is client-led, driven by choices and opportunities.

Linkage Choices has continued to engage with clients and deliver a range of meaningful activities. To support this, activity sessions are reviewed on a quarterly basis and are aligned to the seasons of the year. One of the highlights of the year was the delivery of the Linkage show 'One World' at the Embassy Theatre in June 2022. Linkage took over the theatre to present a spectacular musical performance, delivered to families, carers, staff, professionals and the public. The show was an excellent opportunity to highlight the achievements and talents of our performing arts clients across all of our services.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Care and Independence

Care Services comprises Residential Care and Community Support. During the period under review Care Services served almost 156 clients within its 23 residential care homes and 120 clients through its Community Support 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 and Local Housing Authorities.

The last year has focused on supporting our services to come out of the pandemic and starting to reintegrate in the local areas. Some of our clients have needed additional support to re-engage in their local community, and this has been supported by working in partnership with relevant stakeholders. The care team have worked closely with our Linkage Choices day services to ensure that the clients had a wide variety of meaningful activities available to them.

We have continued to face challenges from COVID and at various points we have needed to take decisive actions to limit the spread of an outbreak, working closely with the Local Health Protection teams to minimise the risk to others. This has led to us delivering more activities in-house as and when a house was required to lock down. The staff team and clients involved have adapted well and the wider care team have demonstrated consistent high levels of teamwork through testing time.

We have continued to review, develop and implement new ways of working. Each local area now operates as a Hub sharing staffing resource across the local services, which enables the services to demonstrate higher levels of resilience in relation to staffing. We have successfully relaunched our clinical referral pathway, which enables services to refer a client for additional support around communication, sensory and Positive Behaviour Support planning. We continue to strengthen our processes around Incidents and Quality, and this is ensuring the appropriate people know about issues as and when they arise.

We have continued in our aspiration to provide services rated as 'Outstanding' by the Care Quality Commission across our care provision. Our three registrations previously rated as 'outstanding' have maintained that rating. One service was found on inspection by CQC to be 'inadequate': this was for a variety of reasons that have been promptly addressed and the service has made the required improvements. This work was carried out in partnership with the Local Authority, which has since signed off all actions on the improvement plan. The service in question is now awaiting re-inspection.

We continue to review our estate and during the last year have closed three services that were deemed not able to meet the future needs of our clients. We are in the process of redeveloping other homes and acquiring a new home in Lincoln. Alongside this, we have identified land on which to start the development of new complex care services. This work will enable us to provide homes suitable for current and future clients, who may have additional complexities to those we have previously supported.

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. This 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. We are currently in the procurement phase of a digital social care records system with a view to rollout of the system commencing in 2023.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Digitalisation

The 2019-2024 Digitalisation Strategy vision is that:

“Linkage will become a people first, digitally enabled charity that places our clients and learners at the heart of everything we do, providing them with the choices and opportunities to be supported in the way they wish. To do this, Linkage will be supported by technology that enables our services to be delivered effectively and efficiently. This will be enabled by skilled and knowledgeable staff and partners, who deliver quality, drive value and seek to continually improve.”

The intention of the Digitalisation Strategy was to deliver this transformation over a 5-year period, 2019-2024. This update covers progress since Board approved the strategy (v07) in November 2019 up until December 2022, a little over 3 years.

The impact of the pandemic has caused delay, and as a result, we are delivering this strategy approximately 18 months behind the original plan, with variations at level of area and project. Despite this, firm foundations are now established in many areas and with a strong Digitalisation Board oversight, substantial progress has been made.

Successes to date include:

- Implementation of a digital rostering system (Planday) across Care (2021), Education and Linkage Choices (2022) for support worker and deputy support worker (or equivalent) roles.
- Launching a Virtual Learning Environment (Moodle) across all College campuses.
- Implementation of an Estates Management System (Fixflo).
- Piloting of Teams and SharePoint with a number of corporate teams and Linkage Choices.
- Achieving Cyber Essentials accreditation and 'met standards' for the DSPT (NHS Data and Security Protection Toolkit) enabling Linkage to apply for NHS Digital funding in support of a Digital Social Care Record system (DSCR).
- Secured a digital finance system that is currently being implemented.

To ensure staff are fully supported to embrace change, we have recruited departmental digital champions. This, together with a supportive roll out including face-to-face training, has meant staff benefit from peer support, and use their digital champions to develop the level of literacy required to work with different systems, processes and procedures. The implementation of Planday and Fixflo means all staff have now had at least one experience of the transition to a more effective digital solution.

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.

Although proceeding cautiously because of COVID, the service made a significant increase in its delivery against that in 2020/2021 and only lost one week's delivery because of infection. The Sensory Bus worked in 16 schools and 2 nursing homes delivering a taster day and 6 following days to each, and also delivered work with the Interim SEND team. The Sensory Bus and Library reached 390 children and adults.

Evaluation showed:

85% having improved communication
80% sharing activities on the bus
69% better able to be calm and relaxed
83% better able to concentrate, and
97% happier.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Some of these percentages are lower than previously which may reflect children taking more time to settle after the disruption of COVID. For the first time we have had children on the bus that the schools have said have mental health issues such as anxiety.

During the school summer holidays the bus worked with 11 Children's Centres, 3 Community Groups, 1 specialist play scheme, 2 children's homes, 1 nursing home and 5 Linkage Care settings effectively re-establishing itself in the community.

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.

New initiatives for the year were: setting up two temporary Sensory Rooms in a Toy Library and a school so they could see how much difference these would make to their children – both have now created permanent ones: and reaching out to Home Schooling families.

Our plans for the next financial period are: to continue to deliver the current services and to build on the work we have started helping settings to create their own affordable Sensory Rooms. We also intend to develop closer links with families home schooling their children.

Children & Families Development Worker

During the period to summer 2022, the Children and Families Development Worker (Young Futures Project) supported 110 young people and their families through face-to-face visits, telephone, email and attending Team Around the Child (TAC), Early Support and Care Coordination (ESCO), Children In Need (CIN), Special Educational Needs (SEN) and Primary Care Physician (PCP) meetings.

Assistance has been offered to parents and carers to complete referral forms for community paediatric services, to request an Education, Health and Care Needs Assessment (EHCNA), to apply for Disability Living Allowance, family funding, and to complete Early Help Assessments and referrals to a specialist nurse.

There has been a rise in the number of requests for observations of young people in schools, which parents have then shared with professionals to provide insight for their child. A trial bespoke holiday club for young people at Fun Farm in Spalding with a quieter and calmer environment enabled young people to have fun and explore the play equipment without the anxiety usually caused by the noise and activity level when attending sessions open to the public.

The project has offered advice, information and guidance; helped implement strategies; worked alongside charities, professionals, local authorities, schools and specialists to ensure that young people's needs are met and has advocated for them in situations where they are unable to do so themselves.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

GOVERNANCE AND MANAGEMENT

Trustees and Directors / The Board and its Sub-Committees

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

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

Recruitment and Appointment of New Trustees

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

Induction and Training of Trustees

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

Organisational Structure

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

Remuneration of Key Management Personnel

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

Wider Networks Membership

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

Key Stakeholders

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

Working in Partnership

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

Risk Management

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

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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.

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 COMMUNITY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 has recently been updated for the five years from 2023 to 2028 by the Board of Trustees. The plan outlines the journey for the next five years and sets out clearly the Trust's vision, mission and values, and the actions the Trust will take to achieve its objectives.

Key Objectives

The plan sets out the Trust vision:

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

The Trust's mission:

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

The Trust will do this by developing a culture that embeds a "nothing about you without you" approach to shaping services and models of delivery with input from the people it supports.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

The plan sets out four pillars to underpin this:

Impact – Increase the impact that our services have on the people we support.

Capacity – Increase capacity to deliver high-quality services.

Sustainability – Ensure the long-term sustainability by securing the support we need to keep us strong, and taking steps to ensure our environments, activities and organisation are fit for the future.

Growth – Grow the charity to increase the number of people who access our services.

FINANCIAL REVIEW

Summary of the Results for 31 August 2022

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 £578,781 (2021: £940,069).

The overall results for the year further include the effects of actuarial gains on defined benefit pension schemes, which were significant in 2021/22 due to changes in financial assumptions, and also property revaluations. Net movement in funds for the year were £1,200,781 (2021: £1,896,041).

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 2022, free reserves were £3,635,492 (2021: £3,323,710) based upon calculations which exclude the unrealised pension liability.

Principal Funding Sources

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

Funds in Deficit

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

Fundraising Activities

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

Investment Policy and Objectives

The Trustees' investment powers are prescribed in the Trust's Articles of Association. The Trustees are permitted to invest any monies of the Trust not immediately required for its purpose in or upon such investments, securities or property as the management committee shall think fit and is allowed by law. During the reporting period, the Trust's investment portfolio was managed by jch: management services Limited.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

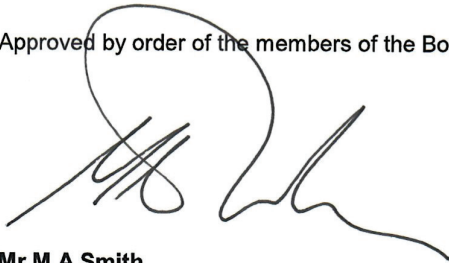
Internal and External Factors

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 £485,154 (2021: £482,547) due to students and residents in respect of monies held on their behalf in bank accounts in the Trust's name. This amount is also included in the figure for cash at bank and in hand on the balance sheet.

Approved by order of the members of the Board of Trustees on 25 May 2023 and signed on their behalf by:



Mr M A Smith
Chairman

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

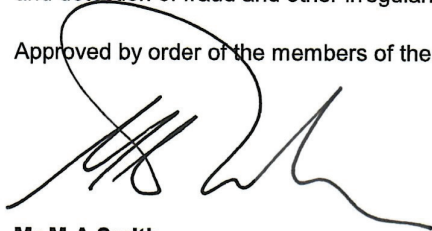
The Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 25 May 2023 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 2022 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 2022 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.

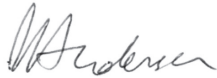
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

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

26 May 2023

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations, grants and legacies:	4				
Donations		31,510	345	31,855	38,147
Grants		487,361	20,000	507,361	366,252
Charitable activities	6	-	16,524,789	16,524,789	15,185,996
Other trading activities	8	2,665	31,715	34,380	35,111
Total income		521,536	16,576,849	17,098,385	15,625,506
Expenditure on:					
Raising funds:	9				
Expenditure of voluntary income		415,350	-	415,350	388,956
Fundraising expenses		-	91,625	91,625	102,485
Charitable activities	10	-	15,945,226	15,945,226	14,636,872
Other expenditure	12	-	(36,500)	(36,500)	(124,411)
Total expenditure		415,350	16,000,351	16,415,701	15,003,902
Net income before net (losses)/gains on investments		106,186	576,498	682,684	621,604
Net (losses)/gains on investments		-	(103,903)	(103,903)	318,465
Net income		106,186	472,595	578,781	940,069
Transfers between funds	22	(28,164)	28,164	-	-
Net movement in funds before other recognised gains/(losses)		78,022	500,759	578,781	940,069
Other recognised gains/(losses):					
Gains on revaluation of fixed assets		-	-	-	912,972
Actuarial gains on defined benefit pension schemes	28	-	987,000	987,000	43,000
Derecognition of defined benefit pension scheme surplus	28	-	(365,000)	(365,000)	-
Net movement in funds		78,022	1,122,759	1,200,781	1,896,041

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Reconciliation of funds:				
Total funds brought forward	3,248,025	18,709,446	21,957,471	20,061,430
Net movement in funds	78,022	1,122,759	1,200,781	1,896,041
Total funds carried forward	3,326,047	19,832,205	23,158,252	21,957,471

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 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	16	20,536,112	20,316,660
		<u>20,536,112</u>	<u>20,316,660</u>
Current assets			
Debtors	18	1,997,771	1,752,791
Investments	19	2,376,361	2,480,264
Cash at bank and in hand		2,530,504	2,352,134
		<u>6,904,636</u>	<u>6,585,189</u>
Creditors: amounts falling due within one year	20	<u>(3,265,817)</u>	<u>(3,049,367)</u>
Net current assets		3,638,819	3,535,822
Total assets less current liabilities		24,174,931	23,852,482
Creditors: amounts falling due after more than one year	21	<u>(1,016,679)</u>	<u>(1,150,011)</u>
Net assets excluding pension asset / liability		23,158,252	22,702,471
Defined benefit pension scheme asset / liability	28	-	(745,000)
Total net assets		23,158,252	21,957,471

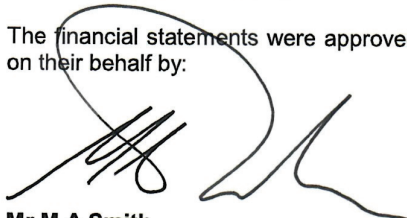
LINKAGE COMMUNITY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 01240377

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Charity funds			
Restricted funds	22	3,326,047	3,248,025
Unrestricted funds			
Designated funds	22	144,000	144,000
General funds	22	14,201,939	13,892,243
Revaluation reserve		5,486,266	5,418,203
Unrestricted funds excluding pension asset	22	19,832,205	19,454,446
Pension reserve	22	-	(745,000)
Total unrestricted funds	22	19,832,205	18,709,446
Total funds		<u>23,158,252</u>	<u>21,957,471</u>

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

The financial statements were approved and authorised for issue by the Trustees on 25 May 2023 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

	2022 £	2021 £
Amounts Invested in Land and Buildings	11,716,458	11,851,876
Loans Secured on Property	(1,150,011)	(1,283,343)
Free Reserves	3,635,492	3,323,710
	<u>14,201,939</u>	<u>13,892,243</u>

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	632,659	859,069
	<hr/>	<hr/>
Cash flows from investing activities		
Proceeds from the sale of tangible fixed assets	232,800	330,850
Purchase of tangible fixed assets	(553,757)	(79,125)
	<hr/>	<hr/>
Net cash (used in)/provided by investing activities	(320,957)	251,725
	<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	178,370	977,462
Cash and cash equivalents at the beginning of the year	2,352,134	1,374,672
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	2,530,504	2,352,134
	<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 2022

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), 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 2022

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 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 2022

2. Accounting policies (continued)

2.5 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
Leasehold Improvement and Movable Buildings	- straight line over lease term and 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.

2.6 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.

2.7 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.

2.8 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 2022

2. Accounting policies (continued)

2.9 Liabilities and provisions

Liabilities 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.

2.10 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.

2.11 Operating leases

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

2.12 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 2022.

2.13 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.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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 28, will impact the carrying amount of the pension liability.

4. Income from donations and legacies

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations	31,510	345	31,855	38,147
Grants	487,361	20,000	507,361	366,252
	<u>518,871</u>	<u>20,345</u>	<u>539,216</u>	<u>404,399</u>
<i>Total 2021</i>	<u><u>400,333</u></u>	<u><u>4,066</u></u>	<u><u>404,399</u></u>	

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

5. Analysis of grants

	2022 £	2021 £
ESFA Maintenance	110,031	99,471
Big Lottery Fund	68,425	85,774
Scottish Power	47,695	-
Children in Need	27,922	34,717
Help for Health	47,000	-
Forbes Trust	12,500	25,000
Tolkien Trust	50,000	50,000
ETF	28,400	-
Harris Trust	20,000	-
Heritage Lottery	-	29,900
Other	95,388	41,390
	<u>507,361</u>	<u>366,252</u>

6. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Education and Adult Skills	4,765,859	4,765,859	3,692,600
Care	11,265,970	11,265,970	11,286,381
Employment	142,409	142,409	39,746
Corporate and Cafes	350,551	350,551	167,269
	<u>16,524,789</u>	<u>16,524,789</u>	<u>15,185,996</u>
<i>Total 2021</i>	<u>15,185,996</u>	<u>15,185,996</u>	

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

7. Analysis of income from charitable activities by category

	2022 £	2021 £
Education and Adult Skills		
Fees Receivable	4,620,160	3,591,025
Training Outlet Income	250	250
Other Income	145,449	101,325
	<hr/> 4,765,859	<hr/> 3,692,600
Care		
Fees Receivable	10,510,341	10,746,605
Other Income	755,629	539,776
	<hr/> 11,265,970	<hr/> 11,286,381
Employment		
Fees Receivable	142,409	39,746
	<hr/> 142,409	<hr/> 39,746
Corporate and Cafes		
Fees Receivable	35,738	-
Training Outlet Income	121,301	159,829
Other Income	193,512	7,440
	<hr/> 350,551	<hr/> 167,269

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

8. Income from other trading activities

Income from fundraising events

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Income from Fundraising	2,665	31,715	34,380	35,111
<i>Total 2021</i>	<i>300</i>	<i>34,811</i>	<i>35,111</i>	

9. Expenditure on raising funds

Expenditure of voluntary income

	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Other Costs	233,121	233,121	201,959
Payroll Costs	182,229	182,229	186,997
	415,350	415,350	388,956
<i>Total 2021</i>	<i>388,956</i>	<i>388,956</i>	

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

9. Expenditure on raising funds (continued)

Fundraising expenses

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Other Fundraising Costs	12,940	12,940	12,601
Fundraising Salaries	69,813	69,813	80,078
Fundraising National Insurance	6,778	6,778	7,404
Fundraising Pension	2,094	2,094	2,402
	<u>91,625</u>	<u>91,625</u>	<u>102,485</u>
<i>Total 2021</i>	<u>102,485</u>	<u>102,485</u>	

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Total 2022 £	<i>Total 2021 £</i>
Education and Adult Skills	4,383,810	4,383,810	3,392,309
Care	11,065,813	11,065,813	10,992,598
Employment	145,052	145,052	84,696
Corporate and Cafes	350,551	350,551	167,269
	<u>15,945,226</u>	<u>15,945,226</u>	<u>14,636,872</u>
<i>Total 2021</i>	<u>14,636,872</u>	<u>14,636,872</u>	

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

11. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Corporate overhead allocation 2022 £	Total funds 2022 £	Total funds 2021 £
Education and Adult Skills	3,754,721	629,089	4,383,810	3,392,309
Care	9,578,124	1,487,689	11,065,813	10,992,598
Employment	126,254	18,798	145,052	84,696
Corporate and Cafes	2,486,127	(2,135,576)	350,551	167,269
	<u>15,945,226</u>	<u>-</u>	<u>15,945,226</u>	<u>14,636,872</u>
<i>Total 2021</i>	<u>14,636,872</u>	<u>-</u>	<u>14,636,872</u>	

Analysis of direct costs

	Education and Adult Skills 2022 £	Care 2022 £	Employment 2022 £	Corporate and Cafes 2022 £	Total funds 2022 £	Total funds 2021 £
Staff Costs	2,830,533	7,806,697	108,776	1,400,557	12,146,563	11,428,302
Other Direct Costs	924,188	1,771,427	17,478	1,085,570	3,798,663	3,208,570
	<u>3,754,721</u>	<u>9,578,124</u>	<u>126,254</u>	<u>2,486,127</u>	<u>15,945,226</u>	<u>14,636,872</u>
<i>Total 2021</i>	<u>2,910,639</u>	<u>9,511,887</u>	<u>79,447</u>	<u>2,134,899</u>	<u>14,636,872</u>	

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

12. Other expenditure

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Property Impairment	-	-	(154,690)
Property Profit on Disposal	(47,500)	(47,500)	(55,000)
Pension Scheme - Interest on Liabilities	59,000	59,000	63,000
Pension Scheme - Interest on Assets	(48,000)	(48,000)	(51,000)
Write-Off of Subsidiary Loan Balance	-	-	73,279
	<u>(36,500)</u>	<u>(36,500)</u>	<u>(124,411)</u>
<i>Total 2021</i>	<u>(124,411)</u>	<u>(124,411)</u>	

13. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Trust's auditor and its associates for the audit of the Trust's annual accounts	12,000	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	3,570	2,800
	<u>1,710</u>	<u>1,650</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)	1,710	1,650
	<u>1,710</u>	<u>1,650</u>

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

14. Staff costs

	2022 £	2021 £
Wages and salaries	11,249,287	10,659,931
Social security costs	868,684	770,005
Contribution to defined contribution pension schemes	289,506	275,247
	<u>12,407,477</u>	<u>11,705,183</u>

Wages and salaries includes total ex-gratia, notice and redundancy payments of £13,848.

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

	2022 No.	2021 No.
Education and Adult Skills (Linkage Choices)	125	112
Care	328	353
Corporate Services	59	47
Bank Staff - Headcount	79	75
	<u>591</u>	<u>587</u>

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	2	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 £370,000 (2021 - £379,000).

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, expenses totalling £415 were reimbursed or paid directly to 3 Trustees (2021 - £nil). Expenses paid to Trustees related to the reimbursement of mileage.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16. Tangible fixed assets

	Freehold and Leasehold Property £	Leasehold Improvement and Moveable Buildings £	Motor Vehicles £	Fixtures and Fittings £	Total £
Cost or valuation					
At 1 September 2021	20,192,484	17,905	601,371	2,457,836	23,269,596
Additions	117,845	199,328	150,701	85,883	553,757
Disposals	(185,000)	-	(13,910)	-	(198,910)
At 31 August 2022	<u>20,125,329</u>	<u>217,233</u>	<u>738,162</u>	<u>2,543,719</u>	<u>23,624,443</u>
Depreciation					
At 1 September 2021	4,883	17,905	573,956	2,356,192	2,952,936
Charge for the year	200	33,221	50,214	65,670	149,305
On disposals	-	-	(13,910)	-	(13,910)
At 31 August 2022	<u>5,083</u>	<u>51,126</u>	<u>610,260</u>	<u>2,421,862</u>	<u>3,088,331</u>
Net book value					
At 31 August 2022	<u><u>20,120,246</u></u>	<u><u>166,107</u></u>	<u><u>127,902</u></u>	<u><u>121,857</u></u>	<u><u>20,536,112</u></u>
At 31 August 2021	<u><u>20,187,601</u></u>	<u><u>-</u></u>	<u><u>27,415</u></u>	<u><u>101,644</u></u>	<u><u>20,316,660</u></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:

	2022 £	2021 £
Freehold property	<u><u>14,804,267</u></u>	<u><u>14,939,485</u></u>

17. 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.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	828,778	569,268
Amounts owed by group undertakings	49,145	50,545
Other debtors	109,398	87,828
Prepayments and accrued income	1,010,450	1,045,150
	<u>1,997,771</u>	<u>1,752,791</u>

Trade debtors are stated after provisions for impairment of £235,426 (2021 - £184,660).

19. Current asset investments

	2022 £	2021 £
Investment portfolio	<u>2,376,361</u>	<u>2,480,264</u>

During the year, the change in the market value of the investment portfolio resulted in a loss of £103,903 (2021 – gain of £318,465).

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

20. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	133,332	133,332
Trade creditors	473,842	375,620
Other taxation and social security	224,400	199,854
Student and resident monies held	485,154	482,547
Other creditors	702,157	465,779
Accruals and deferred income	1,246,932	1,392,235
	<u>3,265,817</u>	<u>3,049,367</u>
	2022 £	2021 £
Deferred income at 1 September	1,043,854	633,272
Resources deferred during the year	261,799	860,844
Amounts released from previous periods	(354,540)	(450,262)
Deferred income at 31 August	<u>951,113</u>	<u>1,043,854</u>

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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

	2022 £	2021 £
Bank loans	766,679	900,011
Other loans	250,000	250,000
	1,016,679	1,150,011

Included within the above are amounts falling due as follows:

	2022 £	2021 £
Between one and two years		
Bank loans	133,332	133,332
	133,332	133,332
Between two and five years		
Bank loans	399,996	399,996
	399,996	399,996
Over five years		
Bank loans	233,351	366,683
Other loans	250,000	250,000
	483,351	616,683

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

	2022 £	2021 £
Payable or repayable by instalments	233,351	366,683
Payable or repayable other than by instalments	250,000	250,000
	483,351	616,683

Bank loans are secured by legal charges over four freehold properties owned by the Trust with a total net book value of £4,535,000 (2021 - £4,535,000). The total bank loan balance of £900,011 (2021 - £1,033,343) is 20% (2021 - 23%) 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 (2021 - £275,000). The loan balance is 91% (2021 - 91%) of the value of the security held.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

22. Statement of funds

Statement of funds - current year

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted Funds						
Designated Funds						
Digitalisation Reserve	144,000	-	-	-	-	144,000
General Funds						
Free Reserves	3,323,710	16,576,849	(15,853,933)	(307,231)	(103,903)	3,635,492
Property Fund	10,568,533	-	(135,418)	133,332	-	10,566,447
Revaluation Reserve	5,418,203	-	-	68,063	-	5,486,266
Pension Reserve	(745,000)	-	(11,000)	134,000	622,000	-
	<u>18,565,446</u>	<u>16,576,849</u>	<u>(16,000,351)</u>	<u>28,164</u>	<u>518,097</u>	<u>19,688,205</u>
Total Unrestricted Funds	<u>18,709,446</u>	<u>16,576,849</u>	<u>(16,000,351)</u>	<u>28,164</u>	<u>518,097</u>	<u>19,832,205</u>
Restricted Funds						
ESFA Maintenance	122,093	110,031	(63,550)	-	-	168,574
Bursary Funds	19,305	42,890	(19,012)	-	-	43,183
Sensory Bus	46,886	122,535	(112,420)	-	-	57,001
Forbes Trust	6,002	12,500	(18,502)	-	-	-
Children in Need	8,381	27,922	(36,303)	-	-	-
Tolkien Trust	-	50,000	(50,000)	-	-	-
Baily Thomas	4,507	-	(1,104)	(3,403)	-	-
Help for Health	-	47,000	(16,510)	(26,662)	-	3,828
ETF	-	28,400	(28,400)	-	-	-

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

22. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Other Restricted Funds	117,930	80,258	(59,332)	(30,761)	-	108,095
Fixed Assets Acquired	2,922,921	-	(10,217)	32,662	-	2,945,366
	<u>3,248,025</u>	<u>521,536</u>	<u>(415,350)</u>	<u>(28,164)</u>	<u>-</u>	<u>3,326,047</u>
Total of Funds	<u><u>21,957,471</u></u>	<u><u>17,098,385</u></u>	<u><u>(16,415,701)</u></u>	<u><u>-</u></u>	<u><u>518,097</u></u>	<u><u>23,158,252</u></u>

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.

Sensory Bus - relates to unspent funds provided by the Big Lottery Fund, Scottish Power and other donors for the initial acquisition of a sensory library and its continued running costs.

Other Restricted Funds - relate to other grants and donations from funders and individuals which are subject to restrictions imposed by the donor.

Fixed Assets Acquired with Restricted Funds - represents the net book value of assets acquired with restricted funding streams; the main asset being the building at Boutham Park.

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.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

22. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
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
Sensory Bus	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)	-	-

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

22. Statement of funds (continued)

Statement of funds - prior year (continued)

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
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>

23. Summary of funds

Summary of funds - current year

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Designated funds	144,000	-	-	-	-	144,000
General funds	18,565,446	16,576,849	(16,000,351)	28,164	518,097	19,688,205
Restricted funds	3,248,025	521,536	(415,350)	(28,164)	-	3,326,047
	<u>21,957,471</u>	<u>17,098,385</u>	<u>(16,415,701)</u>	<u>-</u>	<u>518,097</u>	<u>23,158,252</u>

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

23. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
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>

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	2,945,366	17,590,746	20,536,112
Current assets	487,478	6,417,158	6,904,636
Creditors due within one year	(106,797)	(3,159,020)	(3,265,817)
Creditors due in more than one year	-	(1,016,679)	(1,016,679)
Total	<u>3,326,047</u>	<u>19,832,205</u>	<u>23,158,252</u>

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
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	3,248,025	18,709,446	21,957,471

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

	2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)	578,781	940,069
Adjustments for:		
Depreciation charges	149,305	110,227
Property impairment	-	(154,690)
(Gain) / loss on investments	103,903	(318,465)
Profit on the sale of fixed assets	(47,800)	(52,357)
Decrease/(increase) in debtors	(244,980)	306,453
Increase in creditors	216,450	123,832
Pension finance and administration costs	11,000	12,000
Contributions to defined benefit pension schemes	(134,000)	(108,000)
Net cash provided by operating activities	632,659	859,069

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

26. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	2,045,350	1,869,587
Residents money bank accounts	485,154	482,547
Total cash and cash equivalents	2,530,504	2,352,134

27. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	Changes in market value £	Other non- cash changes £	At 31 August 2022 £
Cash at bank and in hand	2,352,134	178,370	-	-	2,530,504
Debt due within 1 year	(133,332)	133,332	-	(133,332)	(133,332)
Debt due after 1 year	(1,150,011)	-	-	133,332	(1,016,679)
Liquid investments	2,480,264	-	(103,903)	-	2,376,361
	2,352,134	178,370	(103,903)	(133,332)	2,530,504

28. 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 £289,506 (2021 - £275,247).

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 2022, the scheme makes payments to six pensioners.

The following disclosures are taken from the report prepared as at 31 August 2022 by Barnett Waddingham LLP, the Plan's actuary.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

28. Pension commitments (continued)

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

	At 31 August 2022	<i>At 31 August 2021</i>
	%	%
Discount Rate	4.30	1.60
Retail Prices Index (RPI) Inflation	3.80	3.60
LPI Pension Increases	3.60	3.60
Assumed Percentage of Pension Taken as Tax Free Cash	20.00	20.00
	<hr/> <hr/>	<hr/> <hr/>
	At 31 August 2022	<i>At 31 August 2021</i>
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	22.0	22.4
- at 65 for a male aged 45 now	23.6	24.2
- for a female aged 65 now	24.5	24.3
- at 65 for a female aged 45 now	26.2	26.2
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The Trust's share of the assets in the scheme was:

	At 31 August 2022	<i>At 31 August 2021</i>
	£	£
Cash	161,000	83,000
Funds	1,573,000	1,498,000
Insured Assets	1,018,000	1,402,000
Total fair value of assets	2,752,000	2,983,000
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The actual return on scheme assets was £(251,000) (2021 - £105,000).

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

	2022	<i>2021</i>
	£	£
Interest on assets	(48,000)	(51,000)
Interest on liabilities	59,000	63,000
Total amount recognised in the Statement of financial activities	11,000	12,000
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LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

28. Pension commitments (continued)

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

	2022 £
Opening defined benefit obligation	3,728,000
Changes to actuarial assumptions	(1,286,000)
Benefits paid	(114,000)
Interest on liabilities	59,000
Closing defined benefit obligation	2,387,000

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

	2022 £
Opening fair value of scheme assets	2,983,000
Interest on assets	48,000
Return on assets less interest	(299,000)
Contributions	134,000
Benefits paid	(114,000)
Derecognition of pension scheme surplus	(365,000)
Closing fair value of scheme assets	2,387,000

The actuarial report valued a pension scheme surplus of £365,000 as set out by the disclosures above. This balance has not been recognised on the basis that the balance is not deemed to be recoverable through reduced contributions in the future or through refunds from the plan.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

29. Operating lease commitments

At 31 August 2022 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	60,800	7,471
Later than 1 year and not later than 5 years	172,907	5,918
	<u>233,707</u>	<u>13,389</u>

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2022 £	2021 £
Operating lease rentals	<u>55,599</u>	<u>9,859</u>

30. Related party transactions

Linkage Trading Ltd:

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

The Trust processes payroll on behalf of the company and receives other minor income and expenses. Net expenses and repayments during the year were £13,877 (2021 - £47,021).

During the year, the trustees agreed to write down the amount owing by the company to the Trust by £nil (2021 - £73,279).

The balance outstanding at the year-end is £64,422 (2021 - £50,545) and included within amounts owed by group undertakings.

Chase & Holland Recruitment Limited:

Chase & Holland Recruitment Limited is a company in which Mrs B L Findlay is a director and person with significant control.

The company provided recruitment services to the Trust during the period in which Mrs B L Findlay was a trustee. The total amount charged to the Trust during the period in the year was £14,961 with a balance of £6,600 outstanding at the year-end and included in trade creditors.

The company was used for recruitment services before her appointment as trustee and the trustee was not involved in any related decision-making.