

Registration No. 03484661 (England and Wales)
Charity No. 1071058

CHILDREN'S LINKS

(a company limited by guarantee)

TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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CHILDREN'S LINKS

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CHILDREN'S LINKS

REFERENCE AND ADMINISTRATIVE DETAILS

CHARITY REGISTRATION NUMBER 1071058

COMPANY REGISTRATION NUMBER 03484661

TRUSTEES H Kucharczyk – Chair (appointed 10.01.2025)
J Wainwright – Vice-chair
R Croft
A Wright
J Firth-Brown
K Ruane
V Lofthouse (resigned 30.7.2025)

CHIEF EXECUTIVE OFFICER R Aylmer

PRINCIPAL / REGISTERED OFFICE 7 Bull Ring
Horncastle
LN9 5HX

INDEPENDENT AUDITORS Xeinadin Audit Limited
Station Street
Bingham
Nottinghamshire
NG13 8AQ

BANKERS Santander UK plc
Bridle Road
Bootle
Merseyside
L30 4GB

SOLICITORS Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

CHILDREN'S LINKS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The Trustees present their report and the financial statements for the year ended 31 March 2025.

Chair's Introduction

I am delighted to introduce this year's Children's Links Trustee Report. The work that Children's Links does in supporting children and families through challenging times, helping parents build their skills, and striving to improve outcomes for those who need it most makes a real difference to the lives of children and families. It is a privilege to work with, challenge, and support such a dedicated team as they continue to provide much-needed services.

This year, the sector has continued to face challenges, with funding pressures and increasing demand as the cost of living continues to affect families. Despite this, Children's Links has had another positive year, expanding our childcare provision, strengthened our financial position, and continued to invest in our staff and volunteers.

I have every confidence that our skilled and committed staff will continue to dedicate themselves to supporting children and families. I look forward to working alongside them and our partners as we continue this important journey together.

Thank you to everyone—staff, volunteers, trustees, partners, and supporters—who make our work possible.

Helena Kucharczyk
Chair of Trustees

How we are run

Children's Links is a registered charity and company limited by guarantee, established in 1997. Our mission is to improve children's lives by supporting their development, confidence, and wellbeing.

The Board of Trustees is responsible for the overall direction and oversight of the charity, ensuring that we deliver public benefit and comply with all legal and regulatory requirements.

This report covers the year ended 31 March 2025 and sets out our structure, governance, and management arrangements. It also explains our aims, activities, achievements, and financial performance for the year.

Structure, Governance and Management

Children's Links is a registered charity and company limited by guarantee, established on 1 January 1997.

The Board of Trustees sets the charity's strategic direction and oversees its activities. Day-to-day management is delegated to the Chief Executive and senior management team.

Volunteers play a vital role in our delivery model. We recruit, train, and support volunteers to ensure they can contribute safely and effectively across our services. All volunteers receive appropriate training, coaching, and opportunities to develop their skills.

The charity's governing document is its memorandum of association. In the event of winding up, each member is required to contribute up to £10.

Trustee recruitment and induction

Trustees are recruited through an open process to ensure a suitable mix of skills and local representation.

All trustees receive a full induction and ongoing training. The Board regularly reviews its effectiveness and conducts an annual skills audit to identify any gaps.

CHILDREN'S LINKS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

Aims and objectives

Our Purpose

Children's Links aims to improve children's lives. We work to help children reach their potential, build confidence and resilience, and make a lasting difference.

The Charity's purposes, as set out in its governing document, is to benefit the public by:

- Promoting the care and education of children, young people, families, and communities. This includes providing facilities for recreation, care, education, and other leisure activities, all aimed at improving their quality of life.
- Advancing the education and training of people who provide care, educational, and recreational services.
- Carrying out research into all aspects of care, education, and recreation for children, young people, families, and communities, and sharing the useful results of this research.

These objectives guide all our activities and ensure that our work delivers clear public benefit. Each year, we design our services and projects to reflect these aims and respond to the needs of children, families, and communities.

Public benefit

The Board of Trustees has considered and had regard to the Charity Commission's guidance on public benefit when reviewing the charity's aims and activities. Children's Links' work focuses on promoting the care, education, and training of children, young people, and adults, which directly benefits the public.

The trustees are satisfied that the charity's aims, objectives, and activities provide clear public benefit.

Activities, achievements, and performance

Children's Links is guided by four strategic goals, which shape our work and ensure we deliver lasting benefit for children, families, and communities:

1. Deliver high quality services that meet the needs of children, young people, and adults.
2. Have a skilled workforce that embodies our values.
3. Make best use of our resources to ensure long-term sustainability.
4. Optimise partnership opportunities.

Our activities are aligned with these goals, and our achievements and performance outcomes demonstrate that we have, for the most part, met them. This report provides a summary of our activities and outcomes against our strategic goals. For in-depth stories, data, and case studies, please refer to our 2025 Impact Report.

CHILDREN'S LINKS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

Summary of activities

The year ending 31 March 2025 was a year of growth and development in which we undertook a wide range of activities, expanded our work with separated families, and established four new childcare settings. We worked hard to meet the increasing needs of children and families, whilst ensuring that we had clear plans to improve our financial stability.

Supporting separated families

We delivered the Improving Child and Family Arrangements (ICFA) service and operated contact centres in the East Midlands and East, enabling children to spend time with their parents. (Goals 1, 4)

Providing early years and out-of-school childcare

We supported the care and wellbeing of children in out-of-school settings and nurseries in Lincolnshire, North Lincolnshire, and Hampshire. (Goals 1, 3)

Supporting children with complex needs

We delivered holiday respite care in North Lincolnshire for children with complex needs. (Goal 1)

Community-based play and learning

We ran the Lincoln Toy Library, provided play services, and advanced the care and education of families and communities in Lincolnshire. (Goals 1, 4)

Building skills and confidence

We increased the numeracy skills of parents and grandparents and supported professionals and volunteers across the region. (Goals 2, 4)

Staff development

We supported employees' personal development through informal and accredited training, including role-specific qualifications and degrees. (Goal 2)

Partnership and sector engagement

We engaged with local, regional, and sector networks to increase the sector's ability to deliver social welfare, produced an Impact Report, and developed partnership funding bids to strengthen our work. (Goal 4)

Financial stability

We had clear financial goals which were closely monitored to ensure that Children's Links is on a firm financial footing after several challenging years, including redefining the purpose and future activity of our subsidiary, Linking Up Limited (LUL). (Goal 3)

CHILDREN'S LINKS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

Achievements and performance

During the year we have worked directly with:

- 3,032 children (target 3,018)
- 1,213 parents (target 1,006)
- 263 learners (target 246),
- 220 professionals (target 234)
- 22 volunteers

The number of children supported increased as we expanded our childcare and family support work. Growth in our work with separated families also led to more parents being supported.

Our learner numbers exceeded target due to strong uptake of outreach delivery. However, reduced funding in the voluntary sector led to slightly fewer professionals supported than targeted, reflecting wider sector challenges. We continue to seek new funding sources and support for professionals to address these issues.

To deliver high quality services that meet the needs of children, young people, and adults, we secured funding through grants, contracts, and fundraising; took over four childcare settings; expanded contact centre provision; developed new community training courses and improved our offer for children with special educational needs and disabilities.

We engaged with wider community developments across Lincolnshire to ensure children and families have a voice in shaping services which meet their needs and enhanced our internal processes and quality assurance, working with teams to improve quality and engaging with our accrediting bodies, including Ofsted, NACCC and Matrix.

To build a skilled workforce that embodies our values, we improved recruitment accessibility and worked with an HR Consultant to further our policies and procedures and strengthened supervision to include greater accountability and identity of individual support needs.

We prioritised training, development, and staff wellbeing, including training 14 staff in Mental Health First Aid, and introduced a lone working app to ensure staff safety. We engaged with staff through surveys and monthly newsletters, introduced a staff recognition platform, and held our annual staff awards ceremony.

Our volunteers played a significant role in the delivery of our contact centres, supporting childcare settings, fundraising, and governance. We ensure volunteers receive appropriate training and support as well as opportunity to develop their skills and knowledge. Their contribution is significant and highly valued.

To ensure best use of our resources to ensure long term sustainability, we moved our head office, upgraded our finance system, adopted cloud-based solutions, opened a higher interest bank account, and improved our reserves.

To optimise partnership opportunities, we sent partner newsletters, produced an Impact Report, engaged with local, regional and sector networks, and developed partnership funding bids.

These achievements reflect our commitment to improving outcomes for children, families, and communities. We will build on this progress in the coming year by continuing to expand our services, strengthen our workforce, and develop new partnerships.

CHILDREN'S LINKS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

Financial review

Income, expenditure, and reserves

After several challenging years, we achieved a surplus in 2024–25. This has enabled the charity to hold reserves above our minimum requirement of three months' central running costs which will ensure financial stability and continuity of services in the event of unforeseen circumstances. At the end of March 2025, reserves stood at £317,265.

Our main source of income is our childcare settings and contracts and is supplemented by grants and fundraising. We are reviewing our strategy to decide how best to use any surplus funds to support the charity's aims. The Board has started investing in refurbishing our childcare settings and has agreed a plan for further improvements.

Our subsidiary, Linking Up Limited (LUL), saw a planned reduction in childcare voucher income. We are seeking new business opportunities to replace this income and will continue to review LUL's activities and viability to manage any associated risks.

Fundraising

We are registered with the Fundraising Regulator and work in a way that is compliant with the Code of Fundraising Practice. Any internal fundraising is carried out in line with our fundraising policy and additionally vulnerable people are covered by our safeguarding policies. Volunteers continue to play a key role in supporting our fundraising activities.

Where we benefit from external platforms, they are registered with the Lotteries Council and the Gambling Commission. No fundraising complaints were received during the year.

Risks and Uncertainties

We recognise that there are a number of key risks and uncertainties that will not just affect Children's Links but that are present in the third sector as a whole including; economic uncertainty, the ongoing cost of living crisis, families with increasingly complex needs, scarcity of qualified staff within the sector, upcoming and planned national changes within the Early Years and Family Law sectors and contract renewals.

However, our strategy review and planning indicate that the charity can continue to generate a reasonable trading surplus while meeting our charitable objectives, based on realistic budgets, effective systems and processes, strong partnerships and networks, and robust action plans with senior management and trustee oversight.

Statement of going concern

Whilst recognising the difficulties due to the wider economic situation, the board consider that the charity is a going concern. This is based on the assumptions and actions of the last 12 months, as well as the forecast over the next 12 months.

The board has satisfied themselves that the charitable company's assets are available and adequate to fulfil its obligations and will continue to monitor the financial position and risks on an ongoing basis.

CHILDREN'S LINKS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

Plans for the future

Looking ahead, our priorities for the next year are:

- Continue to develop, improve, and expand our existing services, with a focus on supporting the wellbeing of children and families.
- Focus on recruiting and retaining a skilled workforce that embodies our values.
- Investigate ways to develop our income streams and making best use of our resources to ensure long term sustainability, including improving and developing our communication, engagement, and marketing strategies.
- Continue to work with partners and communities to ensure that we can deliver quality services that deliver positive outcomes.

Trustee responsibilities

The Children's Links Board of Trustees (who are also directors of Children's Links Limited for the purposes of company law) are responsible for preparing the Trustees' 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 board to prepare financial statements for each financial year. Under company law the board 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 charitable company and the group and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing those financial statements the board are required to:

- Select suitable accounting policies and apply them consistently.
- Observe the methods and principles in the Charities Statement of Recommended Practice (SORP).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The board are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved, has confirmed that:

- So far as that Trustee is aware, there is no audit information of which the Group's auditor is unaware,
- That they have taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the Group's auditor in connection with preparing its report and to establish that the Group's auditor is aware of that information.

12-11-2025

This report was approved by the Board on and signed on it's behalf by

H Kucharczyk
Chair



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHILDREN'S LINKS

Opinion

We have audited the financial statements of Children's Links for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account), the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent charitable company's affairs as at 31 March 2025, and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in respect of the fact we provide non-audit services in the preparation of these financial statements, 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 trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on 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 group's and the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHILDREN'S LINKS

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the Directors' report and the Strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report included within the Trustees' report have been prepared in accordance with the applicable legal requirements.

Matters on which we are required to report by exception

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out in the Trustees' report, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

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

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:

Firstly, our assessment of the risk applicable to the entity's financial statements from material misstatements, including fraud, is low. Consequently, the risks identified are primarily concerned with dominant influence by management, income recognition and classification as well as adequacy and completeness of the disclosure for related parties. In response, we have:

- Reviewed minutes of meetings of management and those charged with governance;
- Tested journal entries and other adjustments for appropriateness, evaluating the rationale behind transactions outside the normal course of activities;
- Vouched a sample of grants receivable to source documentation checking income recognition criteria as well as any restrictions for appropriate fund classification;
- Obtained related party grid responses from connected parties and reviewed transactions during the year for evidence of additional, unidentified related parties.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHILDREN'S LINKS

Auditor's responsibilities for the audit of the financial statements (continued)

Whilst the procedures listed aid us in detecting irregularities, there exists the inherent difficulty in detecting irregularities, particularly those related to fraud. However, we believe the above risks to be the particular areas most susceptible to material misstatement.

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 auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jordan Cain ACA (Senior Statutory Auditor)

for and on behalf of
XEINADIN AUDIT LIMITED

Chartered Accountants
Statutory Auditors

Cabourn House
Station Street
Bingham
Nottinghamshire
NG13 8AQ

Date: 13 November 2025

CHILDREN'S LINKS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted £'000	Restricted £'000	2025 Total £'000	2024 Total £'000
INCOME					
Donations	2	61	-	61	2
Charitable activities	3	3,194	170	3,364	1,532
Other trading activities	4	64	-	64	79
Other income	5	-	-	-	48
Investment income	6	12	-	12	8
Total income		3,331	170	3,501	1,669
EXPENDITURE					
Charitable activities	7	(3,143)	(126)	(3,269)	(1,697)
Other trading activities	4	(58)	-	(58)	(81)
Total expenditure		(3,201)	(126)	(3,327)	(1,778)
Net income/(expenditure)		130	44	174	(109)
Transfers between funds		-	-	-	-
Net movement in funds		130	44	174	(109)
Reconciliation of funds:					
Total funds brought forward	19b	5	13	18	127
Total funds carried forward	19a	135	57	192	18

All amounts relate to continuing activities of the group.

The Statement of Financial Activities includes all gains and losses recognised in the year.

CHILDREN'S LINKS

REGISTERED COMPANY NUMBER: 03484661

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2025

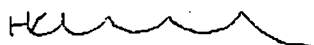
	Notes	2025 £'000	2024 £'000
FIXED ASSETS			
Tangible fixed assets	14a	17	8
TOTAL FIXED ASSETS		<u>17</u>	<u>8</u>
CURRENT ASSETS			
Debtors	16	53	126
Cash at bank and in hand	22	452	137
TOTAL CURRENT ASSETS		<u>505</u>	<u>263</u>
LIABILITIES			
Creditors: amounts falling due within one year	17	(330)	(253)
NET CURRENT ASSETS		<u>175</u>	<u>10</u>
Creditors: amounts falling due in over one year		-	-
TOTAL NET ASSETS		<u><u>192</u></u>	<u><u>18</u></u>
FUNDS OF THE CHARITY:			
Unrestricted funds	19	57	(34)
Designated funds	19	78	39
Restricted funds	19	57	13
TOTAL FUNDS		<u><u>192</u></u>	<u><u>18</u></u>

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The attached notes on pages 15 to 31 form part of these financial statements.

18/09/2025

The financial statements were approved by the Board of Trustees on.....and signed on their behalf by:



H Kucharczyk
Chair

CHILDREN'S LINKS

REGISTERED COMPANY NUMBER: 03484661

COMPANY BALANCE SHEET AS AT 31 MARCH 2025

	Notes	2025 £'000	2024 £'000
FIXED ASSETS			
Tangible fixed assets	14b	17	8
TOTAL FIXED ASSETS		17	8
CURRENT ASSETS			
Debtors	16	51	122
Cash at bank and in hand		406	81
TOTAL CURRENT ASSETS		457	203
LIABILITIES			
Creditors: amounts falling due within one year	17	(250)	(155)
NET CURRENT ASSETS		207	48
Creditors: amounts falling due in over one year		-	-
TOTAL ASSETS		224	56
FUNDS OF THE CHARITY:			
Unrestricted funds	19	89	4
Designated funds	19	78	39
Restricted funds	19	57	13
TOTAL FUNDS		224	56

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The attached notes on pages 15 to 31 form part of these financial statements.

18/09/2025

The financial statements were approved by the Board of Trustees on..... and signed on their behalf by:



H Kucharczyk
Chair

CHILDREN'S LINKS

REGISTERED COMPANY NUMBER: 03484661

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £'000	2024 £'000
Cash Flows from/(used in) Operating Activities			
Net cash provided by/(used in) operating activities	21	329	(113)
Cash Flows used in Investing Activities			
Purchase of property, plant and equipment		(14)	-
Change in cash and cash equivalents in the reporting period		315	(113)
Cash and cash equivalents at the beginning of the reporting period		137	250
Cash and cash equivalents at the end of the reporting period	22	452	137

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation and consolidation

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

The financial statements are prepared on a going concern basis and are presented in sterling, which is the functional currency of the Charity.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis. No separate SOFA has been presented for the Charity alone as permitted by section 408 of the Companies Act 2006.

The Charity 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 notes.

b) Going concern

The Children's Links Board consider that the organisation is a going concern. This is based on the following assumptions and actions that have been made in the last twelve months as well as the forecast and new business opportunities over the next twelve months. The charitable group has a surplus of £174,000 in the year ended 31 March 2025 and a deficit of £109,000 for the comparative year.

The Trustee Board has satisfied themselves that the charitable company's assets are available and adequate to fulfil its obligations. The main sources of funding are:

- Local Authority Contracts
- Central Government
- European funds, including European Social Fund
- Grant making trusts
- Childcare Fees from parents
- Charitable donations

Further details regarding the future success of the organisation are given in the Trustee's report.

c) Legal status of the Charity

There is no share capital as the company is limited by guarantee. Each member has guaranteed an amount, not exceeding £10, towards the company's liabilities in the event of a winding up, provided that a member has not ceased to be a member one year prior to any winding up order.

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies (continued)

d) Fund accounting

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

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

e) Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Voluntary income – donations are accounted for as received, sponsorship income represents amounts receivable. Gifts in kind to the Charity are included at the value specified by the donor or, if this is not available, at what the estimated cost to the Charity would have been. Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the Charity has control over the item. Fair value is determined on the basis of the value of the gift to the Charity. For example the amount the Charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Grants – grants are included as incoming resources when these are received/receivable. Government grants are recognised when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. Furthermore, any and all conditions attached to the grant will need to be met.

Income from trading activities includes income earned from activities to raise funds for the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred. Income from donated goods is recognised on sale of those goods.

f) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies (continued)

g) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Computer	20% straight line & 33% straight line
Furniture and equipment	20% straight line

Assets are reviewed for any indications of impairment at each balance sheet date.

h) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable are included at the best estimate of the amounts receivable at the balance sheet date.

i) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

j) Creditors

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due. Concessionary loans received at below market rates are received in order to further the charitable objectives of the organisation and are therefore included at the amount received and are not discounted.

k) Financial instruments

The Charity 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.

l) Pensions

Employees of the Charity are entitled to join a defined contribution pension scheme. The Charity contribution is restricted to the contributions disclosed in note 11.

m) Operating leases

Operating leases are recognised over the period of which the lease falls due.

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

2 Donations

	2025 £'000	2024 £'000
Donations	61	2
	<u>61</u>	<u>2</u>

All donations received in 2025 and 2024 relate to unrestricted funds. Included above is £56,000 received from Burton Play. The sum was transferred as Children's Links has taken over the running of the nursery.

3 Income from charitable activities

	2025 £'000	2024 £'000
Childcare fees	2,562	905
Training fees	-	7
Grants (see below)	611	491
Fundraising income	3	2
Contact centre fees	126	76
Other fees	62	51
	<u>3,364</u>	<u>1,532</u>

Income from charitable activities was £3,364,000 (2024: £1,532,000) of which £170,000 (2024: £108,000) was attributable to restricted and £3,194,000 (2024: £1,424,000) was attributable to unrestricted funds.

Grants

	2025 £'000	2024 £'000
Local authority income	53	54
CYPVSF	20	20
NACCC	22	18
ICFA	340	297
The National Lottery Community Fund – RC Midlands Region	39	42
Lincoln City Foundation	54	25
Theddlethorpe GDF Community	14	-
Employer Incentive Autumn 2024	29	-
Other grants and awards	40	35
	<u>611</u>	<u>491</u>

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

4 Other trading activities

The Charity has a wholly owned trading subsidiary, Linking Up Limited, a Company incorporated and registered in England and Wales (Company number: 05830401). The principal activity of the Company is the provision of a childcare voucher scheme. The income and expenditure attributable to the Company are as follows:

	2025 £'000	2024 £'000
Turnover	64	78
Payment to childcare settings	(55)	(75)
Wages, salaries and recruitment	(2)	(3)
Administrative expenses	(1)	(1)
Accountancy fees	-	(2)
Net income/(expenditure) for the year	<u>6</u>	<u>(3)</u>

The Charity also operated a shop in Horncastle which is now closed and sold donated goods:

	2025 £'000	2024 £'000
Shop takings	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

All trading income received in 2025 and 2024 relates to unrestricted funds.

5 Other income

	2025 £'000	2024 £'000
Insurance claim	-	9
Coronavirus/lockdown support grants	-	5
Reimbursed early termination charges	-	34
	<u>-</u>	<u>48</u>

The insurance claim was for flood damages. The coronavirus grants are household Covid support grants for the nursery settings. Early termination charges arose on changing the telecoms provider. These were reimbursed in full by the provider.

6 Investment Income

All investment income has arisen from monies held in interest bearing accounts.

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

7 Analysis of expenditure on charitable activities

7a Analysis of expenditure on charitable activities – current year

Charitable activities:	Direct costs £'000	Support costs £'000	2025 costs £'000
Care and education of young people	2,855	414	3,269
	<u>2,855</u>	<u>414</u>	<u>3,269</u>

7b Analysis of expenditure on charitable activities – prior year

Charitable activities:	Direct costs £'000	Support costs £'000	2024 costs £'000
Care and education of young people	1,382	315	1,697
	<u>1,382</u>	<u>315</u>	<u>1,697</u>

8 Analysis of support costs

	2025 £'000	2024 £'000
Staff travel and subsistence	33	23
Staff training	12	5
Stationery and postage	2	3
Premises costs and equipment	68	32
ICT costs	37	10
Insurance	18	14
Legal and professional	20	22
Wages and salaries	204	191
Recruitment and other staff costs	1	-
Pension costs	5	4
Governance costs	15	10
Bad debts	(1)	1
	<u>414</u>	<u>315</u>

9 Analysis of governance costs

	2025 £'000	2024 £'000
Audit fees	9	7
Other accountancy services	6	3
Cost of Trustees' meetings	-	-
	<u>15</u>	<u>10</u>

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

10 Analysis of staff costs and key management personnel

	2025 £'000	2024 £'000
Wages and salaries	2,329	1,088
Social security costs	145	60
Pension	47	20
	<u>2,521</u>	<u>1,168</u>

The Charity Trustees were not paid and did not receive any benefits from the Charity or its subsidiary in the year 2025 (2024: £nil). During the year, no Trustees were reimbursed expenses (2024: £nil).

The key management personnel of the Charity and the Group comprise the Trustees, the Chief Executive and the Senior Management Team. The total employee benefits of the key management personnel of the Charity were £120,251 (2024: £128,513).

No employee (2024: nil) had employee benefits in excess of £60,000.

The average monthly head count was as follows:

	2025 Number	2024 Number
Operational	153	88
Administration	10	10
	<u>163</u>	<u>98</u>

11 Pension costs

The Charity operates defined contribution pension schemes. The assets of these schemes are held separately from those of the charitable company in independently administered funds. Contributions payable by Children's Links amounted to £47,000 (2024: £20,000). Amounts payable of £9,000 (2024: £nil) was due to the pension funds at the balance sheet date.

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

12 Net incoming resources

	2025 £'000	2024 £'000
Net incoming resources is stated after charging:		
Depreciation of charitable assets owned by group	5	9
Operating lease charges	96	65
Auditor's remuneration:		
- for audit services	9	7
- for other accountancy services	6	3

13 Taxation

The company is a registered charity and as such is exempt from taxation on its income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied for charitable purposes.

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

14 Tangible fixed assets

14a Tangible fixed assets – group

	Computers £'000	Furniture & Equipment £'000	Total £'000
Cost:			
At 1 April 2024	95	43	138
Additions	-	14	14
Disposals	(13)	-	(13)
At 31 March 2025	<u>82</u>	<u>57</u>	<u>139</u>
Depreciation:			
At 1 April 2024	88	42	130
Charge for the year	4	1	5
Eliminated on disposal	(13)	-	(13)
At 31 March 2025	<u>79</u>	<u>43</u>	<u>122</u>
Net book value:			
At 1 April 2024	<u>7</u>	<u>1</u>	<u>8</u>
At 31 March 2025	<u>3</u>	<u>14</u>	<u>17</u>

14b Tangible fixed assets – charity

	Computers £'000	Furniture & Equipment £'000	Total £'000
Cost:			
At 1 April 2024	89	43	132
Additions	-	14	14
Disposals	(13)	-	(13)
At 31 March 2025	<u>76</u>	<u>57</u>	<u>133</u>
Depreciation:			
At 1 April 2024	82	42	124
Charge for the year	4	1	5
Eliminated on disposal	(13)	-	(13)
At 31 March 2025	<u>73</u>	<u>43</u>	<u>116</u>
Net book value:			
At 1 April 2024	<u>7</u>	<u>1</u>	<u>8</u>
At 31 March 2025	<u>3</u>	<u>14</u>	<u>17</u>

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

15 Investment in trading subsidiary

The Charity holds 1,000 shares of £1 each in its wholly owned trading subsidiary Linking Up Ltd which is incorporated in the United Kingdom. The principal activity of the subsidiary is the provision of a childcare voucher scheme. These activities were considered to be compatible with the aims and charitable objectives of Children's Links.

A summary of the results of the subsidiary is shown below:

	2025 £'000	2024 £'000
Profit and Loss Account		
Turnover	64	78
Payment to childcare settings	(55)	(75)
Wages, salaries and recruitment	(2)	(3)
Administrative expenses	(1)	(1)
Accountancy fees	-	(2)
Net income/(expenditure) for the year	6	(3)
Balance Sheet		
Current assets	47	60
Liabilities	(79)	(98)
Net liabilities	(32)	(38)

16 Debtors

Due within one year	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade debtors	16	91	16	90
Other debtors	-	3	-	-
Prepayments and accrued income	37	32	35	32
	53	126	51	122

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

17 Creditors: amounts falling due within one year

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Trade creditors	148	132	68	36
Taxation and social security	27	11	27	11
Other creditors	9	5	9	3
Accruals	75	41	75	41
Deferred income	71	64	71	64
	<u>330</u>	<u>253</u>	<u>250</u>	<u>155</u>

Deferred income

Deferred income comprises monies received in advance, primarily for programme deliveries and equipment purchases for which funding has been banked. Amount deferred in year is £71,000 (2024: £64,000). All deferred income brought forward was released during the year.

18 Leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and Buildings		Other	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
No later than one year	6	36	1	4
Later than one year and not later than five years	-	6	-	1
	<u>6</u>	<u>42</u>	<u>1</u>	<u>5</u>

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

19 Funds analysis

19a Funds analysis – current year

	Balance at 1/4/2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance at 31/3/2025 £'000
Unrestricted funds					
Children's Links	4	3,211	(3,132)	6	89
Linking Up Limited	(38)	64	(58)	-	(32)
Total unrestricted funds	(34)	3,275	(3,190)	6	57
Designated funds					
Damian fund	1	-	-	-	1
Linking Up Limited fund	38	-	-	(6)	32
Burton Play	-	56	(11)	-	45
Total designated funds	39	56	(11)	-	78
Total unrestricted funds	5	3,331	(3,201)	-	135
Restricted funds					
Adrian Worsley fund	1	-	-	-	1
CYPVSF	-	20	(20)	-	-
NACCC	-	21	(21)	-	-
The National Lottery Community Fund – RC Midlands region	12	40	(39)	-	13
Horncastle Wellbeing Fund	-	1	(1)	-	-
Early Play and Toy Library	-	16	(1)	-	15
Theddlethorpe GDF Community	-	18	(14)	-	4
Employer Incentive Autumn 2024	-	29	(29)	-	-
Armed Forces Covenant RAF Waddington	-	25	(1)	-	24
Total restricted funds	13	170	(126)	-	57
Total funds	18	3,501	(3,327)	-	192

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

19b Funds analysis – prior year

	Balance at 1/4/2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance at 31/3/2024 £'000
Unrestricted funds					
Children's Links	151	1,483	(1,592)	(38)	4
Linking Up Limited	(35)	78	(81)	-	(38)
Total unrestricted funds	116	1,561	(1,673)	(38)	(34)
Designated funds					
Damian fund	1	-	-	-	1
Linking Up Limited fund	-	-	-	38	38
Total designated funds	1	-	-	38	39
Total unrestricted funds	117	1,561	(1,673)	-	5
Restricted funds					
Adrian Worsley fund	1	-	-	-	1
Big Lottery and European	5	-	(5)	-	-
CYPVSF	-	20	(20)	-	-
NACCC	-	18	(18)	-	-
The National Lottery Community Fund – RC Midlands region	2	42	(32)	-	12
AWA Play Scape	-	7	(7)	-	-
AEB Level 2 Early Years	2	-	(2)	-	-
Holiday Activities & Food (HAF) Programme	-	16	(16)	-	-
RAF Nursery Equipment	-	5	(5)	-	-
Total restricted funds	10	108	(105)	-	13
Total funds	127	1,669	(1,778)	-	18

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

19c Analysis of assets/(liabilities) between funds

General fund:	Unrestricted £'000	Restricted £'000	Total 2025 £'000	Unrestricted £'000	Restricted £'000	Total 2024 £'000
Intangible fixed assets	-	-	-	-	-	-
Tangible fixed assets	17	-	17	8	-	8
Current assets	391	114	505	186	77	263
Creditors falling due within one year	(273)	(57)	(330)	(189)	(64)	(253)
Creditors falling due in over one year	-	-	-	-	-	-
	<u>135</u>	<u>57</u>	<u>192</u>	<u>5</u>	<u>13</u>	<u>18</u>

Designated funds are included in the unrestricted funds in the above analysis and are wholly held in cash.

19d Funds analysis – description of funds

Designated funds

Damian fund

This was established by a legacy left to Children's Links which is used to commemorate the life of a young man who was very active in the Lincolnshire community. The interest on the legacy is used to reward young people for their community endeavour, usually as part of the Children's Awards ceremony.

Linking Up Limited fund

This fund was established to support the existing and future cashflow requirements of the subsidiary, Linking Up Limited.

Burton Play fund

This fund was established following the transfer of cash and management of the Burton Play nursery in order to support the development of the nursery.

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

19d Funds analysis – description of funds (continued)

Restricted funds

Adrian Worsley fund

This commemorates the life of a supporter of Children's Links and the interest on the fund is used to reward young people for their community endeavour, usually as part of the annual Children's Awards ceremony.

Big Lottery and European Social Fund Building Better Opportunities Move Grant

This grant provides a range of activities and interventions to economically inactive people to move towards and into employment. The project is delivered across the whole of Greater Lincolnshire.

Big Lottery and European Social Fund Building Better Opportunities Engagement into Learning Grant

This grant provides a range of activities and interventions to economically inactive people to move towards and into learning. The project is delivered across the whole of Greater Lincolnshire.

CYPVSF (Children and Young People's Voluntary Sector Forum)

This is funded by Lincolnshire County Council to provide support for voluntary and community sector (VCS) organisations working with children, young people and their families in Lincolnshire.

NACCC (National Association of Child Contact Centres)

This funding has now replaced the Children and Family Court Advisory and Support Services funding and is to provide supported contact centres in Gainsborough, Grantham, Lincoln, Skegness, Spalding, Notts & Derby, Retford and Peterborough.

Big Lottery and European Social Fund – Building Better Opportunities Building Connections Grant

This funding is to tackle loneliness in the rural areas of East Lindsey by providing a campervan which travels to villages to provide a focal point for people to meet.

The National Lottery Community Fund – RC Midlands Region

A National Lottery Community Fund project that aims to build a network across Lincolnshire to develop the leadership skills of women working in the third sector.

AWA Play Scape

A National Lottery Awards for All funded project to deliver toy library outreach and provide fun play sessions for parents and young children.

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

19d Funds analysis – description of funds (continued)

Restricted funds (continued)

AEB Level 2 Early Years

For the delivery of Level 2 Diploma for the Early Years practitioner.

Holiday Activities & Food Programme (HAF)

Delivery of free holiday provisions including healthy food and enriching activities for school aged children. Funded by Lincolnshire County Council.

RAF - Nursery Equipment

Funds received from the RAF to purchase necessary equipment and other items for RAF nursery settings in advance of them opening.

Horncastle Wellbeing Fund

For the delivery of early years soft play and creative sessions.

Early Play and Toy Library

Funding received to support the running of the Toy Library which is from The National Lottery Community Fund.

Theddlethorpe GDF Community

To provide safe spaces for women to meet, make friendships, develop confidence and learn new skill in and around Theddlethorpe.

Employer Incentive Autumn 2024

Funding received to support a trainee to complete Early Years Initial Teacher Training.

Armed Forces Covenant RAF Waddington

To provide specialist support at the nursery in order to provide better learning environments.

CHILDREN'S LINKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

20 Related party transactions

On the basis that this is a wholly owned Group and that consolidated financial statements have been prepared, the Group has taken advantage of the exemption not to disclose intra group transactions.

There were no other related party transactions.

21 Reconciliation of net expenditure to net cash flow from operating activities

	2025 £'000	2024 £'000
Net movement in funds (as per the statement of financial activities)	174	(109)
Adjustments for:		
Depreciation of tangible fixed assets	5	9
Loss on disposal of property, plant and equipment	-	-
Decrease/(Increase) in debtors	73	(56)
Increase in creditors	77	43
Net cashflow from/(used in) operating activities	329	(113)

22 Analysis of cash and cash equivalents

	2025 £'000	2024 £'000
Cash at bank and in hand	452	137
Total cash and cash equivalents	452	137

23 Net debt reconciliation

Net debt reconciliation for the Group 2025

	At start of year	Cashflows	Other non- cash changes	At year end
Cash at bank and in hand	137	315	-	452

Net debt reconciliation for the Charity 2024

	At start of year	Cashflows	Other non- cash changes	At year end
Cash at bank and in hand	250	(113)	-	137