

Registered number: 01240377
Charity number: 504913

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023



LINKAGE COMMUNITY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2023

Trustees	Mr K J Batty Mrs T U Boyes (appointed 6 September 2023, resigned 12 April 2024) Mrs B L Findlay (resigned 17 October 2022) Mrs E Hadley (resigned 17 August 2023) Mr S J Hatchman Dr L M Lofts (appointed 9 November 2023) Mr D Reed (resigned 24 January 2023) Mrs S M Simpson Mr M A Smith, Chairman Mr E J Steabler (appointed 29 August 2023, resigned 5 February 2024) Mrs K I Truscott (resigned 30 April 2023) 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

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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

The Chairman presents their statement for the year.

I am very pleased to report another successful year for Linkage Community Trust. 2022/2023 saw operations revert to normal following the COVID-19 pandemic, opening up opportunities for the people Linkage supports to enjoy many opportunities.

The Weelsby Hall Project continued to develop towards the refurbishment of the Victorian Hall standing in the Trust's Weelsby Campus at Grimsby. The completed project will feature a training hub, accommodation for people with more complex needs plus office space. The project will generate income streams to fund the ongoing maintenance and running costs of the facilities, as well as protecting the future of a local heritage asset.

The National Lottery Heritage Fund invited a application for funding, identifying the community benefits of the project, and granted £277,000 towards the project development stage which will go towards urgent roof repairs. The Hall invited visitors in September 2022 as part of the national Heritage Open Days.

A number of property developments began around Lincoln reflecting growth in this area. After viewing a number of properties, two units at Weaver Road were leased. These will house Linkage Choice's day services activities, moving from a smaller nearby leased property, and also provide much needed Corporate offices and meeting space in Lincoln. Both units will be brought into use in 2023/24. The Trust also took the decision to purchase a new Residential Care property to the south of Lincoln. Known as 'The Eagles', this is a former guest house in excellent condition and lending itself to growing demand from commissioners in the area. The property requires some minor maintenance and redecoration and again will be brought into use in 2023/24.

The Trust continues to be sensitive to funding from Local and Central Government for its activities. Continuing work seeks to maximise funding and ensure the value for money of all Linkage services. Relationships with local authorities, especially in Greater Lincolnshire and in the East Riding of Yorkshire continue to be key. In a challenging Financial landscape, Linkage's Digitalisation strategy which was launched in 2019 has been vital in driving efficiencies and in providing high quality management information. In the reporting period, a new Finance system was installed (to go live in September 2023), a new Maintenance helpdesk system went live, while new payroll/HR, IT helpdesk and digital care systems were identified for implementation in 2024.

Linkage entered the second year of its current Corporate Strategy with the ethos "Nothing about you without you", committing to ensuring that people with learning disabilities, autism or both have opportunities and choice and are supported to achieve their aspirations.

The Trust's Care Services supported around 160 people in Residential Care and 130 in Supported Living services. Educational services grew to over 200 students, with a further cohort enjoying the facilities at Beverley in the East Riding of Yorkshire which was opened in 2021. Linkage Choices opened for the first time in East Riding, sharing the educational campus.

Summer 2023 once again saw the opportunity to celebrate success. Linkage held its graduation ceremony in the magnificent Grimsby Minster with an opportunity to hear inspiring stories from students as they move to pastures new. Linkage Choices hosted their annual show at Grimsby Auditorium – a high end venue for both performers and back-of-house supporters to showcase their skills to a large audience.

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CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Finally, I would like to pay tribute to the hard work and dedication of almost 700 staff and volunteers plus a wide range of parents, supporters, sponsors and other stakeholders who have contributed in the past year to the achievements and successes of the Trust.



Mr M A Smith
Date: 26/04/2024

LINKAGE COMMUNITY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the audited financial statements of the Trust for the year 1 September 2022 to 31 August 2023. 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:

- college campuses in Toynton, Grimsby, Lincoln and Beverley in the East Riding; and
- 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 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.

Strategic Focus

Our strategy "Nothing about you without you" was launched in 2023 and outlines how we will achieve our vision that people with learning disabilities, autism or both have opportunities and choice and are supported to achieve their aspirations. It seeks to build on our achievements whilst also making the most of new opportunities and learnings. Throughout our 2023-28 strategy period we will continue to work across greater Lincolnshire and East Riding to achieve our vision by delivering person centred services that enable individuals to develop the skills and behaviours to live independent lives. Our main priorities throughout 2023-28 are:

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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.

We will continue to hold ourselves accountable for our progress in achieving our full priorities through internal monitoring and quarterly reporting to our Board of Trustees, as well as through the publication of an annual report.

ACHIEVEMENT AND PERFORMANCE

The following pages highlight some of our major achievements and challenges during 2022-23. In developing our strategy and accompanying activity plans, and in producing the annual report and accounts, the Trustees have given due consideration to the charity commissions for England and Wales published guidance on the public benefit requirement under the Charities Act 2011 as well as the work carried out by Linkage is consistent with charitable purposes as identified in the Charities Act 2011.

Impact

What we said we would do

We want to help people reach their own potential and be able to live the best lives possible. To do this we will:

- develop a culture that embeds a nothing about you without you approach across all our services.
- improve the consistency of our practices to ensure all teaching is effective, that learning outcomes are the best they can be and that active support enabling individuals to achieve their aspirations.
- improve the health and wellbeing of the people we support and our colleagues.
- become a learning organisation.
- increase the opportunities for accessing purposeful activities and employment.
- build effective partnerships.

What we did

In 2022-23 Linkage staff delivered over half a million hours of support to people living in our residential care, supported living and community services. We expanded our education provision offering 202 places to young people in our education provision and provided over 200,000 hours of support to people attending our day service opportunities.

We recruited a Head of Positive Behaviour Support to bring our positive behaviour support and active support models in house.

We revised our systems and processes to enhance the robustness of our data and developed Power Bi as a reporting tool to focus on monitoring risk and measuring the impact of our actions taken.

We procured and commenced the implementation of the Nourish Digital Care Solution gaining over £90,000 of grant funding to support this roll out.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

We revised our data dashboard for Trustees in education incorporating the feedback we received from Ofsted this year and we completed a review of our rota system in preparation for the roll out of our Agile Working systems simplifying the coding and retraining our managers.

We developed our quality and practice processes to enable us to see real time information for our learning outcomes and developed out continuous improvement processes to focus on risk and evidence outstanding practice.

We introduced a sport curriculum offer in education and expanded the college enrichment offer with health-related activities for students.

We incorporated mental health awareness into our enrichment and tutorial deliveries, and we reviewed our clinical referral process and multi-disciplinary team processes.

We re-shaped our offer within Linkage Choices with sessional activities now planned by the people we support. Performing arts remains one of our most popular sessions and in July 2023 our team was proud to facilitate 100 plus people we support to provide a show to over 750 members of the public at the Grimsby Auditorium.

We have continued to make effective partnerships with our core strategic partners Lincolnshire, North East Lincolnshire and East Riding and have been closely working with the North East Lincolnshire ICB to share opportunities and good practice.

We became Rigid Power Tools charity partner of the year, gaining their support not only to provide employment placements for people with learning disabilities, autism, or both, but also raising valuable funds for the charity.

What we were not able to achieve

Linkage was unable to deliver some of the planned activities for 2022-23 due to limited capacity. We have had to prioritise projects throughout the year to ensure that we are best meeting the needs of the people who use our services.

We wanted to roll out our PBS Strategy and active support tools across all our services and models of delivery to deliver the best outcomes for our individuals.

Capacity

What we said we would do

We want to be recognised as a great place to work with opportunities for colleagues to learn and grow and develop to meet the changing needs of the people who use our services. To do this we will:

- recruit more people from a diverse range of communities and give them the best support so that they stay with us longer and we all work together effectively as one Linkage team.
- develop a highly skilled agile and flexible work force with a focus on lifelong learning.
- deploy our resources using a hub and spokes model to enable more efficient rota planning, aligned to efficient models for different types and complexities of services using leaner and improved systems and processes.
- utilise volunteers, dedication, passion, enthusiasm, experience and desire to make a difference to increase the scale and scope of what we do.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

What we did this year

We recruited and developed over 221 new staff. Our comprehensive induction and training process enabled 48% of applicable new staff to complete the care certificate and their NVQ 2, with another 38% working towards their award.

We have successfully increased the diversity of our workforce and increased the number of male staff who provide direct frontline support from 22.64% in 2022 to 28.57% in 2023.

We have aligned our recruitment strategy to focus on specific areas of recruitment utilising data to enable us to quickly address current challenges and future needs.

We have created flexible recruitment initiatives and offered promotion opportunities for staff during the year.

We have re-introduced face to face training for many courses. 97% of all our staff now have completed their mandatory training within agreed time scales.

We have introduced a post incident review process to ensure staff are able to learn from events and put in place new strategies to prevent reoccurrence.

We have established a hub and spoke model to enable more efficient rota planning aligned to efficient delivery models for different types and complexities of services using leaner and improved systems and processes across our Care and Independence services.

We have developed risk and establishment data dashboards for all directorates to focus recruitment and resources in the areas that need the most and we have maximised delivery in Education through cross site teaching and learning.

We have developed a Friends of Weelsby Hall Group to focus on history research and fundraising for our Weelsby Hall Project focusing on the dedication, passion, enthusiasm and desire of volunteers to make a difference.

We have gained fundraising from UKSPF for a part time volunteer manager who will establish further opportunities for volunteer development across the Trust.

We have utilised work experience opportunities from local universities and higher education institutes including Bishop Grosseteste University, University of Lincoln and East Riding College and have successfully based on their positive experience recruited these individuals upon graduation into the Linkage workforce.

We have increased the percentage of commissioned hours delivered by 7.6%.

What we were not able to achieve

Linkage was unable to deliver some of the planned activities for 2022-23 due to limited capacity. We had to prioritise projects throughout the year to ensure that we are best meeting the needs of the people who use our services.

The development of a workforce plan that addresses both future and current needs was planned for this year but was delayed. It has taken longer than expected to establish a risk and establishment process where we align client support hours and staff availability across each area.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Sustainability

What we said we would do

We are working to ensure our 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. We want to:

- be a financially strong charity, able to reinvest in our services and to create environments where people with learning disabilities, autism or both can flourish.
- diversify and strengthen our income streams by continuing to ensure the statutory entitlement for people and all our costs are covered through our fees.
- increase the efficiency of systems and processes, investing in digital systems solutions and processes to enable colleagues more active support through investment and technology systems and work flows to support the learner processes.
- enhance our environments so they are energy efficient and fit for purpose.

What we did this year

We invested heavily in our digital solutions and procured the Nourish Digital Care System.

We procured and implemented a new finance system providing new reporting and opportunities for us to gain more accurate reporting and information.

We deployed Power Bi Dashboards including data on staffing resources and contracts on the people we support are maintaining property compliance data to all managers.

We updated our PlanDay rota system in conjunction with some of the new systems above to deliver Agile Working.

We undertook a fee review process with all care and independence commissioners to ensure that fees paid cover all our costs of delivery.

We continued to work with commissioners to look at alternative models for delivery of safe specialised sustainable services that add value and we have developed more longer-term supporters and trusts business families and others including the National Lottery Heritage Fund, Pilgrim Trust.

Our families have been extremely generous and donated funding and vehicles to improve the quality and opportunity for their loved ones.

We undertook a programme of investments and improvements to our residential housing including the replacement of kitchens and bathrooms, warm roofs on conservatories making them more usable spaces both in the heat of summer and in the cooler winter months.

We created an inclusive and sustainable project for Weelsby Hall and secured over £300,000 worth of funding from the National Heritage Fund, Pilgrim Trust, North East Lincolnshire Council towards the development stage of the project.

We rationalised our property portfolio disposing and seeking to dispose of properties that no longer fit the needs of the people we support, and we have invested in energy efficient solutions.

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FOR THE YEAR ENDED 31 AUGUST 2023

What we were not able to achieve

Linkage was unable to deliver some of the planned activities for 2022-23 due to limited capacity.

We were not able to progress our green agenda as far as we would have wished. We are continuing to work to reduce our carbon footprint by reducing the number of miles staff travel between sites, utilising technology and digital solutions. We have also been unable to engage with all commissioners to raise fees to an acceptable level in all areas. This work remains ongoing and will be a key focus for us in 2023-24 and we have not rolled out the new finance system to all managers as the project took longer to embed than was expected.

Growth

What we said we would do

We want to grow the charity and increase the number of people who access our services. Growth is important to us as a charity as it enables us to do more for more people. It builds up scale and when commercially viable it protects our long-term sustainability. We want to grow our services so that we can deliver more things for more people and be the 'go to' provider for young people and young adults, families and commissioners in our operating areas across Lincolnshire, East Riding, and our neighbouring counties. We will:

- build our reputation supporting people with learning disabilities and autism to lead more independent lives across all the communities in which we work.
- reach out to families and schools to take our services where and when people need them.
- expand opportunities and choice by providing more support to day opportunities, education and employment services in more locations so that more people can access them.
- expand long-term living opportunities, either directly or through partners we will provide accommodation to enable people to live their lives as they want.
- develop more services for young people.
- increase our offer to 16-17 year olds providing residential education and accommodation for those transitioning to adulthood and enabling those out of area to move back to their community.

What we did this year

We undertook an evaluation of our sensory bus and library's work over the last 3 years. During this time, we have supported:

- 300 people, partners, carers to have better coping strategies.
- Supported 668 beneficiaries who were able to learn and work together as a team.
- 668 beneficiaries were able to lead more independent lives.
- 300 families, carers and organisations felt better able to support those that they cared for.
- 668 beneficiaries were happier and healthier as a result.
- 3 volunteers felt they had more confidence, skills and were happier.

These activities had a positive impact, delivering a social return of £5.89 for each £1 invested in this area. Significant impact was in relation to good health and wellbeing and quality education.

We have developed our next marketing and communication strategy.

We have expanded our Choices Day opportunities in East Riding and now provide 10 places.

We have acquired a new property which is planned to open in mid-2024 to increase capacity to our Lincoln area providing accommodation for people to live their lives the way they wish.

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What we were not able to achieve

Linkage was unable to deliver some of the planned activities for 2022-23 due to limited capacity. We had to prioritise projects throughout the year to ensure that we are best meeting the needs of the people who use our services.

We have yet to develop more services for young people. Through external evaluation we chose to close our children's and families worker service as this was not providing value for money and did not have the impact that we wanted.

GOVERNANCE AND MANAGEMENT

Trustees and Directors / The Board and its Sub-Committees

The Trust is governed by a Board of Trustees which meets eight 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.

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 Executive Leadership Team (ELT), 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.

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TRUSTEES' REPORT (CONTINUED)
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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 and Uncertainty

The Board of Trustees is ultimately responsible for Risk Management. The Board reviews key risks and the adequacy of mitigation actions on a regular basis. A comprehensive annual planning and budgeting process is approved by the Board during which a thorough assessment of key external and internal risks is undertaken. The Board also receives risk evaluations on any new major areas of activity. With the 2023-24 business year underway, we have implemented new and improved risk management framework which aims to take a deeper dive into our risk register and further embed risk management in the organisation. We have reviewed our risk appetite for growth and key projects are reviewed against this. This new approach is designed to enable the Board to express its high-level risk tolerance and to inform strategic choice and direction. Linkage understands the strong connection between risk management and risk assurance activities. Our top 7 high level retained risks are:

Risks

Loss of key staff

Funding fails to keep up with the cost increases from external circumstances and political change

Mitigation

- Career pathways and succession planning developed
- Implement management and leadership development programmes
- Agree notice periods and handovers
- Employ interim managers if necessary
- Development operating procedures to mitigate failure from loss of key staff
- The use of IT Systems to create standard processes, and having Digital Champions across the Organisation
- Review and develop Recruitment and Retention policies and strategies - including periodic stay conversations, learning and development platform and benefits packages
- Review of rewards and recognition of staff
- Succession planning
- Documented systems, plans and projects
- Implement training programs
- Review and agree recruitment processes
- Promote successes and good news stories
- Pro-active management and communication of change
- Review individual service/location viability
- Communicate openly with Funders/Commissioners
- Driving efficiency through use of staff resources
- Renegotiation of home Local Authority funding (Residential Care)
- Use of LA Hardship Funds
- Serving notice on unsustainable packages
- Agile Working practices to increase efficiency

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FOR THE YEAR ENDED 31 AUGUST 2023

Potential financial unsustainability of Community Supported Living services

- All Work related to Q10, Q13 & Q14 which will support the recruitment and retention of workforce to enable the delivery of contracted CSL Hours
- Continued focus on rota management in all CSL services
- Regular monitoring of capacity vs contracted hours via the Risk and Establishment process
- Continued discussions with LCC re staffing capacity and potential impacts
- Agile workforce including Hub working to continue
- Local managers managing local services to support better integration between CSL and Residential Care services

IT Systems failure, loss of data, cyber security attacks

- Review systems requirements
- Agree update programme
- Off-site back-ups to secure and protect data
- Review security and virus protection systems
- Insurance cover for insurable risks
- Cyber Protection / Insurance; enhanced third party monitoring
- BCP
- IT Disaster Recovery Plan
- Departmental Business Recovery Plans
- Cyber Essentials Accreditation (Plus in future)
- ISO 27001 accreditation in the future

Failure to recruit and retain staff

- Additional Human Resources resources specifically for recruitment and focus on Care staff
- Improved induction and training programmes
- Communication (drop-ins, Communication Matters, all-staff online briefings)
- Flexible working where appropriate
- Review and develop Recruitment and Retention policies and strategies - including periodic stay conversations, learning and development platform and benefits packages
- Review of employee T&Cs (Agile working)
- Use of PlanDay and Hub model to best deploy workforce
- Work to improve funding/efficiency to enable Linkage to improve pay and conditions
- Better marketing of employer branding
- Consistent supervisions, 1:1s, appraisals, Team Meetings

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Service Delivery Failure

- Staff pre-employment checks
- Mandatory training programme
- Whistle-blowing policy
- Management and supervisory oversight of services
- Safeguarding monitoring, reporting and follow-up action
- Review of processes in light of experience
- Malpractice insurance
- Increased visibility, Head of Safeguarding/ Quality appointed
- Incident reporting processes
- Atlas reporting of key indicators rolled out to aid controls

Safeguarding Failure

- Aligning services to audit and regulatory body requirements; Shaping services around stakeholder feedback and requirements
- Safeguarding policy and procedures
- All staff trained in the principles of Safeguarding and Linkage Policy/Procedures
- Ongoing review of safeguarding cases by Directors
- Analysis of individual cases and overall trends by the Head of Quality and Safeguarding
- Comprehensive audit and reporting
- Continuous learning approach to safeguarding, adapting training and/or P&Ps following on from significant cases and/or identified trends

Public Benefit Reporting

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

LINKAGE STAFF

Major Achievements

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

Employee Involvement and Staff Development

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

The Trust's commitment to training and development is considerable and seeks both to enhance the quality of its work and to maintain its enviable market position. Various means are employed to ensure that staff at all levels and at all sites are informed of and able to contribute to developments occurring across the organisation.

Although there is no formal trade union involvement, a Linkage-wide consultative body, the Staff Representatives Group, ensures staff have a voice, and assists the Executive Leadership Team in decision making.

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TRUSTEES' REPORT (CONTINUED)
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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.

FINANCIAL REVIEW

Summary of the Results for 31 August 2023

The Trust has continued to post a positive operating surplus for the year before property revaluations and actuarial gains of £714,358 (2022: £578,781).

The overall results for the year further include the effects of actuarial gains on defined benefit pension schemes and property revaluations. Net movement in funds for the year were £569,358 (2022: £1,200,781).

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 £1.6million.

As at 31 August 2023, free reserves were £3,381,413 (2022: £3,635,492).

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.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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 Kingswood Group (in association with JCH: Management Services Limited).

Internal and External Factors

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

Funds held as Custodian for Others

Included in creditor balances is £559,783 (2022: £485,154) 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
26/04/2024 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 2023

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
26/04/2024 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 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit.

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

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

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

Use of our report

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



Robert Anderson (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants & Statutory Auditor

Tower House

Lucy Tower Street

Lincoln

LN1 1XW

Date: 29/04/2024

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations, grants and legacies:	4				
Donations		5,321	44,414	49,735	31,855
Grants		318,870	-	318,870	507,361
Charitable activities	6	-	19,109,164	19,109,164	16,524,789
Other trading activities	8	902	20,910	21,812	34,380
Total income		325,093	19,174,488	19,499,581	17,098,385
Expenditure on:					
Raising funds:	9				
Expenditure of voluntary income		410,899	-	410,899	415,350
Fundraising expenses		-	50,635	50,635	91,625
Charitable activities	10	-	18,358,868	18,358,868	15,945,226
Other expenditure	12	-	(18,000)	(18,000)	(36,500)
Total expenditure		410,899	18,391,503	18,802,402	16,415,701
Net (expenditure)/income before net gains/(losses) on investments		(85,806)	782,985	697,179	682,684
Net gains/(losses) on investments		-	17,179	17,179	(103,903)
Net (expenditure) / income		(85,806)	800,164	714,358	578,781
Transfers between funds	22	(2,948,632)	2,948,632	-	-
Net movement in funds before other recognised gains/(losses)		(3,034,438)	3,748,796	714,358	578,781
Other recognised gains/(losses):					
Actuarial gains on defined benefit pension schemes	28	-	40,000	40,000	987,000
Derecognition of defined benefit pension scheme surplus	28	-	(185,000)	(185,000)	(365,000)
Net movement in funds		(3,034,438)	3,603,796	569,358	1,200,781

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Reconciliation of funds:				
Total funds brought forward	3,326,047	19,832,205	23,158,252	21,957,471
Net movement in funds	(3,034,438)	3,603,796	569,358	1,200,781
Total funds carried forward	291,609	23,436,001	23,727,610	23,158,252

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

The notes on pages 27 to 54 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	16	21,322,117	20,536,112
		<u>21,322,117</u>	<u>20,536,112</u>
Current assets			
Debtors	18	2,451,254	1,997,771
Investments	19	2,393,540	2,376,361
Cash at bank and in hand		861,285	2,530,504
		<u>5,706,079</u>	<u>6,904,636</u>
Creditors: amounts falling due within one year	20	<u>(2,417,239)</u>	<u>(3,265,817)</u>
Net current assets		3,288,840	3,638,819
Total assets less current liabilities		24,610,957	24,174,931
Creditors: amounts falling due after more than one year	21	(883,347)	(1,016,679)
Net assets excluding pension asset		23,727,610	23,158,252
Total net assets		23,727,610	23,158,252

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Charity funds			
Restricted funds	22	291,609	3,326,047
Unrestricted funds			
Designated funds	22	126,960	144,000
General funds	22	17,940,620	14,319,784
Revaluation reserve		5,368,421	5,368,421
Total unrestricted funds	22	23,436,001	19,832,205
Total funds		23,727,610	23,158,252

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
26/04/2024 and signed on their behalf by:



Mr M A Smith
Chairman

The notes on pages 27 to 54 form part of these financial statements.

General funds analysis

	2023 £	2022 £
Amounts Invested in Land and Buildings	15,575,886	11,834,303
Loans Secured on Property	(1,016,679)	(1,150,011)
Free Reserves	3,381,413	3,635,492
	17,940,620	14,319,784

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash generated from / (used in) operating activities	(645,831)	632,659
	<hr/>	<hr/>
Cash flows from investing activities		
Proceeds from the sale of tangible fixed assets	-	232,800
Purchase of tangible fixed assets	(890,056)	(553,757)
	<hr/>	<hr/>
Net cash used in investing activities	(890,056)	(320,957)
	<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	(1,669,219)	178,370
Cash and cash equivalents at the beginning of the year	2,530,504	2,352,134
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	861,285	2,530,504
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 27 to 54 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 2023

1. General information

The Trust is a charitable company limited by guarantee incorporated in England and Wales. 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.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Trust's accounting policies.

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 2023

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 2023

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 represents amounts held in current bank accounts and petty cash balances.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 2021.

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 2023

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 review 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 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Donations	5,321	44,414	49,735	31,855
Grants	318,870	-	318,870	507,361
	<u>324,191</u>	<u>44,414</u>	<u>368,605</u>	<u>539,216</u>
<i>Total 2022</i>	<u>518,871</u>	<u>20,345</u>	<u>539,216</u>	

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. Analysis of grants

	2023 £	2022 £
ESFA Maintenance	141,457	110,031
Big Lottery Fund	37,818	68,425
Scottish Power	-	47,695
Children in Need	17,982	27,922
Help for Health	8,000	47,000
Forbes Trust	-	12,500
Tolkien Trust	50,000	50,000
ETF	-	28,400
Harris Trust	-	20,000
Heritage Lottery	-	-
Other	63,613	95,388
	<u>318,870</u>	<u>507,361</u>

6. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Education and Linkage Choices	6,333,560	6,333,560	4,765,859
Care	12,228,039	12,228,039	11,265,970
Employment	135,834	135,834	142,409
Corporate and Cafes	411,731	411,731	350,551
	<u>19,109,164</u>	<u>19,109,164</u>	<u>16,524,789</u>
<i>Total 2022</i>	<u>16,524,789</u>	<u>16,524,789</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

7. Analysis of income from charitable activities by category

	2023 £	2022 £
Education and Linkage Choices		
Fees Receivable	6,115,925	4,620,160
Training Outlet Income	-	250
Other Income	158,006	145,449
	<u>6,273,931</u>	<u>4,765,859</u>
Care		
Fees Receivable	11,224,826	10,510,341
Other Income	749,241	755,629
	<u>11,974,067</u>	<u>11,265,970</u>
Employment		
Fees Receivable	135,834	142,409
	<u>135,834</u>	<u>142,409</u>
Corporate and Cafes		
Fees Receivable	-	35,738
Training Outlet Income	139,629	121,301
Other Income	272,102	193,512
	<u>411,731</u>	<u>350,551</u>

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FOR THE YEAR ENDED 31 AUGUST 2023

8. Income from other trading activities

Income from fundraising events

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Income from Fundraising	902	20,910	21,812	34,380
<i>Total 2022</i>	<u>2,665</u>	<u>31,715</u>	<u>34,380</u>	

9. Expenditure on raising funds

Expenditure of voluntary income

	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Other Costs	274,052	274,052	233,121
Payroll Costs	136,847	136,847	182,229
	<u>410,899</u>	<u>410,899</u>	<u>415,350</u>
<i>Total 2022</i>	<u>415,350</u>	<u>415,350</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. Expenditure on raising funds (continued)

Fundraising expenses

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Other Fundraising Costs	12,766	12,766	<i>12,940</i>
Fundraising Salaries	33,892	33,892	<i>69,813</i>
Fundraising National Insurance	3,007	3,007	<i>6,778</i>
Fundraising Pension	970	970	<i>2,094</i>
	<u>50,635</u>	<u>50,635</u>	<u><i>91,625</i></u>
<i>Total 2022</i>	<u><u>91,625</u></u>	<u><u>91,625</u></u>	

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Total 2023 £	<i>Total 2022 £</i>
Education and Linkage Choices	5,915,386	5,915,386	<i>4,383,810</i>
Care	11,799,649	11,799,649	<i>11,065,813</i>
Employment	232,102	232,102	<i>145,052</i>
Corporate and Cafes	411,731	411,731	<i>350,551</i>
	<u>18,358,868</u>	<u>18,358,868</u>	<u><i>15,945,226</i></u>
<i>Total 2022</i>	<u><u>15,945,226</u></u>	<u><u>15,945,226</u></u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

11. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Corporate overhead allocation 2023 £	Total funds 2023 £	Total funds 2022 £
Education and Linkage Choices	5,048,835	866,551	5,915,386	4,383,810
Care	10,126,622	1,673,027	11,799,649	11,065,813
Employment	213,517	18,585	232,102	145,052
Corporate and Cafes	2,969,894	(2,558,163)	411,731	350,551
	<u>18,358,868</u>	<u>-</u>	<u>18,358,868</u>	<u>15,945,226</u>
<i>Total 2022</i>	<u><u>15,945,226</u></u>	<u><u>-</u></u>	<u><u>15,945,226</u></u>	

Analysis of direct costs

	Education and Linkage Choices 2023 £	Care 2023 £	Employment 2023 £	Corporate and Cafes 2023 £	Total funds 2023 £	Total funds 2022 £
Staff Costs	3,706,863	7,688,907	194,410	1,660,350	13,250,530	12,146,563
Other Direct Costs	1,341,972	2,437,715	19,107	1,309,544	5,108,338	3,798,663
	<u>5,048,835</u>	<u>10,126,622</u>	<u>213,517</u>	<u>2,969,894</u>	<u>18,358,868</u>	<u>15,945,226</u>
<i>Total 2022</i>	<u><u>3,754,721</u></u>	<u><u>9,578,124</u></u>	<u><u>126,254</u></u>	<u><u>2,486,127</u></u>	<u><u>15,945,226</u></u>	

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FOR THE YEAR ENDED 31 AUGUST 2023

12. Other expenditure

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Property Profit on Disposal	-	-	(47,500)
Pension Scheme - Interest on Liabilities	99,000	99,000	59,000
Pension Scheme - Interest on Assets	(117,000)	(117,000)	(48,000)
	<u>(18,000)</u>	<u>(18,000)</u>	<u>(36,500)</u>
<i>Total 2022</i>	<u>(36,500)</u>	<u>(36,500)</u>	

13. Auditors' remuneration

	2023 £	2022 £
Fees payable to the Trust's auditor and its associates for the audit of the Trust's annual accounts	14,400	12,000
Fees payable to the Trust's auditor and its associates in respect of: All non-audit services not included above	<u>3,600</u>	<u>3,570</u>
Fees payable to the Trust's auditor and its associates in connection with the Trust's pension scheme(s) in respect of: The auditing of accounts of the scheme(s)	<u>3,000</u>	<u>1,710</u>

14. Staff costs

	2023 £	2022 £
Wages and salaries	12,169,502	11,249,287
Social security costs	937,431	868,684
Contribution to defined contribution pension schemes	318,313	289,506
	<u>13,425,246</u>	<u>12,407,477</u>

Wages and salaries includes total ex-gratia, notice and redundancy payments of £29,425.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

14. Staff costs (continued)

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

	2023 No.	2022 No.
Education and Adult Skills (Linkage Choices)	128	125
Care	362	328
Corporate Services	60	59
Bank Staff - Headcount	66	79
	<u>616</u>	<u>591</u>

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	2	2
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	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 £380,000 (2022 - £370,000).

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - *£NIL*).

During the year ended 31 August 2023, expenses totalling £110 were reimbursed or paid directly to 1 Trustee (2022 - £415). Expenses paid to Trustees related to the reimbursement of mileage.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 2022	20,125,329	217,233	738,162	2,543,719	23,624,443
Additions	824,261	-	107,795	-	932,056
Disposals	-	-	(14,019)	-	(14,019)
At 31 August 2023	<u>20,949,590</u>	<u>217,233</u>	<u>831,938</u>	<u>2,543,719</u>	<u>24,542,480</u>
Depreciation					
At 1 September 2022	5,083	51,126	610,260	2,421,862	3,088,331
Charge for the year	200	33,214	49,069	63,568	146,051
On disposals	-	-	(14,019)	-	(14,019)
At 31 August 2023	<u>5,283</u>	<u>84,340</u>	<u>645,310</u>	<u>2,485,430</u>	<u>3,220,363</u>
Net book value					
At 31 August 2023	<u>20,944,307</u>	<u>132,893</u>	<u>186,628</u>	<u>58,289</u>	<u>21,322,117</u>
At 31 August 2022	<u>20,120,246</u>	<u>166,107</u>	<u>127,902</u>	<u>121,857</u>	<u>20,536,112</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:

	2023 £	2022 £
Freehold property	<u>15,746,373</u>	<u>14,922,112</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.

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18. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	1,264,522	828,778
Amounts owed by group undertakings	14,286	49,145
Other debtors	107,458	109,398
Prepayments and accrued income	1,064,988	1,010,450
	<u>2,451,254</u>	<u>1,997,771</u>

Trade debtors are stated after provisions for bad debts and credit notes of £179,889 (2022 - £235,426).

19. Current asset investments

	2023 £	2022 £
Investment portfolio	<u>2,393,540</u>	<u>2,376,361</u>

During the year, the change in the market value of the investment portfolio resulted in a gain of £17,179 (2022 – loss of £103,903).

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20. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank loans	133,332	133,332
Trade creditors	342,429	473,842
Other taxation and social security	270,350	224,400
Student and resident monies held	559,783	485,154
Other creditors	598,008	702,157
Accruals and deferred income	513,337	1,246,932
	<u>2,417,239</u>	<u>3,265,817</u>
	2023 £	2022 £
Deferred income at 1 September	951,113	1,043,854
Resources deferred during the year	197,922	261,799
Amounts released from previous periods	(913,493)	(354,540)
Deferred income at 31 August	<u>235,542</u>	<u>951,113</u>

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

	2023 £	2022 £
Bank loans	633,347	766,679
Other loans	250,000	250,000
	883,347	1,016,679

Included within the above are amounts falling due as follows:

	2023 £	2022 £
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	100,019	233,351
Other loans	250,000	250,000
	350,019	483,351

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

	2023 £	2022 £
Payable or repayable by instalments	100,019	233,351
Payable or repayable other than by instalments	250,000	250,000
	350,019	483,351

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 (2022 - £4,535,000). The total bank loan balance of £766,679 (2022 - £900,011) is 17% (2022 - 20%) 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 (2022 - £275,000). The loan balance is 91% (2022 - 91%) of the value of the security held.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

22. Statement of funds

Statement of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted Funds						
Designated Funds						
Digitalisation Reserve	144,000	-	(17,040)	-	-	126,960
General Funds						
Free Reserves	3,635,492	19,174,488	(18,392,263)	(1,053,483)	17,179	3,381,413
Property Fund	10,684,292	-	(200)	3,875,115	-	14,559,207
Revaluation Reserve	5,368,421	-	-	-	-	5,368,421
Pension Reserve	-	-	18,000	127,000	(145,000)	-
	<u>19,688,205</u>	<u>19,174,488</u>	<u>(18,374,463)</u>	<u>2,948,632</u>	<u>(127,821)</u>	<u>23,309,041</u>
Total Unrestricted Funds	<u>19,832,205</u>	<u>19,174,488</u>	<u>(18,391,503)</u>	<u>2,948,632</u>	<u>(127,821)</u>	<u>23,436,001</u>

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

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Restricted Funds						
ESFA						
Maintenance	168,574	141,457	(158,003)	-	-	152,028
Bursary Funds	43,183	36,694	(31,194)	-	-	48,683
Sensory Bus	57,001	49,621	(106,689)	4,000	-	3,933
Children in Need	-	17,982	(17,982)	-	-	-
Tolkien Trust	-	50,000	(41,000)	(9,000)	-	-
Help for Health	3,828	8,000	(11,828)	-	-	-
Other Restricted Funds	108,095	21,339	(37,469)	(5,000)	-	86,965
Fixed Assets Acquired	2,945,366	-	(6,734)	(2,938,632)	-	-
	<u>3,326,047</u>	<u>325,093</u>	<u>(410,899)</u>	<u>(2,948,632)</u>	<u>-</u>	<u>291,609</u>
Total of Funds	<u><u>23,158,252</u></u>	<u><u>19,499,581</u></u>	<u><u>(18,802,402)</u></u>	<u><u>-</u></u>	<u><u>(127,821)</u></u>	<u><u>23,727,610</u></u>

LINKAGE COMMUNITY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

22. Statement of funds (continued)

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 - represent funds provided by the ESFA to financially support young people in learning.

Sensory Bus - relates to funding provided by the Big Lottery Fund and other donors for the continued running costs of the charity's Sensory Bus.

Tolkien Trust - relates to funding provided to cover the core costs of the charity.

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

Material Transfers:

A material transfer has been recognised in the year to transfer the NBV of fixed assets acquired with restricted funds to unrestricted funds on the basis that the trustees have confirmed that a restriction no longer exists.

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

Statement of funds - prior 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>
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)	251,177	-	10,684,292
Revaluation Reserve	5,418,203	-	-	(49,782)	-	5,368,421
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>

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

	<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>
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)	-	-	-
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>

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Summary of funds

Summary of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Designated funds	144,000	-	(17,040)	-	-	126,960
General funds	19,688,205	19,174,488	(18,374,463)	2,948,632	(127,821)	23,309,041
Restricted funds	3,326,047	325,093	(410,899)	(2,948,632)	-	291,609
	<u>23,158,252</u>	<u>19,499,581</u>	<u>(18,802,402)</u>	<u>-</u>	<u>(127,821)</u>	<u>23,727,610</u>

Summary of funds - prior year

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
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>

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	21,322,117	21,322,117
Current assets	315,655	5,390,424	5,706,079
Creditors due within one year	(24,046)	(2,393,193)	(2,417,239)
Creditors due in more than one year	-	(883,347)	(883,347)
Total	<u>291,609</u>	<u>23,436,001</u>	<u>23,727,610</u>

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24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
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><u>3,326,047</u></u>	<u><u>19,832,205</u></u>	<u><u>23,158,252</u></u>

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

	2023 £	2022 £
Net income for the year (as per Statement of Financial Activities)	<u>714,358</u>	<u>578,781</u>
Adjustments for:		
Depreciation charges	146,051	149,305
(Gain) / loss on investments	(17,179)	103,903
Loss/(profit) on the sale of fixed assets	-	(47,800)
Increase in debtors	(453,483)	(244,980)
Increase/(decrease) in creditors	(848,578)	216,450
Net pension finance cost	(18,000)	11,000
Contributions to defined benefit pension schemes	(127,000)	(134,000)
Donated fixed assets	(42,000)	-
Net cash provided by/(used in) operating activities	<u><u>(645,831)</u></u>	<u><u>632,659</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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26. Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash at bank and in hand	301,502	2,045,350
Residents money bank accounts	559,783	485,154
Total cash and cash equivalents	861,285	2,530,504

27. Analysis of changes in net debt

	At 1 September 2022	Cash flows	Changes in market value	Other non- cash changes	At 31 August 2023
	£	£	£	£	£
Cash at bank and in hand	2,530,504	(1,669,219)	-	-	861,285
Debt due within 1 year	(133,332)	133,332	-	(133,332)	(133,332)
Debt due after 1 year	(1,016,679)	-	-	133,332	(883,347)
Liquid investments	2,376,361	-	17,179	-	2,393,540
	2,530,504	(1,669,219)	17,179	(133,332)	861,285

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 £318,313 (2022 - £289,506).

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 2023, the scheme makes payments to six pensioners.

The following disclosures are taken from the report prepared as at 31 August 2023 by Barnett Waddingham LLP, the Plan's actuary.

LINKAGE COMMUNITY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

28. Pension commitments (continued)

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

	At 31 August 2023 %	At 31 August 2022 %
Discount Rate	5.35	4.30
Retail Prices Index (RPI) Inflation	3.50	3.80
LPI Pension Increases	3.60	3.60
Assumed Percentage of Pension Taken as Tax Free Cash	20.00	20.00
	<u> </u>	<u> </u>
	At 31 August 2023 Years	At 31 August 2022 Years
Mortality rates (in years)		
- for a male aged 65 now	22.0	22.0
- at 65 for a male aged 45 now	23.7	23.6
- for a female aged 65 now	24.5	24.5
- at 65 for a female aged 45 now	26.2	26.2
	<u> </u>	<u> </u>

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

	At 31 August 2023 £	At 31 August 2022 £
Cash	130,000	161,000
Funds	1,596,000	1,573,000
Insured Assets	910,000	1,018,000
Total fair value of assets	<u>2,636,000</u>	<u>2,752,000</u>

The actual return on scheme assets was £(72,000) (2022 - £(251,000)).

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

	2023 £	2022 £
Interest on assets	(117,000)	(48,000)
Interest on liabilities	99,000	59,000
Total amount recognised in the Statement of financial activities	<u>(18,000)</u>	<u>11,000</u>

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28. Pension commitments (continued)

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

	2023 £
Opening defined benefit obligation	2,387,000
Changes to actuarial assumptions	(229,000)
Benefits paid	(171,000)
Interest on liabilities	99,000
Closing defined benefit obligation	2,086,000

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

	2023 £
Opening fair value of scheme assets	2,752,000
Interest on assets	117,000
Return on assets less interest	(189,000)
Contributions	127,000
Benefits paid	(171,000)
Closing fair value of scheme assets	2,636,000

The actuarial report valued a pension scheme surplus of £550,000 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.

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29. Operating lease commitments

At 31 August 2023 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	55,032	60,800
Later than 1 year and not later than 5 years	117,875	172,907
	<u>172,907</u>	<u>233,707</u>

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

	2023 £	2022 £
Operating lease rentals	<u>60,800</u>	<u>55,599</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. Total expenses and repayments resulted in a net repayment in the year of £16,631 (2022 - £1,400).

In addition, the company charges the Trust a management fee for marketing services provided. The charge for the year was £18,228 (2022 - £15,277)

The balance outstanding at the year-end is £14,286 (2022 - £49,145) 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. Mrs B L Findlay resigned as a trustee of the charity on 17 October 2022.

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 up to the trustee's resignation was £2,304.

The total amount charged to the Trust during the previous year was £14,961 with a balance of £6,600 outstanding at 31 August 2022 which was included in trade creditors.

The company was used for recruitment services prior to her appointment as trustee and subsequent to her resignation. The trustee was not involved in any related decision-making.

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31. Post balance sheet events

Post year-end, the Trustees approved the repayment of the Trust bank loan through an agreed increase of its overdraft facilities.