

Our ref SR/DL/40036106

10 December 2021

Ms H Khan
Lifeline Community Projects
Lifeline House
25 Neville Road
Dagenham
Essex
RM8 3QS

Dear Humerah

**Lifeline Community Projects
Lifeline Enterprises Limited
Valence Group Limited**

I have pleasure in enclosing a bound copy and an unbound copy of the financial statements for each of the above, for the year ended 31 March 2021, and can confirm I have today sent a copy of each to Companies House for filing, as well as filing the corporation tax returns with HMRC.

With kind regards

Your sincerely



Dan Lennox

Encs.

Registered number: 03951096
Charity number: 1084634

Lifeline Community Projects
(A company limited by guarantee)

Trustees' report and financial statements

For the year ended 31 March 2021

Lifeline Community Projects
(A company limited by guarantee)

Contents

	Page
Reference and administrative details of the Charly, its Trustees and advisers	1
Trustees' report	2 - 11
Independent auditor's report on the financial statements	12 - 15
Consolidated statement of financial activities	16
Consolidated balance sheet	17 - 18
Charity balance sheet	19 - 20
Consolidated statement of cash flows	21
Notes to the financial statements	22 - 46

Lifeline Community Projects
(A company limited by guarantee)

Reference and administrative details of the Charity, its Trustees and advisers
For the year ended 31 March 2021

Trustees Mr P Akerman
Mr N Jaques
Mr J Singleton
Ms A McIntyre
Rev. Dr. T King (appointed 31 December 2020)

Company registered number 03951096

Charity registered number 1084634

Registered office Lifeline House
25 Neville Road
Dagenham
Essex
RM8 3QS

Independent auditor Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU

Bankers CAF Limited
PO Box 289
West Malling
Kent
ME19 4TA

NatWest
Ground Floor
Gredley House
1 - 11 Broadway
London
E15 4BQ

Metro Bank
1 Southampton Row
London
WC1B 5HA

Lifeline Community Projects
(A company limited by guarantee)

Trustees' report
For the year ended 31 March 2021

The Trustees present their annual report together with the audited financial statements of the Charity for the year from 1 April 2020 to 31 March 2021. The Annual report serves the purposes of both a Trustees' report and a Directors' report under company law. The Trustees confirm that the Annual report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity'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 (FRS102) (effective 1 January 2019).

Since the group and the Charity qualify as small under section 383 of the Companies Act 2006, the Group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The Charity's objects are:

- i. The advancement of education principally through the provision of nursery facilities, English language teaching for those for whom English is not a first language, marriage and parenting courses and personal and social development education for young persons;
- ii. To relieve persons in need, hardship or distress including through the provision of material assistance, advice and advocacy, and training for those in need of such assistance
- iii. To advance the Christian faith (though not by limitation) through the provision of counselling and training with the aim of maintaining and promoting marriage and parenting values;
- iv. To promote charitable purposes for the benefit of the public in the following ways:
 - a. The preservation and protection of health;
 - b. The provision of facilities for recreation or other leisure time occupation in the interest of social welfare for persons who have need of such facilities by reason of their youth, age infirmity or disablement, poverty or social and economic circumstance with the object of improving the conditions of life for such persons; and
 - c. The provision of training with the object of relieving unemployment.

The Trustees have designated funds from reserves to ensure it can achieve its objectives on a sustainable basis. Details of reserves set aside can be seen in note 19 of the accounts.

The policies adopted in furtherance of these objects are to raise funds and receive contributions, to borrow money, to purchase, lease, exchange or otherwise acquire any land, buildings, to hold property as tenants, to make donations, to make grants, to invest the monies of the Charity, to establish subsidiary companies to act as agents, to promote or carry out research and publish the results of it in furthering the objects. There has been no change in these during the year.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Lifeline Community Projects
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2021

Objectives and activities (continued)

b. Activities undertaken to achieve objectives

The context for delivery this year has been overshadowed by Covid-19 with three national lockdowns, two mostly closing schools;

- 25th March 2020 'Stay at home' order announced.
- September '20 Schools re-opened.
- 5th November second lockdown (schools not closed).
- 2nd December '20 lockdown ended and return to three-tier system of restrictions.
- 6th January '21 third national lockdown.
- 8th March '21 schools re-opened.

Nurseries Little Learner

This year was a challenge for the nurseries due to the international pandemic of Covid-19 which caused the following for both settings:

- 3 months closure with staff on furlough.
- Increased absences of staff due to sickness and quarantine requirements.
- Increased absences of children due to quarantine requirements.
- Closure of bubbles/settings due to positive cases and staff shortages due to quarantine requirements.
- Increased staffing costs due to bubbles and staff cover.
- Reduced demand in Ilford due to parents working from home.
- Some staff remaining of flexible furlough.
- Changes to procedures to accommodate social distancing.

Ilford has seen a change in the deputy manager whom, in partnership with the manager, has helped bring a significant improvement to the setting. The appearance is the best it has been, the culture of staff has changed significantly, and Word of Mouth referrals make up the majority of new starters. However, the setting was impacted through the year by low demand for places typical within the industry. This year the setting has experienced an average occupancy of 31% against 56% from the previous year.

Elm Park saw the return of the deputy manager from maternity leave which allowed the manager to take on the line management responsibility for the Ilford setting and to take responsibility for leading an additional project. Once the setting opened it took 3 months to get back to pre-Covid attendance numbers. Over the year the setting had an average occupancy of 70% against the previous year of 96%.

Due to the consistent high demand in Elm Park, we had purchased an additional premises, Ambleside, to allow for expansion. We re-applied for change of use and invested heavily into the process securing noise assessments and putting in place mitigating actions. Unfortunately, councillors went against the recommendation of the planning office and denied change of use. This provided strong grounds for appeal which has been submitted, along with a request for costs, to the Planning Inspectorate, a body independent to Havering Council.

Healthwatch

The role of Healthwatch has been pivotal due to the pandemic. The team have continued to be a critical friend to service providers and commissioners ensuring they listened, adapted, and considered the views of those accessing services in these challenging times.

Residents sharing their stories about accessing health and care during Covid-19 directly influenced all the projects worked on this year, including access to GP digital services, mental health and wellbeing services for carers and access to dental services. Providers and commissioners welcomed all our findings and recommendations.

Lifeline Community Projects
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2021

Objectives and activities (continued)

This year the team have supported over 200 residents through our signposting and information service. A Covid-19 webpage was set up to provide up to date information in relation to the pandemic and the page has been visited over 2500 times throughout the year.

As part of the borough's response to Covid-19 our team and volunteers helped 70 local people with practical support such as shopping, medication pickups, gas and electricity issues and befriending calls.

We have 19 volunteers registered with us, all involved in different ways, whilst some have undertaken mystery shopping activities and telephone interviews others have supported by reviewing websites for information and writing blogs.

Alternative Provision - Lifeline School (Lifeline Institute)

Due to the national lockdown, the last months of this provision were delivered remotely and exams were cancelled in favour of teacher assessment. Whilst many mainstream schools were teaching through pre-recorded lessons and worksheets, we delivered lessons live through Zoom which enabled staff to remain vigilant on issues of safeguarding. Despite difficult circumstances, the students achieved a total of 73 grade 4-9 GCSE's (36 grade 5-9) compared to 50 grade 4-9 last year (28 grade 5-9).

This provision has now closed as the local authority chose to deliver in house through local schools.

Pastoral Partner for Schools

This continues to be a key part of our mission which has expanded significantly this year with total funding to support 42 schools over 5 boroughs employing two fulltime managers, one Lead Youth Development Worker and 12.5 youth development workers. We work with young people that are on the edge of mental health ill health (SWITCH Minds), serious youth violence (SWITCH Lives) or school exclusion (SWITCH Futures). On the back of the national lockdown, we extended our support to parents and our estate-based work (SWITCH Communities).

Covid-19 restrictions changed on a regular basis which required our services to constantly adapt throughout the year. During the first lockdown we implemented a new data management system called 'Salesforce'. While we were adapting to the new regime of home working staff had capacity to undertake training and upload records.

Throughout the year mentoring was delivered remotely through Zoom, WhatsApp, Teams, or other online video apps and also by messenger, text and traditional phone calls. We also delivered walk and talk sessions to encourage young people to take their one hour of exercise each day. Where staff were unable to mentor young people, due to lack of access (schools unable to supply contact details) or lack of engagement, they increased the positive activities and detached work.

Positive activities were delivered online and when possible, outside in socially distanced groups. As restrictions eased, we adapted delivery accordingly but found a challenge in venues being available during the winter months.

Lifeline has earned a very positive reputation due to our ability and determination to adapt programmes and engage young people throughout Covid-19.

Lifeline Community Projects
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2021

Objectives and activities (continued)

SWITCH Lives

This initiative supports young people at risk of serious youth violence or criminal exploitation through our award-winning VIP mentoring programme, positive weekly activities, school holiday activity days and residentials and the SWITCH Ambassador leadership programme. We have funding from 4 different funders to work in 24 schools across Tower Hamlets, Barking and Dagenham, Redbridge, Havering and Thurrock. School recruitment was delayed due to the national lockdown but staff were deployed with community referrals, positive activities and detached work. The police have described Covid-19 as their best crime fighting tool but we were prepared for a rise as schools opened again.

SWITCH Minds

Funded by the Department of Health & Social Care with match funding from BHR CCG, and the Local Authorities of Barking and Dagenham, Redbridge and Havering to work with young people on the edge of mental health ill health. All 18 schools were established prior to the first lockdown and the team has settled well. We have seen a significant rise in demand on the back of the pandemic and the social restrictions enforced.

SWITCH Ambassadors

We were able to deliver our 3-day Ambassador training programme during the summer holidays, training 16 Ambassadors. These young people have helped to review and develop services, support and plan activities and represent LifeLine to partners and funders. They also worked in partnership with Havering Council and Havering Mind to run a mental health focussed online music event.

VIP Mentoring

Two Schools have commissioned us to provide bespoke mentoring programmes to vulnerable young people, one school in Barking and Dagenham and one in Tower Hamlets.

SWITCH Futures

This initiative was being piloted in a local primary school providing mentoring for children and engagement with parents through family learning, mentoring and play work. Due to Covid-19 the school were unable to continue with the pilot, but the work developed into other key avenues.

Champion Support Network

LifeLine's mentoring programmes put partnership with schools at the heart of the delivery. When schools largely closed due to Covid-19, and we re-designed our mentoring to work remotely, we lost the key partnerships with schools. However, the philosophy of partnership remained, and we considered who was now seeing the young people in the daytime in place of schools – parents. In response we developed partnerships with parents and quickly found a high level of demand for increased support. We provided the following;

- Fortnightly parents remote coffee mornings.
- Theme based online workshops.
- Remote and doorstep 1-2-1 parenting support.

This service was noticed and appreciated by the local MET Gangs Unit and by Local Authorities which lead to the establishment of the Champion Support Network. We established a partnership with Redbridge, Barking and Dagenham and Havering to establish parent and carer peer support networks across the boroughs through accessing short term funds from the Violence Reduction Unit. The programme ran for 8 months. We recruited 6 part time Champion Coordinators, all with lived experience, to recruit, train and support parent and carer champions. Through the programme we were able to support over 100 parents and developed a host of innovative workshops.

Lifeline Community Projects
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2021

Objectives and activities (continued)

SWITCH Communities

With additional resource from YDW's not able to access schools, and National Lottery Covid Response Fund, we were able to increase this programme delivering up to 25 outreach sessions per week across 5 local authorities. We coordinated delivery with local authorities to focus on 'areas of concern' and engaged positively with the young people encouraging the obedience of social distancing guidance. This work has contributed to our knowledge of local issues and given us key information to share with the Community Safety Teams and the police in relation to local incidents and threats.

SWITCH Rights

This is a unique and innovative partnership with the local Police force whereby we make contact with young people that have received multiple negative (did not result in further action) 'stops' in the last 12 months. We have developed an engagement strategy and assigned staff to follow up with these young people and their parents to offer support and mentoring. We are approaching young people to gather feedback about the stops and to ensure they are aware of their rights and the complaints procedure. The approach is designed to identify young people who may be at danger and to use the follow up as an opportunity to appeal to them to make lifestyle changes. The programme has positively engaged with 7 vulnerable young people.

FaithAction
Health policy and insight

FaithAction's role was dominated by response to the Covid-19 pandemic and, as the faith partner to the Department of Health and Social Care, the team was well placed to offer advice and insight, as well as play an important role as part of the information flow to communities. FaithAction is part of the VCSE Health and Wellbeing Alliance (DHSC, NHS England, Public Health England), and the requests for regular input from the team grew significantly. For example, March 2020 saw 22 engagements with government policy teams, compared with an average 2-3 per month. Engagement with other departments increased too, with FaithAction offering support and representation to the Department for Digital, Culture, Media and Sport, also taking part in weekly meetings of the VCS Emergency Partnership, as well as regular engagement with the Ministry of Housing, Communities & Local Government around faith guidance and "hard to reach" communities. FaithAction contributed to Professor Kevin Fenton's work examining the impact of Covid-19 on black and minority ethnic groups, which eventually became the "Beyond the Data" report published by Public Health England in June 2020. Professor Kevin Fenton also asked FaithAction to be part of the London Evolution of the Outbreak meeting. This is the regular review by the regional public health team for London. It is a high-level meeting of Councillor leaders and Directors of Public health).

Amidst all this, in October FaithAction successfully reapplied to be a part of the Health and Wellbeing Alliance for another three years, positioning FaithAction as the leading organisation representing the voice of faith in health and care policymaking.

Work with MHCLG

The Secretary of State for Communities, Rt Hon. Robert Jenrick MP, asked Daniel Singleton to be part of the Places of Worship Taskforce, convened in summer 2020. The group's role is to advise the government on restrictions and guidance to Faith communities. This coincided with MHCLG commissioning FaithAction to run weekly focus groups for the 9 faiths, as well as hosting information events and training. This "Faith-COVID Response" project ran from June to November 2020. From March 2021, FaithAction partnered with Strengthening Faith Institutions (SFI) to recruit and train 30 Community Champions, upskill 30 Organisations and create over 50 short films for social media with faith/public health messages.

Lifeline Community Projects
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2021

Objectives and activities (continued)

Below are some of the stats which give a picture of the output of the FaithAction team in relation to the Faith Covid response project June to November 2020:

- 107 Focus Groups run as part of the Faith-COVID Response Project with attendees from over 400 places of worship across the country.
- 24 further Focus Groups run after the end of the project until the end of March 2021 to continue to gather information and experiences from places of worship and faith communities, especially from smaller faith groups that FaithAction has not traditionally engaged with
- 8 Briefing Events held looking at changes in guidance for places of worship
- 1 National Event looking at bereavement, attended by over 80 people, looking at how faith groups had supported those in their communities who had suffered bereavement when it was difficult to do so, and how we could commemorate those who had died after we have left lockdown
- 9 regional roundtables looking at how faith groups and local authorities have been able to work together during lockdown and the pandemic, and how these relationships could be continued as we emerge from the pandemic
- Over 400 delegates attended at least one part of a three-part virtual conference, "Building Back Better: The role of Faith", looking at how faith played its part in responding to the Covid-19 pandemic and looking ahead to the role faith could play as we start to rebuild after lockdown
- 3 Fast Track to Funding workshops put on to meet the needs of faith communities struggling with accessing funding during the lockdown when other avenues of income were not available.

Localised areas of work

Work as secretariat to the Tower Hamlets Interfaith Forum (THIFF) has continued, been renewed, then successfully retendered in this period. THIFF has been at the heart of the council's response to vulnerable communities in the inner city. The success of the work with THIFF resulted in FaithAction being commissioned by the council to deliver support and infection prevention supplies to faith locations throughout the borough under the Faith COVID Assistance Partnership (FCAP).

The FaithAction team has been in demand to take part in local events, particularly in relation to areas who have adopted the Faith Covenant, notably Essex and Brighton. FaithAction have been offering ongoing local support, for example, to Essex County Council in the course of their pandemic response, as well as initiating a pilot project on social prescribing under the Essex Faith Covenant.

There has been growing interest in the Faith Covenant this year, supported by the Faith Covenant Forum, which is held online 3 times a year. We have been able to connect with more of our members on a more frequent basis with the use of online meetings (see the events above) but also with opening of the virtual Coffee House, a weekly discussion meeting around a central theme.

Creative English

Although funding has ended FaithAction has developed online materials and the team has supported groups with a number becoming part of the 'Better Chance' programme related to the Community Champions project.

By maintaining relationship with the Creative Hubs, we were able to select a number to receive additional support of this programme around sustainability and digital uplift.

Lifeline Community Projects
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2021

Achievements and performance

a. Main achievements of the Charity

Details of the key achievements of the charity during the year can be summarised as:

- Established a new Customer Relationship Management system (Salesforce) to record all of our work with young people.
- Achieved 73 grade 4-9 GCSE's (36 5-9).
- Developed a new parents peer support programme.
- Adapted to the challenges of remote and flexible working in response to the national Covid-19 pandemic.
- Developed the SWITCH Communities team to employ 10 Outreach Development Workers.
- Delivered mentoring in 30 secondary schools.
- Developed a strong reputation in Havering and Redbridge.
- Provided mentoring for over 400 young people per week.
- Compiled 17 reports for the Ministry of Housing Communities and Local Government, reporting back on key findings from the Faith-COVID Response Focus Groups and informing government policy.
- Regular updates to the FaithAction website highlighting key changes to the government's guidance for the safe reopening of places of worship, with 87 resources from other organisations and faith groups providing specific advice and guidance for different faiths uploaded.
- Developed Friendly Places In Lockdown, building on the existing Friendly Places Pledge to encourage faith groups to respond to Lockdown related mental health issues with 5 case studies uploaded to the website

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Financial Review and Reserves Policy

Results for the year ended 31 March 2021 are given in the Consolidated Statement of Financial Activities. The assets and liabilities are given in the Consolidated Balance Sheet. The financial statements should be read in conjunction with the related notes.

In summary, income amounted to £2,175,030 and expenditure to £2,037,682. There is a resulting net surplus for the year of £137,348. As at 31 March 2021, the total net reserves of the Group stood at £3,434,936 of which £2,386,417 is held in designated funds, £638,269 in restricted funds and £410,250 in general reserves.

The policy of the Charity is to maintain a free reserves (including both general and designated reserves) level to cover three months of its annual operating costs, and is set at £435,255. It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained and used to meet its other strategic priorities. The unrestricted funds include the free reserves held by the Charity (see Note 19). The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised.

The Trustees have assessed the major risks to which the Charitable Group is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The major risk identified is potential fall in income.

Lifeline Community Projects
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2021

Structure, governance and management

a. Constitution

Lifeline Community Projects is registered as a charitable company limited by guarantee, incorporated on 20 March 2000. The Charitable Company was established under a Memorandum of Association which established the objects and powers of the Charity and is governed under its Articles of Association. The Charitable Group is made up of the Charity, Lifeline Community Projects, and two subsidiaries, Valence Group Limited and Lifeline Enterprises Limited. Note 29 provides more detail about these subsidiaries.

The Trustees, who are also the Directors for the purpose of company law, and who served during the year were:

Mr P Akerman
Mr N Jaques
Mr J Singleton
Ms A McIntyre
Rev. Dr. T King (appointed 31 December 2020)

The principal oversight role of the Trustees (who are also the legal directors of the Company) is to ensure good governance of the organisation. They carry out regular scanning of Lifeline's operating business environment and take account of the financial and business implications of the decisions they make. The Trustees met on a quarterly basis to review finance and key management decisions.

We audit the composition of our Trustee Board on a regular basis to identify any skills gaps. Where new Trustee(s) need to be recruited, we advertise the roles, conduct interviews and then appoint. We also arrange training for the Trustee Board to address results from the skills audit. Inductions are organised to bring together new and existing Board Members.

Plans for future periods

Our plans for the next three years are to:

- To be mentoring in every secondary school in Redbridge, Barking & Dagenham and Havering with SWITCH Lives delivering in 30 schools and SWITCH Minds delivering in 42 schools.
- To be delivering mentoring in 3 additional boroughs.
- SWITCH Communities to be operating in 3 different locations providing positive activities and outreach for young people and community engagement.
- SWITCH Rights to be fully funded and delivering across the East BCU (Borough Command Unit – Redbridge, Havering and Barking & Dagenham).
- Establish a chain of 3 nurseries.
- The Champion Support Network to provide a structure for peer support and parental advocacy across the Outer East London boroughs.
- Release funds to support the development of a multi-use community facility.
- To support organisation across the country to reach the most vulnerable young people.
- Build on our learning from Creative English to influence policy and develop new models of good practice and increase our support to faith based organisations through FaithAction.
- HealthWatch to successfully retender and focused on expanding.
- FaithAction to work alongside 2 local councils to establish Faith Covenant and provide projects to put covenant into action.

Lifeline Community Projects
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2021

Relationships with related parties

Lifeline Community Church, Lifeline Network International and Community Resources for Change are closely linked to Lifeline Community Projects. However, each organisation is a separately registered charity with distinct charitable objectives.

Related party transactions are disclosed in note 27 to the accounts.

Statement of Trustees' responsibilities

The Trustees (who are also the Directors of the Charity 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 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 Group and the Charity and of their income and application of resources, including their 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 judgements 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 Group will continue in business.

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

Disclosure of information to auditor

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 relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Lifeline Community Projects
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2021

Auditor

The auditor, Kreston Reeves LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

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

A handwritten signature in black ink, appearing to be 'P. Akerman', written over a horizontal line.

Mr P Akerman
Trustee

Date: 08.12.21

Lifeline Community Projects
(A company limited by guarantee)

Independent auditor's report to the Members of Lifeline Community Projects

Opinion

We have audited the financial statements of Lifeline Community Projects (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated 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 Group's and of the parent charitable company's affairs as at 31 March 2021 and of the Group's income 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 Charities Act 2011.

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 Group 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 Group's or 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.

Lifeline Community Projects
(A company limited by guarantee)

Independent auditor's report to the Members of Lifeline Community Projects (continued)

Other Information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the parent charitable company has not kept sufficient accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

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 Group's and the parent 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Lifeline Community Projects
(A company limited by guarantee)

Independent auditor's report to the Members of Lifeline Community Projects (continued)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 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:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Charity and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019), the Companies Act 2006 and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to: posting inappropriate journal entries to increase revenue or reduce expenditure; and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Review of cash expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Physical inspection of tangible assets susceptible to fraud or irregularity; and
- Review of significant and unusual transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Lifeline Community Projects
(A company limited by guarantee)

Independent auditor's report to the Members of Lifeline Community Projects (continued)

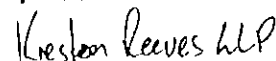
As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP
Chartered Accountants
Statutory Auditor

Chatham Maritime

Date: 10 December 2021

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

Lifeline Community Projects
(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 March 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	114,172	1,240,573	1,354,745	1,932,383
Charitable activities	5	697,586	-	697,586	1,051,823
Investments	6	71,449	-	71,449	94,393
Other income	7	51,250	-	51,250	36,878
		<u>934,457</u>	<u>1,240,573</u>	<u>2,175,030</u>	<u>3,115,477</u>
Total income					
Expenditure on:					
Charitable activities	8	862,668	1,175,014	2,037,682	2,743,856
		<u>862,668</u>	<u>1,175,014</u>	<u>2,037,682</u>	<u>2,743,856</u>
Net income before net gains on investments		71,789	65,559	137,348	371,621
Net gains on investments		-	-	-	33
		<u>71,789</u>	<u>65,559</u>	<u>137,348</u>	<u>371,654</u>
Net movement in funds					
Reconciliation of funds:					
Total funds brought forward		2,724,878	572,710	3,297,588	2,925,934
Net movement in funds		71,789	65,559	137,348	371,654
		<u>2,796,667</u>	<u>638,269</u>	<u>3,434,936</u>	<u>3,297,588</u>
Total funds carried forward					

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

The notes on pages 19 to 42 form part of these financial statements.

Lifeline Community Projects
(A company limited by guarantee)
Registered number: 03951096

Consolidated balance sheet
As at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	105,536	137,930
Tangible assets	13	861,679	858,970
Investment property	14	994,000	994,000
		<u>1,961,215</u>	<u>1,990,900</u>
Current assets			
Debtors	16	291,762	163,947
Short-term deposits		800,000	800,000
Cash at bank and in hand		1,015,063	823,616
		<u>2,106,825</u>	<u>1,787,563</u>
Creditors: amounts falling due within one year	17	(633,104)	(461,639)
Net current assets		<u>1,473,721</u>	<u>1,325,924</u>
Total assets less current liabilities		<u>3,434,936</u>	<u>3,316,824</u>
Creditors: amounts falling due after more than one year	18	-	(19,236)
Total net assets		<u><u>3,434,936</u></u>	<u><u>3,297,588</u></u>
Charity funds			
Restricted funds	19	638,269	572,710
Unrestricted funds	19	2,796,667	2,724,878
Total funds		<u><u>3,434,936</u></u>	<u><u>3,297,588</u></u>

Lifeline Community Projects
(A company limited by guarantee)
Registered number: 03951096

Consolidated balance sheet (continued)
As at 31 March 2021

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

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 have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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

A handwritten signature in black ink, appearing to be 'P. Akerman', written over a horizontal line.

Mr P Akerman
Trustee

Date: 08.12.21

The notes on pages 22 to 46 form part of these financial statements.

Lifeline Community Projects
(A company limited by guarantee)
Registered number: 03951096

Charity balance sheet
As at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	861,679	858,970
Investments	15	611,613	611,613
Investment property	14	200,000	200,000
		<u>1,673,292</u>	<u>1,670,583</u>
Current assets			
Debtors	16	353,410	206,075
Short-term deposits		800,000	800,000
Cash at bank and in hand		902,057	707,903
		<u>2,055,467</u>	<u>1,713,978</u>
Creditors: amounts falling due within one year	17	(513,668)	(334,832)
Net current assets		<u>1,541,799</u>	<u>1,379,146</u>
Total assets less current liabilities		<u>3,215,091</u>	<u>3,049,729</u>
Creditors: amounts falling due after more than one year	18	-	(19,236)
Total net assets		<u><u>3,215,091</u></u>	<u><u>3,030,493</u></u>
Charity funds			
Restricted funds	19	-	572,710
Unrestricted funds	19	3,215,091	2,457,783
Total funds		<u><u>3,215,091</u></u>	<u><u>3,030,493</u></u>

Lifeline Community Projects
(A company limited by guarantee)
Registered number: 03951096

Charity balance sheet (continued)
As at 31 March 2021

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

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 have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



Mr P Akerman
Trustee

Date: 08.12.21

The notes on pages 22 to 46 form part of these financial statements.

Lifeline Community Projects
(A company limited by guarantee)

Consolidated statement of cash flows
For the year ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	22	125,649	286,909
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,651)	(5,880)
Dividends, interests and rents from investments		71,449	94,393
Net cash provided by investing activities		65,798	88,513
Change in cash and cash equivalents in the year		191,447	375,422
Cash and cash equivalents at the beginning of the year		1,623,616	1,248,194
Cash and cash equivalents at the end of the year	23	1,815,063	1,623,616

The notes on pages 22 to 46 form part of these financial statements

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

1. General Information

Lifeline Community Projects is a private company limited by guarantee incorporated in England and Wales. The registered office is Lifeline House, 25 Neville Road, Dagenham, Essex, RM8 3QS.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Lifeline Community Projects 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.

The financial statements are prepared in sterling, which is the functional currency of the Charitable Group. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Group and its two wholly owned subsidiary undertakings, Lifeline Enterprises Limited and Valence Group Limited. The results of the subsidiaries are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Whilst the impact of the COVID-19 pandemic has been assessed by the Trustees, so far as is reasonably possible, due to its unprecedented impact on the worldwide economy it is difficult to evaluate with any certainty the potential outcomes on the Charity's future activities. However, taking into consideration the Charity's level of reserves, the Trustees believe that the Charity will be able to continue in operational existence for the foreseeable future.

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

2. Accounting policies (continued)

2.3 Income

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

Cash donations are recognised on receipt. Other donations are recognised once the charitable group has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Grants are included in the Consolidated 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.

Sales within charitable activities includes fees receivable for the provision of nursery care. Income from trading activities includes income from the Community Connect Project, income is received in exchange for services and is recognised when entitlement has occurred.

Investment income includes rent receivable under operating leases and bank interest. Other income includes intercompany service charges made to associated charities.

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.

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 charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office, finance and governance costs which support the Charitable Group's activities. These costs have been allocated between the various charitable activities as set out in a note to the accounts.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Grants payable without performance conditions are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the Charitable Group.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about whether the timing of the grant or the amount of grant payable.

All expenditure is inclusive of irrecoverable VAT.

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

2. Accounting policies (continued)

2.5 Government grants

Government grants are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

2.6 Interest receivable

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

2.7 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.8 Intangible assets and amortisation

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill shall be considered to have a finite useful life, and shall be amortised on a systematic basis over its life.

The estimated useful lives are as follows:

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset over their estimated useful lives, on the following bases:

Goodwill on acquisition of nurseries	-	3 years
Goodwill on acquisition of share capital in subsidiaries	-	10 years

2.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £350 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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.

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

2. Accounting policies (continued)

2.9 Tangible fixed assets and depreciation (continued)

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on the following bases:

Freehold property	-	no depreciation
Plant and machinery	-	25% straight line
Fixtures and fittings	-	25% straight line

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of financial activities.

Where grant funding is received to purchase plant and equipment as a requirement for the delivery of a specific project, the cost is written off in the year of purchase.

Expenditure on leasehold properties is depreciated over the length of the least remaining or in full in the year of expense, subject to the discretion of the Senior Management Team.

2.10 Investments

Fixed asset 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 the 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 presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

Investment properties, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

2.11 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.

2.12 Cash at bank and in hand

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

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

2. Accounting policies (continued)

2.13 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 Charity 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 Consolidated statement of financial activities as a finance cost.

2.14 Financial instruments

The Group 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.

2.15 Operating leases

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

2.16 Pensions

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

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

2. Accounting policies (continued)

2.17 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 Group 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 Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

3. Critical accounting estimates and areas of judgement

Estimates and judgements 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 Charity 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 are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

4. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Grants				
Create Your Future	-	-	-	87,937
Faith Action	-	419,464	419,464	1,243,518
Young People	19,084	821,109	840,193	600,928
Government grants	95,088	-	95,088	-
Total Grants	114,172	1,240,573	1,354,745	1,932,383
Total 2020	-	1,932,383	1,932,383	

5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Faith Action	28,851	28,851	6,214
Families	583,051	583,051	803,122
Young People	85,684	85,684	242,487
	697,586	697,586	1,051,823
Total 2020	1,051,823	1,051,823	

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

6. Investment Income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Rental income	70,273	70,273	89,745
Interest receivable	1,176	1,176	4,648
	<u>71,449</u>	<u>71,449</u>	<u>94,393</u>
Total 2020	<u>94,393</u>	<u>94,393</u>	

7. Other income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Other income	18,551	18,551	8,457
Service charges to related charitable companies	32,699	32,699	28,421
	<u>51,250</u>	<u>51,250</u>	<u>36,878</u>
Total 2020	<u>36,878</u>	<u>36,878</u>	

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

8. Analysis of expenditure by activities

	Direct costs	Support	Total	Total
	2021	costs	funds	funds
	£	2021	2021	2020
		£	£	£
Create Your Future	-	-	-	56,603
Faith Action	337,719	-	337,719	975,051
Families	538,430	-	538,430	607,587
Young People	757,235	-	757,235	604,904
Other and Support	145,394	240,234	385,628	487,932
Governance	-	18,670	18,670	11,779
	<u>1,778,778</u>	<u>258,904</u>	<u>2,037,682</u>	<u>2,743,856</u>
Total 2020	<u>2,296,955</u>	<u>446,901</u>	<u>2,743,856</u>	

Analysis of direct costs

	Create Your	Faith Action	Families	Young
	Future	2021	2021	People
	2021	2021	2021	2021
	£	£	£	£
Staff costs	-	316,861	408,875	591,277
Depreciation and revaluation	-	-	-	-
Travel and subsistence	-	282	68	5,248
Partnership costs & program delivery	-	1,989	5,190	65,732
Other project costs	-	10,781	14,204	79,813
Communication, marketing & administration	-	6,311	4,988	10,130
Beneficiary costs	-	1,495	11,969	5,035
Property costs	-	-	93,136	-
	<u>-</u>	<u>337,719</u>	<u>538,430</u>	<u>757,235</u>
Total 2020	<u>56,603</u>	<u>975,051</u>	<u>607,587</u>	<u>604,904</u>

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

8. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Other 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	100,131	1,417,144	1,436,951
Depreciation and revaluation	33,949	33,949	52,810
Travel and subsistence	-	5,598	28,659
Partnership costs & program delivery	-	72,911	382,580
Other project costs	(13,671)	91,127	231,089
Communication, marketing & administration	(2,000)	19,429	40,710
Beneficiary costs	(3,911)	14,588	29,413
Property costs	30,896	124,032	94,743
	145,394	1,778,778	2,296,955
Total 2020	52,810	2,296,955	

Analysis of support costs

	Support costs 2021 £	Governance 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	153,356	-	153,356	303,321
Depreciation	1,387	-	1,387	530
Property and insurance	10,925	-	10,925	53,305
IT costs	67,062	-	67,062	58,373
Communication	5,488	-	5,488	15,652
Travel and subsistence	2,016	-	2,016	3,941
Governance costs	-	18,670	18,670	11,779
	240,234	18,670	258,904	446,901
Total 2020	435,122	11,779	446,901	

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

9. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	8,820	10,140
Fees payable to the Charity's auditor in respect of: All non-audit services not included above	-	900

10. Staff costs

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Wages and salaries	1,445,013	1,608,426	1,445,013	1,608,426
Social security costs	102,447	108,348	102,447	108,348
Pension costs	23,040	23,498	23,040	23,498
	<u>1,570,500</u>	<u>1,740,272</u>	<u>1,570,500</u>	<u>1,740,272</u>

During the financial year the Charity has made redundancy payments amounting to £8,104. Included within this figure are non-contractual / non-statutory £2,186.

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

	Group 2021 No.	Group 2020 No.
Employees	74	73

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

	Group 2021 No.	Group 2020 No.
In the band £60,001 - £70,000	1	2

The total remuneration, benefits and pensions paid in respect of the key management personnel in the year was £181,638 (2020: £319,795).

11. Trustees' remuneration and expenses

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

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

12. Intangible assets

Group

	Goodwill £
Cost	
At 1 April 2020	333,320
At 31 March 2021	<u>333,320</u>
Amortisation	
At 1 April 2020	195,390
Charge for the year	32,394
At 31 March 2021	<u>227,784</u>
Net book value	
At 31 March 2021	<u>105,536</u>
At 31 March 2020	<u>137,930</u>
Charity	
	Goodwill £
Cost	
At 1 April 2020	90,000
At 31 March 2021	<u>90,000</u>
Amortisation	
At 1 April 2020	90,000
At 31 March 2021	<u>90,000</u>
Net book value	
At 31 March 2021	<u>-</u>
At 31 March 2020	<u>-</u>

The carrying amount of goodwill for the group consists of Valence Group Limited £105,536 (60 months remaining).

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

13. Tangible fixed assets

Group and Charlty

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2020	1,032,221	237,767	163,794	1,433,782
Additions	5,651	-	-	5,651
At 31 March 2021	<u>1,037,872</u>	<u>237,767</u>	<u>163,794</u>	<u>1,439,433</u>
Depreciation				
At 1 April 2020	175,010	236,570	163,232	574,812
Charge for the year	1,183	1,197	562	2,942
At 31 March 2021	<u>176,193</u>	<u>237,767</u>	<u>163,794</u>	<u>577,754</u>
Net book value				
At 31 March 2021	<u>861,679</u>	<u>-</u>	<u>-</u>	<u>861,679</u>
At 31 March 2020	<u>857,211</u>	<u>1,197</u>	<u>562</u>	<u>858,970</u>

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

14. Investment property

Group

	Freehold investment property £
Valuation	
At 1 April 2020	994,000
At 31 March 2021	<u>994,000</u>

Charity

	Freehold investment property £
Valuation	
At 1 April 2020	200,000
At 31 March 2021	<u>200,000</u>

Investment property comprises freehold and leasehold property. The fair value of the investment property portfolio has been made by the Trustees on an open market value basis by reference to market evidence of transaction prices for similar properties.

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

15. Fixed asset investments

	Investments in subsidiary companies £
Charity	
Cost or valuation	
At 1 April 2020	1,039,777
At 31 March 2021	<u>1,039,777</u>
Impairment	
At 1 April 2020	428,164
At 31 March 2021	<u>428,164</u>
Net book value	
At 31 March 2021	611,613
At 31 March 2020	<u>611,613</u>

Other investments comprise of investments in subsidiaries.

16. Debtors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Due within one year				
Trade debtors	247,470	125,477	247,470	107,146
Amounts owed by group undertakings	-	-	62,972	60,459
Prepayments and accrued income	44,292	38,470	42,968	38,470
	<u>291,762</u>	<u>163,947</u>	<u>353,410</u>	<u>206,075</u>

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

17. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	78,763	55,748	77,932	34,060
Other taxation and social security	53,574	83,611	37,349	79,159
Other creditors	51,940	61,978	51,940	61,978
Accruals and deferred income	448,827	260,302	346,447	159,635
	633,104	461,639	513,668	334,832
	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Deferred income at 1 April 2020	251,235	214,065	251,235	214,065
Resources deferred during the year	424,110	251,235	424,110	251,235
Amounts released from previous periods	(251,235)	(214,065)	(251,235)	(214,065)
	424,110	251,235	424,110	251,235

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

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Accruals and deferred income	-	19,236	-	19,236

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

19. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Unrestricted funds					
Designated funds					
New nursery development	60,000	-	-	80,000	140,000
Nursery dilapidations	30,000	-	-	-	30,000
New community development centre	360,738	-	-	-	360,738
Property fund	1,851,211	-	(2,942)	7,410	1,855,679
	<u>2,301,949</u>	<u>-</u>	<u>(2,942)</u>	<u>87,410</u>	<u>2,386,417</u>
General funds					
General funds	<u>422,929</u>	<u>934,457</u>	<u>(859,726)</u>	<u>(87,410)</u>	<u>410,250</u>
Total Unrestricted funds	<u>2,724,878</u>	<u>934,457</u>	<u>(862,668)</u>	<u>-</u>	<u>2,796,667</u>
Restricted funds					
Department of Health - Faith Action	372,400	419,464	(341,980)	-	449,884
ESF - Create your Futures	31,334	-	-	-	31,334
Young People	168,976	821,109	(833,034)	-	157,051
	<u>572,710</u>	<u>1,240,573</u>	<u>(1,175,014)</u>	<u>-</u>	<u>638,269</u>
Total of funds	<u>3,297,588</u>	<u>2,175,030</u>	<u>(2,037,682)</u>	<u>-</u>	<u>3,434,936</u>

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds						
Designated funds						
New nursery development	60,000	-	-	-	-	60,000
New nursery dilapidations	30,000	-	-	-	-	30,000
New community development centre	360,738	-	-	-	-	360,738
Property fund	-	-	-	1,851,211	-	1,851,211
	<u>450,738</u>	<u>-</u>	<u>-</u>	<u>1,851,211</u>	<u>-</u>	<u>2,301,949</u>
General funds						
General funds	2,374,525	1,183,094	(1,283,512)	(1,851,211)	33	422,929
Total Unrestricted funds	<u>2,825,263</u>	<u>-</u>	<u>(1,283,512)</u>	<u>-</u>	<u>33</u>	<u>2,724,878</u>
Restricted funds						
Department of Health - Faith Action	100,671	1,243,517	(971,788)	-	-	372,400
ESF - Create your Futures	-	87,937	(56,603)	-	-	31,334
Young People	-	600,929	(431,953)	-	-	168,976
	<u>100,671</u>	<u>1,932,383</u>	<u>(1,460,344)</u>	<u>-</u>	<u>-</u>	<u>572,710</u>
Total of funds	<u>2,925,934</u>	<u>1,932,383</u>	<u>(2,743,856)</u>	<u>-</u>	<u>33</u>	<u>3,297,588</u>

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

Designated funds

New nursery development - The property was purchased as a house and is to be converted into a day nursery, subject to planning permission, and so these funds have been put aside for this purpose.

Nursery dilapidations - This fund is to be used for the refurbishment obligations of our nursery facilities in the London Borough of Redbridge and its surrounding areas.

New community development centre - The fund will be used to redevelop a vacant and derelict site in Valence Ward in Dagenham by demolishing existing buildings, and replacing them with a brand-new Phoenix Centre (Community Centre).

Property fund - This fund reflects the net book value of the Group's freehold and investment properties at the Balance Sheet date.

Restricted funds

Department of Health Faith Action - To disseminate information about health and social care from Government to grassroots voluntary sector organisation and to represent the voice of those organisations in health and care policy making.

ESF Create Your Futures - LifeLine Community Projects holds a sub-contract with Community Links to deliver the Create Your Future programme. The programme targets long-term unemployed and economically inactive BAME women facing barriers which are shown to be the most challenging in terms of employment.

Young People - This initiative supports young people at risk of serious youth violence or criminal exploitation through our award-winning VIP mentoring programme, positive weekly activities, school holiday activity days and residentials and the SWITCH Ambassador leadership programme. We have funding from 4 different funders to work in 24 schools across Tower Hamlets, Barking and Dagenham, Redbridge, Havering and Thurrock. School recruitment was delayed due to the national lockdown but staff were deployed with community referrals, positive activities and detached work. The police have described Covid-19 as their best crime fighting tool but we were prepared for a rise as schools opened again.

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

20. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Designated funds	2,301,949	-	(2,942)	87,410	2,386,417
General funds	422,929	934,457	(859,726)	(87,410)	410,250
Restricted funds	572,710	1,240,573	(1,175,014)	-	638,269
	<u>3,297,588</u>	<u>2,175,030</u>	<u>(2,037,682)</u>	<u>-</u>	<u>3,434,936</u>

Summary of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Designated funds	450,738	-	-	1,851,211	-	2,301,949
General funds	2,374,525	1,183,094	(1,283,512)	(1,851,211)	33	422,929
Restricted funds	100,671	1,932,383	(1,460,344)	-	-	572,710
	<u>2,925,934</u>	<u>3,115,477</u>	<u>(2,743,856)</u>	<u>-</u>	<u>33</u>	<u>3,297,588</u>

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	861,679	-	861,679
Intangible fixed assets	105,536	-	105,536
Investment property	994,000	-	994,000
Current assets	1,205,285	901,540	2,106,825
Creditors due within one year	(369,833)	(263,271)	(633,104)
Total	2,796,667	638,269	3,434,936

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	858,970	-	858,970
Intangible fixed assets	137,930	-	137,930
Investment property	994,000	-	994,000
Current assets	1,214,853	572,710	1,787,563
Creditors due within one year	(461,639)	-	(461,639)
Creditors due in more than one year	(19,236)	-	(19,236)
Total	2,724,878	572,710	3,297,588

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

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

	Group 2021 £	Group As restated 2020 £
Net income for the year (as per Statement of Financial Activities)	137,348	371,654
Adjustments for:		
Depreciation and amortisation charges	35,336	53,362
Dividends, interests and rents from investments	(71,449)	(94,393)
Increase in debtors	(127,815)	(42,987)
Increase/(decrease) in creditors	152,229	(694)
Net cash provided by operating activities	125,649	286,942

23. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	1,815,063	1,623,616
Total cash and cash equivalents	1,815,063	1,623,616

24. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	823,616	191,447	1,015,063
Liquid investments	800,000	-	800,000

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

25. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and an amount of £23,040 (2020 - £23,498) were payable to the fund at the Balance Sheet date and are included in creditors.

26. Operating lease commitments

At 31 March 2021 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £
Not later than 1 year	69,241	52,749
Later than 1 year and not later than 5 years	144,054	212,909
	<u>213,295</u>	<u>265,658</u>

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

27. Related party transactions

During the year the charity and its group had the following transactions with Lifeline Church (LC), a charity of which Avril McIntyre is also a trustee:

- Expenses were recharged to LC totalling £18,743 (2020: £52,411).
- Expenses were recharged from LC totalling £Nil (2020: £2,702).
- The balance due from LC at the year end was £364 (2020: £165).

During the year the charity and its group had the following transactions with Lifeline Network International (LNI), a charity of which Avril McIntyre is also a trustee:

- Expenses were recharged to LNI totalling £5,914 (2020: £11,053).
- The balance due from LNI at the year end was £69 (2020: £83).

During the year the charity and its group had the following transactions with Community Resources for Change (CRC), a charity of which Avril McIntyre is also a trustee:

- Expenses were recharged to CRC totalling £22,004 (2020: £52,601).
- Expenses were recharged from CRC totalling £Nil (2020: £35,487).
- The balance due from CRC at the year end was £126 (2020: £865).

Two connected persons to one of the Trustees (J Singleton) received remuneration and expenses during the year as follows:

- D Singleton received remuneration of £57,116 (2020: £100,588 as restated).
- N Singleton received remuneration of £71,603 (2020: £89,957 as restated).

No other Trustees (or any persons connected with them) received any remuneration, expenses or benefits from the Charitable Group during the year.

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

28. Post balance sheet events

In November 2021 the Charity made a gift of property and cash assets, amounting to £1,914,000 to Lifeline Church (Charity No: 1134281), as well as the creation of a long-term liability in the Charity's financial statements, of £560,091.

29. Principal subsidiaries

These financial statements are consolidated financial statements for Lifeline Community Projects and its subsidiaries, which are both based in the UK. Separate company financial statements for the subsidiary companies are required to be prepared by law and are publicly available at Companies House.

On 10 June 2016 the Charitable Company purchased the entire share capital of Valence Group Limited for cash consideration of £1,039,777 (including costs). On acquisition fixed assets of £1,056,263, current assets of £6,113 and current liabilities of £265,919 were recognised.

The following were subsidiary undertakings of the Charity:

Names	Principal activity	Class of shares	Holding
Lifeline Enterprises Ltd	IT support services	Ordinary	100%
Valence Group Ltd	Property management	Ordinary	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Lifeline Enterprises Ltd	-	(325)	(325)	3,504
Valence Group Ltd	63,501	(12,229)	51,272	722,418

The investments in subsidiaries are all stated at cost less impairments.